

Professional Standard 5

Auction Conduct

Version 0.7 – May 2026

EXPOSURE DRAFT

Auctioneers & Valuers Association of Australia
Reference: 4.27.2

Introduction

The Auctioneers and Valuers Association of Australia (AVAA) is committed to strengthening professionalism, integrity, and public confidence across the valuation and auction sectors. This *AVAA Professional Standard* forms part of a broader framework designed to support consistent practice, ethical conduct, and accountability across the diverse services provided by members.

Professional standards play an important role in defining expectations for those who hold themselves out as skilled practitioners. They establish clear principles for conduct, competence, and responsibility, helping practitioners, clients, and regulators understand the level of professionalism that should reasonably be expected in the marketplace.

Auctions involve significant commercial, legal, financial, and consumer protection considerations affecting auctioneers, vendors, purchasers, consignors, insurers, regulators, and the broader reputation of the auction sector. Professional auction practice therefore requires auctions to be conducted fairly, transparently, professionally, and consistently with applicable legal, ethical, and consumer protection obligations.

This Professional Standard establishes principles governing the conduct of physical, online, livestream, remote, and technology-enabled auctions involving auctioneers and corporate members. The Standard supports professional accountability, consumer confidence, commercially responsible auction practices, and transparency regarding auction terms, bidder conduct, vendor arrangements, payment obligations, settlement processes, and auction procedures..

This standard has been developed through consultation with practitioners and informed by regulatory frameworks, industry experience, and evolving client and government expectations. It is intended to provide practical guidance while reinforcing the importance of transparency, diligence, and professional judgement in everyday practice.

Those holding the AVAA Certified Auctioneer (CAAU) plus AVAA Corporate Members apply this Professional Standard to demonstrate a commitment to continuous improvement and professional accountability. In doing so, they contribute to a stronger and trusted sector where valuers are recognised not only for their expertise but also for the integrity and reliability of their work.

Troy R Williams FAIM MAICD
AVAA Chief Executive

May 2026

Professional Standard 5

Title —

AVAA Professional Standard 5 – Auction conduct

Purpose —

Auctions involve significant commercial, legal, financial, and consumer protection considerations affecting auctioneers, vendors, purchasers, consignors, financiers, regulators, insurers, and the broader reputation of the auction sector. Professional auction practice therefore requires auctions to be conducted fairly, transparently, professionally, and consistently with applicable legal and ethical obligations.

This Professional Standard establishes principles governing the conduct of physical, online, livestream, remote, and technology-enabled auctions. The Standard is intended to support professional accountability, consumer confidence, procedural transparency, commercially responsible auction practices, and clarity regarding auction terms, bidder obligations, vendor arrangements, payment processes, and auction conduct.

Scope —

This Professional Standard applies to the conduct, administration, management, promotion, settlement, and operational management of physical auctions (however conducted) and related to the performance of auction services.

Application —

This Professional Standard applies to all individuals holding the AVAA Certified Auctioneer (CAAu) credential and AVAA Corporate Members conducting auction services.

Standard —

1. Principles Of Auction Conduct

- 1.1 Auctioneers and corporate members should conduct auctions honestly, professionally, transparently, and in a manner consistent with maintaining public confidence in auction services.
- 1.2 Auction processes should support fair competition between bidders, reasonable transparency regarding auction terms, and commercially responsible conduct.
- 1.3 Auctioneers should take reasonable steps to ensure that auction participants are aware of applicable auction terms, conditions of sale, payment obligations, collection arrangements, and material limitations relevant to the auction process.
- 1.4 This Professional Standard applies to physical, online, livestream, remote, automated, timed, and technology-enabled auction environments.
- 1.5 This Professional Standard is intended to complement obligations arising under applicable consumer protection legislation, auction legislation, and the *Competition and Consumer Act 2010 (Cth)*, and state legislation related to the conduct of auctions where it exists.

2. Auction Terms And Conditions

- 2.1 Auctioneers and corporate members should maintain auction terms and conditions reasonably appropriate to the nature, scale, complexity, and risk profile of the auction services provided.

- 2.2 Auction terms and conditions should, where reasonably relevant, identify:
 - a. bidder registration requirements.
 - b. payment obligations and settlement timeframes.
 - c. collection, delivery, storage, and transfer arrangements.
 - d. buyer's premiums, commissions, taxes, fees, and charges.
 - e. reserve arrangements where applicable.
 - f. inspection opportunities where available.
 - g. dispute and default processes.
 - h. conditions relating to withdrawal, cancellation, or refusal of bids.
 - i. limitations relating to descriptions, images, condition reports, or representations.
- 2.3 Auction terms and conditions may be communicated electronically, including through websites, online bidding platforms, digital catalogues, mobile applications, electronic registration systems, livestream platforms, or other technology-enabled auction processes.
- 2.4 Auctioneers should take reasonable steps to ensure that auction terms and conditions are reasonably accessible to bidders prior to participation in the auction process.

3. Descriptions, Representations, And Condition

- 3.1 Auctioneers and corporate members should take reasonable steps to ensure that lot descriptions, catalogues, photographs, condition information, and representations are prepared honestly and without material misleading or deceptive conduct.
- 3.2 Auctioneers may rely upon information supplied by vendors, consignors, specialists, contractors, experts, or third parties provided reasonable steps are taken to avoid materially misleading representations.
- 3.3 Unless otherwise expressly represented, auction lots may be offered on an "as is, where is" basis subject to the applicable auction terms and conditions.
- 3.4 Auction terms and conditions may provide that purchasers are responsible for satisfying themselves regarding the condition, authenticity, provenance, suitability, quality, description, functionality, or fitness for purpose of auction items prior to bidding.
- 3.5 Auctioneers and corporate members should take reasonable steps to make available inspection opportunities, condition information, catalogues, photographs, or other information reasonably appropriate to the nature of the goods and auction process.
- 3.6 Where a purchaser has not physically inspected the goods, attended the auction, or personally examined the auction item, the purchaser may remain bound by the auction terms and conditions, including "as is, where is" conditions, subject to applicable laws.
- 3.7 Auctioneers and corporate members should avoid representations capable of creating misleading expectations regarding auction outcomes, bidding activity, market interest, sale prices, authenticity, or condition.

4. Online Auctions And Technology-Enabled Auctions

- 4.1 Auctioneers and corporate members conducting online, livestream, remote, or technology-enabled auctions should take reasonable steps to maintain systems and processes reasonably appropriate for the conduct of the auction.

- 4.2 Auctioneers are not responsible for bidding failures, outages, internet disruptions, transmission delays, software failures, platform interruptions, or technology failures beyond their reasonable control where reasonable systems and operational processes have been maintained.
- 4.3 Auction terms and conditions may provide that the auctioneer retains discretion regarding:
 - a. acceptance or rejection of bids.
 - b. resolution of disputed bids.
 - c. extension, suspension, cancellation, or closure of bidding periods.
 - d. bidder authentication and participation.
 - e. management of operational or technology failures.
- 4.4 Auctioneers and corporate members should take reasonable steps to identify and manage risks associated with fraudulent bidding activity, impersonation, unauthorised access, system misuse, or technology-enabled misconduct.

5. Bidder Registration And Conduct

- 5.1 Auctioneers and corporate members may require bidders to register, verify identity, provide payment information, provide security deposits, or satisfy bidding qualification requirements before participating in an auction.
- 5.2 Auctioneers may refuse, suspend, restrict, or cancel bidding privileges where reasonably necessary to:
 - a. comply with legal obligations.
 - b. manage commercial or operational risks.
 - c. address disruptive, fraudulent, collusive, or improper conduct.
 - d. protect the integrity of the auction process.
- 5.3 Auction participants should conduct themselves honestly and professionally and comply with applicable terms and conditions.
- 5.4 Auctioneers and corporate members must not knowingly engage in, permit, or facilitate dummy bidding, fictitious bidding, undisclosed vendor bidding, collusive bidding, or other conduct intended to improperly mislead participants regarding genuine bidding activity, competition, market interest, or sale price formation.
- 5.5 Nothing in clause 5.4 prevents lawful vendor bids, auctioneer bids, reserve bidding practices, or other bidding conduct expressly permitted under applicable legislation provided the conduct is appropriately disclosed and undertaken in accordance with legal and regulatory requirements.

6. Payment, Settlement, And Vendor Arrangements

- 6.1 Auction terms and conditions should clearly identify purchaser payment obligations, payment methods, settlement timeframes, consequences of non-payment, and any applicable interest, storage, recovery, cancellation, or enforcement arrangements.
- 6.2 Auctioneers and corporate members should take reasonable steps to clearly communicate the basis upon which sale proceeds, commissions, buyer's premiums, fees, taxes, charges, and disbursements are calculated and distributed.
- 6.3 Vendor arrangements, including reserve arrangements, commissions, authority to sell, withdrawal rights, settlement arrangements, and related instructions, should be appropriately documented.

- 6.4 Auctioneers may retain possession of goods until payment obligations, collection obligations, storage charges, transport costs, commissions, fees, or other contractual obligations have been satisfied where permitted by the auction terms and applicable law.
- 6.5 Auctioneers and corporate members should take reasonable steps to comply with applicable trust account, payment handling, financial management, and settlement obligations arising under legislation or other AVAA Professional Standards.
- 6.6 Auction terms and conditions should clearly disclose any lawful vendor bidding, auctioneer bidding, reserve bidding practices, or similar bidding arrangements permitted under applicable legislation where such practices may occur in connection with the auction.

7. Disputes, Complaints, And Risk Management

- 7.1 Auctioneers and corporate members should take reasonable steps to maintain processes for handling complaints, disputed sales, disputed bids, payment disputes, operational issues, and settlement disputes arising from auction activities.
- 7.2 Auctioneers may rely upon clerk records, bidding records, audio recordings, video recordings, platform records, online bidding logs, system-generated records, and other auction records in resolving disputes relating to auction conduct or bidding activity.
- 7.3 Auctioneers and corporate members should take reasonable steps to maintain records relating to bidder registration, auction conduct, transactions, settlement processes, communications, and material auction decisions.

8. Professional Accountability

- 8.1 Proper auction conduct forms part of professional and ethical practice.
- 8.2 Compliance with this Professional Standard does not replace obligations arising under legislation, licensing obligations, consumer protection laws, court orders, or regulatory requirements.

9. Prohibited Conduct

- 9.1 Auctioneers and corporate members must not knowingly engage in misleading, deceptive, dishonest, fraudulent, collusive, or commercially improper conduct in connection with auction services.
- 9.2 Auctioneers and corporate members must not knowingly misrepresent:
 - a. the condition or characteristics of goods.
 - b. bidding activity.
 - c. reserve arrangements.
 - d. ownership interests.
 - e. payment obligations.
 - f. auction outcomes.
 - g. inspection opportunities.
 - h. settlement arrangements.
- 9.3 Auctioneers and corporate members must not improperly interfere with the fair, transparent, and orderly conduct of auctions or knowingly permit conduct likely to undermine confidence in the integrity of the auction process.

8. Failure To Comply

- 8.1 Failure to comply with this Professional Standard itself constitutes conduct capable of consideration under the *AVAA Code of Ethics for Individual Members*, the *AVAA Code of Practice for Corporate Members*.
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Status & Review —

AVAA Board Approval: TBA (Draft)
Periodic Review Due: 1 Year after approval

Exposure Draft





The **Auctioneers and Valuers Association of Australia (AVAA)** is the leading national body representing professional auctioneers and valuers across a diverse range of specialties, including fine art, antiques, collectables, goods, vehicles, plant, and equipment.

Our Vision

As the peak body for auctioneers and valuers in Australia, AVAA upholds the highest professional and ethical standards through education, advocacy, and leadership.

Our Mission

To support and represent Australia's auctioneers and valuers through rigorous standards, ethical leadership, quality education, and credible advocacy, ensuring trust, professionalism, and future-readiness in a changing world.

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