

News Release

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Government
of South Australia

Hon Gail Gago

Minister for State/Local Government

Relations

Minister for Status of Women

Minister for Consumer Affairs

Minister Government Enterprises

Minister Ast Minister for Transport, Infrastructure & Energy

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GET TO THE AUCTION BEFORE IT'S GOING, GOING, GONE

Consumer Affairs Minister Gail Gago is reminding people who are interested in buying a house at auction this weekend to get there early because the rules have changed to protect consumers.

“The most comprehensive changes to the state’s real estate laws in more than a decade came into effect on Monday and there are several new standards in place which affect auctions in particular,” Ms Gago said.

“Now, if you want to bid at an auction you’ll have to register for a unique bidder number before the auction starts.

“To do this, you’ll have to show proof of identity and, if you’re bidding on someone else’s behalf, you’ll have to present a copy of a document proving their identity such as a driver licence, along with a signed letter from them authorising you to act on their behalf.

“To ensure greater accountability the auctioneer will have to keep a record of every bid that’s made and they will no longer be free to make as many vendor bids as they like.

“In fact, vendor bids will be limited to three bids which must be identified clearly by the auctioneer as vendor bids and they must also be below the reserve price.

“Dummy bidding is banned and anyone who breaches this provision could face a fine of up to \$20,000.

“These changes are all about giving consumers more confidence in real estate processes by making sure transactions are fair and transparent for both vendors and buyers.

“Compliance officers from the Office of Consumer and Business Affairs (OCBA) will be out in force, checking that real estate agents are adhering to the new laws when it comes to auctions and sales by private treaty.

“OCBA will be extending its consumer advice service this weekend to specifically answer the questions of house hunters between the hours of 10am and 2pm on Saturday and Sunday.”

The number to call is 8204 9777 for metropolitan consumers and 131 882 for country residents and consumers can also call these numbers Monday to Friday between 9 and 5pm.

A range of materials to help inform South Australians about the changes is also

available on the OCBA website at www.ocba.sa.gov.au, including a document called “It’s about the house” as well as information for first home buyers and fact sheets.

Summary of benefits under the reforms :

- Over-quoting to secure property listings will be a thing of the past
- All agents, sales representatives and auctioneers must meet qualification requirements and be registered with the Office of Consumer and Business Affairs (OCBA).
- Dummy bids will be prohibited and records will be kept of legitimate bids lodged during an auction
- Agents can no longer advertise a property at a price well below its true value.
- More certainty for consumers when it comes to the terms and conditions included in a sales agency agreement.
- Anyone intending to bid must provide identification and register on the bidders register.
- As is the case with most other auctions, registered bidders will be given identification that they will need to display every time they make a bid.
- An auctioneer can make no more than three vendor bids - these bids must not be above the reserve price and they must be audibly announced as vendor bids