

*AuctionsPlus Pty Limited*

*OPERATING  
CONDITIONS*

*Effective 1 July 2006*



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## INTERPRETATION

### 1. Definitions

In these Operating Conditions –

"**access**", in relation to the AuctionsPlus System or data, means to read on screen or obtain a printed copy or other record of any data recorded in the AuctionsPlus System;

"**accredited assessor**" means a person who has been accredited as an assessor to Level 1, 2 or 3 status by AuctionsPlus under these Operating Conditions;

"**agent**" means an agent for a vendor or for a purchaser who undertakes all functions normally associated with an agent;

"**auction**" means a sale in which each lot is sold to the highest bidder providing the bid equals or exceeds the vendor's reserve price;

"**auctioneer**" means the person conducting the physical component of an interface auction;

"**AuctionsPlus**" means AuctionsPlus Pty Ltd ACN 072 403 984 in its capacity as provider of the AuctionsPlus System, and not in its capacity as a market operator;

"**AuctionsPlus System**" means the computer based communication facility for the sale of livestock provided by AuctionsPlus but does not include registered users' terminals or any means of communication from a registered user to the Internet;

"**AUS-MEAT**" means AUS-MEAT Limited, a company limited by guarantee;

"**AUS-MEAT Language**" means the terminology and criteria for description of livestock and measurement of carcasses prescribed or adopted by AUS-MEAT;

"**bid and offer system**" means a sale in which each lot is sold to the first bidder who makes an offer equal to or above the vendor's reserve price;

"**catalogue**", in relation to a lot, includes the assessment of the lot;

"**certified**", in relation to weighbridge scales or abattoir scales, means approved or authorised by the competent authority in the State or Territory where the scales are situated;

"**Commercial Arbitration Legislation**" means the Commercial Arbitration Act, 1984, of New South Wales and the corresponding legislation in each other State and Territory;

"**data**" includes assessments, catalogues, bid bases, reserve prices, bids, limit bids, carcass measurements, kill data, assessor performance data and market reports;

"**designated forms and manuals**" means the forms and manuals designated from time to time by AuctionsPlus under these Operating Conditions;

"**enter**", in relation to data, means to record the data in the AuctionsPlus System;

"**interface auction**" means an auction conducted in accordance with Part D2;

"**market operator**" means a registered user who is authorised to conduct auctions on the AuctionsPlus system;

"**mixed truck lot**" means animals from two or more lots transported on the one motor lorry, railway truck or ship;

"**modify**", in relation to data recorded in the AuctionsPlus System, means amend or replace the data;

"**negotiated sale**" means a sale negotiated between a vendor and a purchaser in accordance with Part D1, D2 or D3;

"**person**" includes a body corporate as well as a natural person;

"**purchaser**" includes an agent who is deemed to be purchasing as a principal;

"**registered user**" means a person registered as a user by AuctionsPlus under these Operating Conditions;

"**sale**" means a sale by auction or in the bid and offer system or by a negotiated sale;

"**sell**" means to sell by auction or in the bid and offer system or by a negotiated sale;

"**selling agent**" means the agent who lists stock in an auction on behalf of the vendor;

"**sheep**" means both adult sheep and lambs or hoggets, unless otherwise specified;

"**slaughter stock**" means animals purchased for immediate slaughter by or on behalf of the purchaser;

"**standard bid basis**" is a bid expressed in dollars per head terms free of levy and other charges to the vendor;

"**stock category**" means a category or class of livestock fixed by AuctionsPlus from time to time and distinguished by species, sex, dentition and weight;

"**store stock**" means animals other than slaughter stock.

**2. Headings and schedules**

2.1 The headings to the clauses are not part of these Operating Conditions and shall not affect their construction.

2.2 The Schedules are part of these Operating Conditions.

**3. Parts of speech and grammatical forms**

In these Operating Conditions, unless the contrary intention appears, where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

**4. Gender and number**

In these Operating Conditions, unless the contrary intention appears:

- (a) words importing one gender include all other genders; and
- (b) words in the singular include the plural, and words in the plural include the singular.

**5. Notices**

Any notice that AuctionsPlus is required or permitted to give in writing to a registered user under these Operating Conditions may be given by electronic mail.



## PART A: GENERAL CONDITIONS

### 1. **Operating Conditions bind all users**

These Operating Conditions bind all users of the AuctionsPlus System, whether or not they are registered users.

### 2. **Variation of Operating Conditions**

2.1 AuctionsPlus may from time to time, by notice on the AuctionsPlus system setting out the variations, vary these Operating Conditions.

2.2 A variation has effect from the date specified in the notification.

### 3. **Use of AUS-MEAT Language**

3.1 All livestock sold through the AuctionsPlus System or by a negotiated sale must be described, and all assessments, carcass measurements and kill data entered in the AuctionsPlus System must be based on the AUS-MEAT Language.

3.2 A copy of the AUS-MEAT Language may be obtained from AUS-MEAT.

### 4. **Sale Options**

The sale options available through the AuctionsPlus System or through negotiated sales apply to the price required by the vendor or bid by the purchaser as the case may be, and are –

- (a) **Per head** basis, where the price is in dollars and cents per head for all livestock in the lot;
- (b) **Liveweight** basis, where the price is in cents per kilogram for the aggregate liveweight ascertained by certified scales of all livestock in the lot;
- (c) **Carcass weight** basis, where the price is in cents per kilogram for the aggregate weight ascertained by certified abattoir scales of the carcasses of all livestock in the lot subject to adjustments for bruising as specified in the applicable AuctionsPlus bruising schedule.

### 5. **Forms and manuals**

AuctionsPlus will make available copies of the designated forms and manuals to registered users for prices fixed by AuctionsPlus, and may from time to time vary the designated forms and manuals.

### 6. **Disputes**

6.1 Subject to the provisions of Part E1 clause 22 and the First Schedule or Part E2 clause 21 and the Second Schedule, a dispute about the conduct of an auction, the conduct of a bid and offer system, the sale of a lot, the fitness for transport of any animal, the slaughter of a lot or any other matter arising under these Operating Conditions shall first be referred for resolution to the relevant agent.

6.2 If the parties are unable to resolve the dispute within twenty-eight (28) days of delivery of the stock, the dispute shall be referred in writing, no later than the expiration of that period, to AuctionsPlus General Manager for arbitration.

6.3 When a dispute is referred for Arbitration:

- (a) each party shall submit to AuctionsPlus an acceptance for the matter to be taken to arbitration. This is to be on the designated form and is to be accompanied by the payment of the prescribed fee.
- (b) the AuctionsPlus General Manager will establish a panel of arbitrators comprising himself or his delegate and two (2) other persons chosen by himself or his delegate,

who in his opinion or that of his delegate have appropriate qualifications and relevant industry experience.

- (c) the parties shall each outline in writing to the AuctionsPlus General Manager the nature of the dispute and all matters relevant to the dispute that in their opinion should be considered in the arbitration and;
- (d) with their written outline to the AuctionsPlus General Manager the purchaser shall pay the amount in dispute to AuctionsPlus and AuctionsPlus shall hold the payment in trust pending the determination of the arbitration, whereupon the amount shall be paid in accordance with the determination.

6.4 The panel of arbitrators may determine the rules to apply to the arbitration and the awarding of costs or, if they are unwilling or unable to do so, the arbitration shall be conducted under the Commercial Arbitration Legislation in the State or Territory in which the panel holds the arbitration.

## **PART B: CONDITIONS OF REGISTRATION**

### **1. Application for registration**

A person who desires to use the AuctionsPlus System shall become a registered user and shall apply to AuctionsPlus to become a registered user by completing and submitting an application in the designated form.

### **2. Registration by AuctionsPlus**

2.1 AuctionsPlus may accept or reject an application as it sees fit, and may accept an application subject to such conditions as it sees fit to impose, and may from time to time revoke, renew or vary the conditions as it sees fit.

2.2 AuctionsPlus may require further particulars (whether or not required on the designated form of application) before determining whether to accept or reject an application, or in relation to the continuing registration of a registered user.

2.3 Where AuctionsPlus rejects an application, it will provide reasons for the rejection.

### **3. Notice of change in particulars**

A registered user shall give notice in writing to AuctionsPlus of any change in the particulars supplied in relation to registration within seven (7) days of the change occurring.

### **4. Conditions for registration of agents and market operators**

A registered user operating as an agent or market operator shall -

- (a) comply with all legal requirements in any State or Territory in which the registered user carries on business; and
- (b) comply with any other conditions imposed by AuctionsPlus.

### **5. Conditions for registration of purchasers**

A registered user operating as a purchaser who slaughters livestock sold through the AuctionsPlus System or by a negotiated sale, on a Carcase weight basis shall -

- (a) ensure the livestock are slaughtered in accordance with the AUS-MEAT Language by:
  - (i) having the livestock slaughtered at an AUS-MEAT accredited abattoir; or
  - (ii) having the slaughter of the livestock monitored by AUS-MEAT for a fee, payable by the purchaser, determined by AUS-MEAT from time to time;
- (b) permit AuctionsPlus, the vendor or the selling agent to attend and observe the slaughter of the livestock;
- (c) supply a copy of the recognised kill sheet incorporating the carcase measurement and kill data to AuctionsPlus within two (2) working days of slaughter and, where price adjustment is sought on the basis set out in the First or Second Schedule, enter or cause to be entered the carcase measurement and kill data into the AuctionsPlus System within two (2) working days of slaughter; and
- (e) the information supplied to AuctionsPlus is also to be supplied to the selling agent within two (2) working days of slaughter.

### **6. Conditions for registration of accredited assessors**

6.1 A registered user who desires to become, or remain, an accredited assessor shall -

- (a) attend training courses approved by AuctionsPlus and/or complete a prescribed number of parallel assessments with an accredited assessor;
- (b) accept on-going review of the level of accreditation granted;

- (c) assess only those species and submit assessments only for those sale options for which the assessor has been accredited;
  - (d) acknowledge that the assessor is engaged by and is acting for and on behalf of the vendor; and
  - (f) comply with any other conditions imposed by AuctionsPlus.
- 6.2 AuctionsPlus may fix levels of accreditation of accredited assessors, with different conditions applying to each level and may vary these conditions from time to time.
- 6.3 The levels of accreditation of assessors are Level 1 (professional), Level 2 and Level 3.
- 7. User identification numbers**
- 7.1 AuctionsPlus will give each registered user a user identification code and user-id.
- 7.2 A registered user shall quote his user identification code and/or user-id in relation to all transactions through the AuctionsPlus System and all dealings with AuctionsPlus.
- 8. Connection to AuctionsPlus System**
- 8.1 AuctionsPlus will give each registered user who communicates with the AuctionsPlus System by a terminal, a user identification code and user-id, and the facility to establish a confidential password.
- 8.2 A registered user shall use his user identification code and his password to communicate with the AuctionsPlus System and will be unable to gain access to the AuctionsPlus System if he fails to do so.
- 8.3 A registered user shall keep his user identification code and his password confidential and observe any security instructions given by AuctionsPlus and for his own protection should immediately give notice in writing to AuctionsPlus of any improper disclosure or use of his user identification code or his password.
- 8.4 A registered user is bound by any transaction (including a bid at an auction or in the bid and offer system) using his user identification code and his password unless he has previously given AuctionsPlus notice in writing requesting cancellation of his user identification code or his password.
- 9. Fees for use of AuctionsPlus System**
- 9.1 A registered user shall pay to AuctionsPlus fees for use of the AuctionsPlus System.
- 9.2 The scale of fees will be set by AuctionsPlus from time to time.
- 9.3 All accounts must be paid within seven (7) days of receipt of an invoice from AuctionsPlus.
- 10. Interest on overdue fees**
- 10.1 Where a registered user fails to pay any fees in full on the due date, AuctionsPlus reserves the right to charge interest on the unpaid balance of the fees at the rate set out in the scale of fees.
- 10.2 Interest will accrue from day to day and shall be paid monthly in arrears. Any unpaid interest will be added to the balance of fees owing and will itself bear interest in accordance with this clause.

**11. Copyright in AuctionsPlus System**

AuctionsPlus is the absolute beneficial owner of the AuctionsPlus System and of the copyright and all other rights in the nature of copyright and all other intellectual property rights, in the AuctionsPlus System and in the designated forms and manuals.

**12. Publication and confidentiality of data**

12.1 Each vendor authorises the access by all other registered users of any assessment entered by him or on his behalf.

12.2 Each purchaser authorises the inclusion of summaries of carcase measurement and kill data in market reports compiled by AuctionsPlus and the access by all other registered users of those market reports.

12.3 Each vendor and purchaser authorises the inclusion of summaries of sales in market reports compiled by AuctionsPlus or market operators and the access by all other registered users of those market reports.

**13. Indemnities by registered users**

Each registered user shall keep AuctionsPlus indemnified against all claims made against AuctionsPlus by any person in respect of any transaction entered into by the registered user, whether as a principal or an agent, through the AuctionsPlus System or by a negotiated sale.

**14. Disclaimer by AuctionsPlus**

14.1 AuctionsPlus is not liable to any market operator, agent or vendor for payment in respect of any lot sold through the AuctionsPlus System or by a negotiated sale.

14.2 Each purchaser and each market operator shall keep AuctionsPlus indemnified against all claims for payment in respect of any lot sold through the AuctionsPlus System or by a negotiated sale and each vendor shall release AuctionsPlus from all such claims.

**15. Malfunction of AuctionsPlus System**

AuctionsPlus is not liable to any registered user for any malfunction of or break down in the AuctionsPlus System (including the Austpac communications network) or for any non-receipt, non-transmission or loss of data by the AuctionsPlus System (including the Austpac communications network), whether caused or contributed to by any negligent or other act or omission of AuctionsPlus or its employees, contractors or agents or of any registered user.

**16. Variation of AuctionsPlus System**

AuctionsPlus may vary any of the functions of the AuctionsPlus System or any hardware or software included in the AuctionsPlus System, but will not be liable to any registered user for any change in functionality, performance or specifications by reason of any such variation.

**17. Variation of stock categories and sale options**

AuctionsPlus may vary the stock categories traded through the AuctionsPlus System or through negotiated sales and may vary the sale options for livestock, but will not be liable to any registered user due to such variation.

**18. Termination of registration**

18.1 AuctionsPlus may give notice terminating the registration of any registered user who -

- (a) fails to comply with any provision of these Operating Conditions;
- (b) being a natural person, becomes insolvent or under administration;
- (c) being a natural person, has been convicted of an offence or has an offence proved against him whether for breach of any Act or otherwise; or

- (d) being a corporation, is wound up or has a provisional liquidator appointed or has a receiver or receiver and manager of any of its property appointed or has an official manager appointed.

18.2 The termination will take effect from the date specified.

**19. Consequences of termination**

Upon termination of the registration, all rights of the registered user under these Operating Conditions cease but he remains liable for any unpaid fees (whether or not invoiced), for any debt, liability or obligation incurred in relation to any sale, and for any claim arising from failure to comply with these Operating Conditions.

## **PART C 1: ASSESSMENT AND SUBMISSION OF LOTS FOR SALE - CATTLE**

### **1. Composition of lots**

All cattle in the lot shall be within the same stock category but may be within one or more weight divisions or classes and one or more fat divisions in the AUS-MEAT Language.

### **2. Tick areas**

2.1 Where the vendor is aware that the lot comprises cattle from tick areas that have been depastured in clean areas in recent times, the vendor shall inform the assessor who will include this information in the assessment for inclusion in the catalogue.

2.2 Where the vendor is aware that the lot comprises cattle from clean areas that have been depastured in a tick area in recent times, the vendor shall inform the assessor who will include this information in the assessment for inclusion in the catalogue.

### **3. Hormonal growth promotants**

The vendor shall inform the assessor of the hormonal growth promotant status of the cattle in the lot.

### **4. Assessment of lots**

4.1 Where a lot is submitted for sale by auction, the assessment shall -

- (a) be made on the designated form; and
- (b) be completed not more than 14 days before the date of auction.

4.2 Where a lot is listed for sale in the bid and offer system, the assessment shall be made on the designated form, apply to the specifications of the livestock at delivery and be completed in accordance with any special requirements nominated by AuctionsPlus from time to time.

4.3 An assessment may be made on an individual animal or group basis.

4.4 Subject to sub-clause 4.5, a copy of the assessment in the designated form signed both by the vendor or his agent and by the assessor shall be held by the market operator or the selling agent before the lot is included in a catalogue.

4.5 Where a lot is assessed in a remote area, the assessment may be entered and the lot offered for sale if the market operator has received satisfactory assurances that the assessment in the designated form has been or will be sent.

4.6 The purchaser of a lot purchased on a Per Head or Liveweight basis may resubmit the lot and offer it for sale with the original assessment only if -

- (a) the original assessment was made by an accredited assessor and the accredited assessor gives his permission; and
- (b) the vendor agrees to deliver to the sub-purchaser and agrees to any necessary extension of the date of delivery under the original sale.

### **5. Identification of cattle**

5.1 For a lot assessed on an individual animal basis, all cattle in the lot shall, during the assessment, be clearly identified by a tag or colour brand approved by AuctionsPlus, or by any other suitable method described in the assessment.

5.2 All cattle included in a lot assessed on a group basis shall at the time of delivery, be clearly identified by a tag or colour brand approved by AuctionsPlus, or by any other suitable method described in the assessment.

5.3 Before delivery the vendor shall, if necessary, apply other distinctive marks (described in the catalogue) to the cattle in the lot to distinguish them in the abattoir.

5.4 Where a lot will be delivered in mixed truck lots, an additional painted brand (described in the catalogue) shall also be applied to distinguish each lot.

## **6. Vendor's sale options**

6.1 The vendor shall in the assessment nominate the sale option or options upon which he offers the lot for sale.

6.2 Where the vendor nominates a Liveweight basis, he shall also nominate the certified scales at which he requires the lot to be weighed and given delivery of.

## **7. Delivery of lot**

7.1 In the assessment, the vendor shall nominate the place of delivery and for each sale option -

- (a) the date(s) on which he intends to deliver; and
- (b) any transport arrangements that the vendor requires the purchaser to use after delivery, subject to nominating the cost per kilometre that will apply.

7.2 For lots sold by auction or by negotiated sale the date or dates nominated by the vendor for delivery shall be within seven (7) days after sale, unless an alternative period is nominated in the catalogue or a variation is agreed to between the purchaser and vendor.

7.3 The period for delivery shall commence at midnight on the day of sale.

## **8. Reserve price**

8.1 A vendor may nominate a reserve price that will be converted by AuctionsPlus into a price on the standard bid basis.

8.2 The reserve price of a lot may be modified -

- (a) in the case of a lot submitted for sale by auction, up to one hour before the commencement of the auction in which that lot is listed for sale.
- (b) in the case of a lot listed for sale in the bid and offer system, in the designated non-trading period at the conclusion of each trading session; or at any time during a trading session if the vendor seeks to accept the current high bid.

8.3 Where the reserve price is nominated on a hot standard carcase weight basis, it shall be free of any charges to the vendor.

8.4 Where the lot is submitted for sale by auction, the reserve price will not be disclosed.

8.5 Where the lot is listed for sale in the bid and offer system, the vendor has the option of displaying the reserve price or not disclosing the reserve price.

## **9. Vendor's restrictions and requirements**

9.1 A vendor may impose restrictions on the sale of his lot. The vendor will ensure that any such restrictions are in compliance with the law and these Operating Conditions and will indemnify the market operator and AuctionsPlus against any claims resulting from the vendor's failure to comply with the law.

9.2 Any restrictions or requirements imposed by a vendor shall be described in the assessment for inclusion in the catalogue.



**10. Submission by owner or agent**

Only the agent for an owner may submit a lot for sale. This agent must be recognised as a livestock agent in the State or Territory in which he practices.

**11. Sole agency**

A vendor submitting a lot for sale agrees to sole agency with his agent:

- (a) in the case of an auction, until 6 pm on the day of the AuctionsPlus sale, the time being the time applying at the agent's place of business.
- (b) in the case of a lot submitted for sale in the bid and offer system, until the lot is sold or no longer listed because the nominated delivery date has passed.

## **PART C 2: ASSESSMENT AND SUBMISSION OF LOTS FOR SALE - SHEEP**

### **1. Composition of lots**

All sheep in the lot shall be within the same stock category but may be within one or more weight divisions or classes and one or more fat divisions in the AUS-MEAT Language.

### **2. Assessment of lots**

2.1 Where a lot is submitted for sale by auction, the assessment shall -

- (a) be made on the designated form; and
- (b) be completed not more than 14 days before the date of auction in the case of adult sheep and not more than 7 days from the auction in the case of lambs and hoggets.

2.2 Where a lot is listed for sale in the bid and offer system, the assessment shall be made on the designated form, apply to the specification of the livestock at delivery and be completed in accordance with any special requirements nominated by AuctionsPlus from time to time.

2.3 An assessment may be made on an individual animal or group basis.

2.4 Subject to sub-clause 2.5, a copy of the assessment in the designated form signed both by the vendor or his agent and by the assessor shall be held by the market operator or the selling agent before the lot is included in a catalogue.

2.5 Where a lot is assessed in a remote area, the assessment may be entered and the lot offered for sale if the market operator has received satisfactory assurances that the assessment in the designated form has been or will be sent.

2.6 The purchaser of a lot purchased on a Per Head or Liveweight basis may resubmit the lot and offer it for sale with the original assessment only if -

- (a) the original assessment was made by an accredited assessor and the accredited assessor gives his permission; and
- (b) the vendor agrees to deliver to the sub-purchaser and agrees to any necessary extension of the date of delivery under the original sale.

### **3. Identification of sheep**

3.1 For a lot assessed on an individual animal basis, all sheep in the lot shall during the assessment, be clearly identified by a tag or colour brand approved by AuctionsPlus, or by any other suitable method described in the assessment.

3.2 All sheep included in a lot assessed on a group basis shall at the time of delivery, be clearly identified by a tag or colour brand approved by AuctionsPlus, or by any other suitable method described in the assessment.

3.3 Before delivery the vendor shall, if necessary, apply other distinctive marks (described in the catalogue) to the sheep in the lot to distinguish them in the abattoir.

3.4 Where a lot will be delivered in mixed truck lots, an additional painted brand (described in the catalogue) shall also be applied to distinguish each lot.

### **4. Vendor's sale options**

4.1 The vendor shall in the assessment nominate the sale option or options upon which he offers the lot for sale.

4.2 Where the vendor nominates a Liveweight basis, he shall also nominate the certified scales at which he requires the lot to be weighed and given delivery of.

## **5. Delivery of lot**

5.1 In the assessment, the vendor shall nominate the place of delivery and for each sale option -  
(a) the date(s) on which he intends to deliver; and  
(b) any transport arrangements that the vendor requires the purchaser to use after delivery, subject to nominating the cost per kilometre that will apply.

5.2 For lots sold by auction or by negotiated sale the date or dates nominated by the vendor for delivery shall be within seven (7) days after sale, unless an alternative period is nominated in the catalogue or a variation is agreed to between the purchaser and vendor.

5.3 The period for delivery shall commence at midnight on the day of sale unless otherwise nominated in the catalogue.

## **6. Reserve price**

6.1 A vendor may nominate a reserve price that will be converted by AuctionsPlus into a price on the standard bid basis.

6.2 The reserve price of a lot may be modified -  
(a) in the case of a lot submitted for sale by auction, up to one hour before the commencement of the auction in which that lot is listed for sale.  
(b) in the case of a lot listed for sale in the bid and offer system, in the designated non-trading period at the conclusion of each trading session; or at any time during a trading session if the vendor seeks to accept the current high bid.

6.3 Where the reserve price is nominated on a hot standard carcase weight basis (including value of skin) it shall be free of levy and other charges to the vendor.

6.4 Where the lot is submitted for sale by auction, the reserve price will not be disclosed.

6.5 Where the lot is listed for sale in the bid and offer system, the vendor has the option of displaying the reserve price or not disclosing the reserve price.

## **7. Vendor's restrictions and requirements**

7.1 A vendor may impose restrictions on the sale of his lot. The vendor will ensure that any such restrictions are in compliance with the law and these Operating Conditions and will indemnify the market operator and AuctionsPlus against any claims resulting from the vendor's failure to comply with the law.

7.2 Any restrictions or requirements imposed by a vendor shall be described in the assessment for inclusion in the catalogue.

## **8. Submission by owner or agent**

Only the agent for an owner may submit a lot for sale. This agent must be recognised as a livestock agent in the State or Territory in which he practices.

## **9. Sole agency**

A vendor submitting a lot for sale agrees to sole agency with his agent -  
(a) in the case of an auction, until 6 pm on the day of the AuctionsPlus sale, the time being the time applying at the agent's place of business.  
(b) in the case of a lot submitted for sale in the bid and offer system, until the lot is sold or no longer listed because the nominated delivery date has passed.

## **PART D 1: CONDUCT OF AUCTIONS**

### **1. Booking time for auction**

- 1.1 A market operator shall apply to AuctionsPlus to book the date and time for the conduct of any auction through the AuctionsPlus System.
- 1.2 A market operator may cancel or reschedule a booking by giving at least two (2) working days notice to AuctionsPlus prior to the scheduled commencement of the auction.
- 1.3 AuctionsPlus may terminate a market operator's use of the AuctionsPlus System at the end of the time allotted for the auction, provided it has given the market operator at least 30 minutes notice.

### **2. Conduct of auction**

AuctionsPlus shall control and be responsible for the conduct of the auction on behalf of the market operator.

### **3. Order of sale**

The market operator shall determine the order in which lots will be submitted for sale.

### **4. Withdrawal of a lot**

- 4.1 The market operator may withdraw a lot from sale before the auction of the lot begins.
- 4.2 Withdrawal of a lot will not affect any claim the market operator or AuctionsPlus might have against the selling agent for costs incurred by the market operator or AuctionsPlus in offering the lot for sale.

### **5. Bidder's bid basis**

A bidder shall, before making a bid at an auction, enter his bid basis.

### **6. Bidder as a principal**

- 6.1 Subject to sub-clause 6.2, a bidder is deemed to be bidding as a principal.
- 6.2 Where a purchaser buys on behalf of a person other than himself, the identity of the principal shall be declared to the market operator not later than the time at which the market operator contracts the sale.
- 6.3 Should a purchaser fail to adhere to the provisions of sub-clause 6.2, he shall be deemed to be the purchaser and shall be so referenced in the sale confirmation notice outlining the terms of the sale.

### **7. Limit bids**

Any authorised bidder may enter a limit bid directly or through the market operator at least 15 minutes before the commencement of the auction.

### **8. Standard bid basis**

Each bid will be converted by the AuctionsPlus System into a bid on the standard bid basis.

### **9. Making a bid**

- 9.1 A bid is made only when it is recorded in the AuctionsPlus System bidding log.
- 9.2 The market operator may refuse to accept any bid that in his opinion is not in the best interests of the vendor.

**10. Advance of bidding**

10.1 A bidder may advance only by the bidding increments fixed by the market operator.

10.2 AuctionsPlus will provide at least one week's notice of any change in bidding increments used in the regularly scheduled auctions.

**11. Withdrawal of bids**

A bid may not be withdrawn.

**12. Vendor's bids**

The vendor may himself or through an agent, bid for his own lot only as permitted by law.

**13. Disputes about bidding**

If there is any dispute about the bidding, the market operator is the sole arbitrator and their decision is final.

**14. Compliance with vendor's restrictions**

Where the vendor has imposed restrictions in the catalogue, bidders must not make bids inconsistent with those restrictions and the market operator may refuse to take any such bid or cancel any contract resulting from acceptance of any such bid.

**15. Purchaser**

Subject to clause 14, the person who makes the highest bid on the standard bid basis that is equal to or above to the reserve price (if any) on the standard bid basis, and that is accepted by the market operator, will be the purchaser.

**16. Passed in lots**

16.1 A lot will be passed in when, at the completion of the auction for that lot, the highest bid on the standard bid basis that is accepted by the market operator is less than the reserve (if any) on the standard bid basis.

16.2 Where a lot is passed in, the person who makes the highest bid may, within the time period specified by the market operator in the catalogue, increase his bid to a price equal to the reserve price (if any) on the standard bid basis, in which case the lot will be deemed sold at the auction at that price.

**17. Negotiated sales**

17.1 If a lot is not sold or deemed to be sold at the auction under clause 16.2, the vendor may negotiate a sale of the lot with the person who made the highest bid at the auction.

17.2 Where a sale of the lot is negotiated in accordance with clause 17.1, these Operating Conditions shall govern the sale of the lot provided that the selling agent gives the market operator and the purchaser a written sale confirmation notice advising that the sale is governed by these Operating Conditions and notifying the sale price, the number of head sold, the carcass trim, the basis of sale and any other terms relevant to the sale.

17.3 A sale confirmation notice provided in accordance with clause 17.2 shall be given to the market operator by 12 noon on the next working day following the auction, (the time being the time applying in the state from which the cattle or sheep were sold), or such later time as agreed between the vendor and purchaser.

**18. Goods and Services Tax**

All auctions shall be conducted on the basis that the bid price shall be exclusive of Goods and Services Tax (GST). Where applicable, GST is to be added after the

conclusion of the auction to those lots sold, or deemed to be sold under clauses 16.2 and 17.1.

## **PART D2: CONDUCT OF INTERFACE AUCTIONS**

### **1. Booking time for interface auction**

1.1 A market operator shall apply to AuctionsPlus to book the date and time for the conduct of any interface auction through the AuctionsPlus System.

1.2 A market operator may cancel or reschedule a booking by giving notice to AuctionsPlus prior to the compilation of the catalogue.

### **2. Conduct of interface auction**

The auctioneer shall control and be responsible for the conduct of the interface auction on behalf of the market operator.

### **3. Order of sale**

3.1 The market operator shall determine the order in which lots will be submitted for sale in consultation with the selling agent(s).

3.2 This order shall not be varied after compilation of the catalogue.

### **4. Withdrawal of a lot**

4.1 The market operator may withdraw a lot from sale before the auction of the lot begins.

4.2 Withdrawal of a lot will not affect any claim the market operator or AuctionsPlus might have against the selling agent for costs incurred by the market operator or Auctions Plus in offering a lot for sale.

### **5. Bidder's bid basis**

A bidder shall, before making a bid at an interface auction, enter his bid basis.

### **6. Bidder as a principal**

6.1 Subject to sub-clause 6.2, a bidder is deemed to be bidding as a principal.

6.2 Where a purchaser buys on behalf of a person other than himself, the identity of the principal shall be declared to the market operator within 30 minutes of the conclusion of the sale.

6.3 Should a purchaser fail to adhere to the provisions of sub-clause 6.2, he shall be deemed to be the purchaser and shall be so referenced in the sale confirmation notice outlining the terms of the sale.

### **7. Limit bids**

Any authorised bidder may enter a limit bid directly or through the market operator at least one hour before the commencement of the interface auction.

### **8. Standard bid basis**

Each bid will be converted by the AuctionsPlus System into a bid on the standard bid basis.

### **9. Making a bid**

A bid made through the AuctionsPlus System is only made when it is recorded in the AuctionsPlus System bidding log, and has been accepted by the auctioneer.

### **10. Advance of bidding**

A bidder may advance only by the bidding increment displayed on the auction screen.

- 11. Withdrawal of bids**  
A bid made through the AuctionsPlus System may not be withdrawn.
- 12. Vendor's bid**  
The vendor may himself or through an agent, bid for his own lot only as is permitted by law.
- 13. Disputes about bidding**  
If there is any dispute about the bidding, the auctioneer is the sole arbitrator and the auctioneer's decision is final.
- 14. Compliance with vendor's restriction**  
Where the vendor has imposed restrictions in the catalogue, bidders operating through the AuctionsPlus System must not make any bids inconsistent with those restrictions and the auctioneer may refuse to take any such bid or cancel any contract resulting from the acceptance of any such bid.
- 15. Purchaser**  
Subject to clause 14, the person who makes the highest bid on the standard bid basis that is equal to or above the reserve price (if any) on the standard bid basis, and that is accepted by the auctioneer, will be the purchaser.
- 16. Goods and Services Tax**  
All auctions shall be conducted on the basis that the bid price shall be exclusive of Goods and Services Tax (GST). GST shall be added after the fall of the hammer for those sales subject to GST.



## **PART D3: CONDUCT OF BID AND OFFER SYSTEM**

### **1. Conduct of bid and offer system**

AuctionsPlus shall control and manage the bid and offer system.

### **2. Order of listings**

2.1 The market operator shall determine the order in which lots will be listed.

2.2 A lot which has not been sold at the conclusion of each trading session will be automatically included in the catalogue for the subsequent trading session, subject to the nominated delivery date still being valid.

### **3. Withdrawal of a lot**

3.1 AuctionsPlus may withdraw a lot under instructions from the selling agent at the conclusion of a trading session.

3.2 A lot will be automatically withdrawn when the assessment ceases to be valid due to the expiration of the latest delivery date.

3.3 Withdrawal of a lot will not affect any claim AuctionsPlus might have against the selling agent for costs incurred in offering the lot for sale.

### **4. Bidder's bid basis**

A bidder shall, before making an offer on the bid and offer system, enter his bid basis.

### **5. Bidder as a principal**

5.1 Subject to sub-clause 5.2, a bidder who makes a bid is deemed to be bidding as a principal.

5.2 Where a purchaser buys on behalf of a person other than himself, the identity of the principal shall be declared to the market operator not later than the time at which the market operator contracts the sale.

5.3 Should a purchaser fail to adhere to the provisions of sub-clause 5.2, he shall be deemed to be the purchaser and shall be so referenced in the sale confirmation notice outlining the terms of the sale.

### **6. Standard bid basis**

Each bid will be converted by the AuctionsPlus System to a bid on the standard bid basis.

### **7. Making a bid**

7.1 A bid is made only when it is recorded in the AuctionsPlus System bidding log.

7.2 AuctionsPlus may refuse to accept any bid that in its opinion is not in the best interests of the vendor.

7.3 Bids may only be made -

- (a) for the duration of the trading session or any lesser period nominated by the bidder; and
- (b) in accordance with any bid lock out periods established by AuctionsPlus.

### **8. Withdrawal of bid**

A bid may not be withdrawn within the period the bidder nominates the bid to be valid.

**9. Disputes about bidding**

If there is any dispute about bidding, AuctionsPlus is the sole arbitrator and its decision is final.

**10. Compliance with vendor's restrictions**

Where the vendor has imposed restrictions in the catalogue, bidders must not make bids inconsistent with those restrictions and AuctionsPlus may refuse to take any such bid and cancel any contract resulting from acceptance of any such bid.

**11. Purchaser**

Subject to clause 10, the person who makes the first bid on the standard bid basis that is equal to or above the reserve price on the standard bid basis, and that is accepted by AuctionsPlus, will be the purchaser.

**12. Goods and Services Tax**

All lots shall be offered on the basis that the bid price shall be exclusive of Goods and Services Tax (GST). Where applicable, GST is to be added after the conclusion of the auction to those lots sold.

## **PART E 1: CONDITIONS OF SALE - CATTLE**

### **1. Conditions of Sale apply to all sales**

- 1.1 All sales of cattle made through the AuctionsPlus System in an auction or through the bid and offer system or through a negotiated sale shall be subject to these Conditions of Sale and to any additional conditions of sale required by the market operator or agreed to by the vendor and purchaser, provided the additional conditions of sale are not inconsistent with these Operating Conditions, or with the prevailing law.
- 1.2 All sales of cattle made through the AuctionsPlus System in an interface auction shall be subject to these Conditions of Sale as varied by any conditions nominated in the catalogue.

### **2. Warranty of assessment and other information**

- 2.1 The vendor warrants that any information included in the assessment and any information he provides which is included in the catalogue is true and that all material information required by the designated form of assessment or by these Operating Conditions has been included in the assessment or the catalogue.
- 2.2 The vendor is liable for adjustments in price due to misdescription in the assessment unless the selling agent guarantees the assessment.
- 2.3 The assessor is engaged by and is acting for and on behalf of the vendor and the vendor shall keep AuctionsPlus indemnified against all claims arising out of the assessment.

### **3. Maintenance of lot**

The vendor shall at his own cost maintain the lot from the time of assessment until the time of delivery and warrants that at the estimated delivery date, the cattle will be delivered in the condition described in the catalogue.

### **4. Variation of composition of lot**

- 4.1 A vendor may deliver between 95% and 105% of the number of head listed for sale in the catalogue.
- 4.2 Subject to sub-clause 4.1, the composition of a lot may not be changed from that nominated in the catalogue.

### **5. Delivery of lot**

- 5.1 If, in the assessment, the vendor has nominated more than one place of delivery or more than one date of delivery, the purchaser shall within 24 hours of the sale advise the vendor or his agent of his chosen place and date for delivery, or the vendor and purchaser may mutually agree on a place and date for delivery.
- 5.2 Where the sale is on a Liveweight basis, the vendor must deliver to certified scales unless the vendor and purchaser mutually agree otherwise.
- 5.3 At the place of delivery and on the date of delivery the vendor shall deliver and the purchaser shall take delivery of the lot.
- 5.4 The vendor and the purchaser shall sign a stock delivery note in the designated form as evidence of delivery by the vendor and receipt by the purchaser and disclosing any discrepancy in the number of cattle and any other matter that might reasonably be expected to result in a claim.

- 5.5 If the vendor proves that for reasons beyond his control and that after taking all reasonable steps to deliver the lot by other available means he is unable to deliver the lot on the date of delivery or any later date that the purchaser is prepared to agree to, the vendor may rescind the contract.
- 5.6 If the purchaser proves that for reasons beyond his control and that after taking all reasonable steps to take delivery of the lot by other available means he is unable to take delivery of the lot on the date of delivery or any later date that the vendor is prepared to agree to, the purchaser may rescind the contract.
- 5.7 Where the contract is rescinded under sub-clause 5.5 or 5.6, neither the vendor nor the purchaser will have any claim against the other in respect of the rescission.
- 5.8 Reasons beyond the control of the vendor or the purchaser include act of God, strikes or other industrial disputes, flood, fire, failure of any third party to perform obligations under a contract and intervention by a government authority.
- 5.9 Rescission of the contract under sub-clause 5.5 or 5.6 will not prejudice any claim the market operator, AuctionsPlus or the selling agent has for fees in respect of the sale.
- 5.10 Where the lot is sold through the bid and offer system, and offered for forward delivery, the vendor and/or the selling agent shall inspect the cattle at delivery and draft to the assessment specifications.
- 5.11 Stock that are lame, blind or diseased shall not be delivered unless the faults are disclosed in the catalogue.

## **6. Vendor's required transport arrangements**

If the vendor, in the catalogue, has nominated transport arrangements that he requires after delivery, the purchaser must comply with those transport arrangements unless the vendor and purchaser mutually agree otherwise.

## **7. Costs of transport**

- 7.1 The vendor shall bear all costs of transporting the lot to the place of delivery, and any marshalling yard fees.
- 7.2 The purchaser shall bear all costs of transporting the lot from the place of delivery (including the cost of transport to incorrect destinations).

## **8. Transport to abattoir**

Where the sale is on a Carcase weight basis, the purchaser shall ensure that the lot is transported to the abattoir by the most direct route and without unreasonable delay.

## **9. Quarantine and movement restrictions**

- 9.1 The vendor shall indemnify the purchaser against loss resulting from infringement by the purchaser of quarantine restrictions or movement restrictions unless the restrictions are disclosed in the assessment.
- 9.2 The purchaser shall bear all such loss resulting from infringement of restrictions disclosed in the assessment.

## **10. Tick areas**

- 10.1 Where the vendor has the lot in a tick area and has not restricted bids from persons in tick free areas, the vendor warrants that the lot will be free of ticks at the place of final inspection.

- 10.2 The purchaser shall bear clearing dip fees payable after final inspection of the lot.
- 10.3 Where any cattle fail to pass final inspection, the vendor shall indemnify the purchaser against reasonable costs incurred in ensuring that those animals pass final inspection.

**11. Weighing a lot sold on a Liveweight basis**

- 11.1 Where the sale is on a Liveweight basis, the vendor shall bear the cost of weighing the lot.
- 11.2 Where the sale is on a Liveweight basis, and the vendor has nominated the certified scales at which he requires the lot to be weighed, the lot shall be weighed at those certified scales unless the vendor and purchaser mutually agree otherwise.
- 11.3 Where the sale is on a Liveweight basis, the vendor, where possible, should ensure the lot is weighed at delivery after the number of hours off feed equivalent to that applied at assessment.

**12. Title and risk**

- 12.1 Where the sale is on a Per Head or Liveweight basis, the lot will be at the purchaser's risk at the place and time of delivery.
- 12.2 Where the sale is on a Carcase weight basis, the carcase will be at the purchaser's risk at the place and time when the carcase is weighed over the abattoir scales.
- 12.3 Title to and property in the lot will not pass to the purchaser until the full purchase price for the lot has been paid and if, prior to payment of the full purchase price, the purchaser or his agent takes possession of the lot, the purchaser or his agent must not dispose of or deal with it in any manner inconsistent with the vendor's title.

**13. Warranty of title**

- 13.1 The vendor warrants that he is the beneficial owner of the lot free of all mortgages, charges and encumbrances and adverse interests and that he is entitled and competent to sell and deliver the lot in accordance with these Conditions of Sale.
- 13.2 AuctionsPlus or any market operator shall not be liable for any claim resulting from breaches in sub-clause 13.1.

**14. Statutory Charges**

- 14.1 The vendor is responsible for payment of the Cattle Transaction Levy, which shall be remitted as provided by law.
- 14.2 The purchaser may deduct buyer allowances from the gross proceeds of sale, subject to the amounts deducted being no greater than the amounts entered in the bid basis of the purchaser's successful bid.

**15. Costs of failing to pass ante mortem inspection**

Where the sale is on a Carcase weight basis and any cattle in the lot fail to pass ante mortem inspection by reason of disease, illness, dirt, wetness or fly strike, the vendor shall indemnify the purchaser against reasonable costs incurred in preparing the cattle for subsequent ante mortem inspection unless the reasons are disclosed in the assessment or the vendor proves the reasons were sustained after the time of delivery.

**16. Slaughter of lot**

Where the sale is on a Carcase weight basis, the purchaser shall -

- (a) ensure that the lot is slaughtered in accordance with any requirements imposed by the vendor under clause 9 of Part C1;
- (b) notify the vendor or the selling agent of the place and date of slaughter within 24 hours of the sale;
- (c) pay and bear the costs of slaughter; and
- (d) issue and sign or ensure that the abattoir issues and signs a stock delivery note in the designated form as evidence of receipt of the lot at the abattoir and disclosing any discrepancy in the number of animals and any other matter that might reasonably be expected to result in a claim.

**17. Time for slaughter**

17.1 Where the sale is on a Carcase weight basis, the purchaser shall take all reasonable steps to ensure that the lot is slaughtered within 48 hours after receipt of the lot at the abattoir, with allowances for weekends and public holidays.

17.2 Where the purchaser is unable to get the results of residue tests back in time to meet the requirements of sub-clause 17.1, the time for slaughter may be extended by an additional 24 hours, subject to the purchaser notifying the vendor or the selling agent by telephone or facsimile, immediately it becomes necessary to extend the time for slaughter.

**18. Delay in slaughter beyond purchaser's control**

18.1 If for reasons that the purchaser proves were or are beyond his control, the lot is not slaughtered or will not be slaughtered within the period required under clause 17, the purchaser shall immediately notify the vendor or the selling agent and the vendor and the purchaser may agree on one of the following courses of action -

- (a) complete slaughter of the lot within 24 hours of the end of the period required under clause 17; or
- (b) the price will be paid in accordance with the assessment or the actual results of slaughter (without price adjustment for misdescription under clause 22), whichever is the more favourable to the vendor; or
- (c) unless quarantine restrictions or movement restrictions apply, the contract of sale will be rescinded and the lot will be returned to the vendor at the purchaser's cost; or
- (d) the lot will be kept at the abattoir and maintained until slaughter and the costs of maintaining the lot will be borne equally by the vendor and the purchaser; or
- (e) any other course of action agreed to by the vendor and the purchaser.

18.2 If the vendor and the purchaser fail to agree on a course of action, either one of them may require that the lot be kept at the abattoir and maintained until slaughter at his expense, or the matter shall be submitted to arbitration under these Operating Conditions.

**19. Delay in slaughter within purchaser's control**

If for reasons within the control of the purchaser or otherwise through the fault of the purchaser the lot is not slaughtered or will not be slaughtered within the period required under clause 17, the vendor may require that the price be determined in accordance with the assessment.

**20. Condemnation**

20.1 Where the sale is on a Carcase weight basis and a carcase is partially condemned -

- (a) the vendor will receive no return for the condemned part except as provided for in paragraph (c) of this sub-clause; and
- (b) the part not condemned will be priced -
  - (i) at the average of the remainder of the lot; and

- (ii) for the purpose of price adjustment for misdescription, where the fat measurement site is condemned, the fat measurement of the carcass will be the average of the remainder of the lot.
  - (c) where the carcass is partially condemned as a result of any act or omission occurring in or in connection with the slaughter process, the purchaser shall pay for that part of the carcass partially condemned at the price paid for the remainder of that carcass.
- 20.2 Where the sale is on a Carcass weight basis and a carcass is totally condemned -
- (a) the purchaser shall pay and bear the costs of slaughter and shall provide the vendor with a copy of the condemnation note; and
  - (b) except as provided for in paragraph (c) of this sub-clause, the vendor will receive no return from the purchaser for hides and offal but may apply for compensation from the appropriate authorities in the case of a notifiable disease.
  - (c) where the carcass is totally condemned as a result of any act or omission occurring in or in connection with the slaughter process, the purchaser shall pay for the condemned carcass at the average of the remainder of the lot.
- 20.3 Where the sale is on a Carcass weight basis and the carcass is retained for further reinspection by inspection authorities and subsequently condemned after the carcass is weighed over the abattoir scales, the liability for losses will remain with the vendor and the procedures outlined in sub-clauses 20.1 and 20.2 will apply.

## **21. Slaughter details for price calculation**

Where the sale is on a Carcass weight basis, the price will be calculated on the basis of the carcass measurement and kill data supplied in accordance with clause 5 of Part B of these Operating Conditions.

## **22. Price adjustment for misdescription**

22.1 Where at the time of delivery the cattle in the lot are not in the condition described in the assessment, the vendor is liable for adjustments in price in the manner set out in the First Schedule unless the selling agent guarantees the assessment.

22.2 Subject to sub-clause 22.1, where at the time of delivery the cattle in the lot are not in the condition described in the assessment, the vendor's liability is limited to the obligations imposed by statute and all other liability is excluded. Where the Trade Practices Act, 1974, governs the sale the vendor at his option will either supply equivalent cattle or pay the purchaser the cost of acquiring equivalent cattle.

## **23. Purchaser liability**

The purchaser of a lot, as designated in the sale confirmation notice, is liable for payment to the selling agent for the value of cattle purchased.

## **24. Purchaser default**

Unless otherwise provided in these Conditions of Sale, if the purchaser fails to comply with these Conditions of Sale:

- (a) where the purchaser or his agent takes possession of the lot prior to payment of the full purchase price, the purchaser authorises the vendor to enter on its premises and any premises occupied by it or its agent at any time and without notice and take possession of the lot; and
- (b) any lot sold to the purchaser may be re-sold by public auction or private contract in such lots and upon such conditions as the vendor decides and without notice to the purchaser, and the purchaser shall indemnify the vendor

against all loss and expense suffered or incurred in connection with reclaiming the lot and re-sale (including loss and expense in respect of any actions, claims, proceedings and demands brought against the vendor by any third party) but may not participate in any profit that results.

## **25. Vendor default**

25.1 Where a vendor fails to comply with these Conditions of Sale and the vendor or his agent and the purchaser are unable to negotiate a settlement, the matter is to be submitted to arbitration under these Operating Conditions, and

- (a) the purchaser must notify AuctionsPlus in writing of the vendor's default within two (2) working days of the latest delivery date specified in the catalogue or that delivery day agreed between the agent and the purchaser, whichever is the later; and
- (b) the purchaser must provide AuctionsPlus with full particulars of all loss or expense claimed pursuant to sub-clause 25.2 within 7 working days of the latest delivery date specified in the catalogue or that delivery date agreed between the agent and the purchaser, whichever is the later.

25.2 The vendor shall indemnify the purchaser against all loss or expense suffered or incurred as a result of failing to comply with these Conditions of Sale.

## **26. Contract of sale**

26.1 The contract of sale that results from acceptance of a bid or a negotiated sale is a contract made in the State or Territory from which the cattle are offered for sale and the proper law of the contract of sale is the law of or applicable in that State or Territory.

26.2 Subject to sub-clause 26.3, the terms of the sale and the parties to the sale, shall be documented in the sale confirmation notice generated from the AuctionsPlus System at the time of contracting the sale and following acceptance of the bid.

26.3 The terms of a negotiated sale and the parties to the sale shall be documented in the sale confirmation notice received by AuctionsPlus in accordance with Part D1, D2 or D3.

## **27. Chemical residues**

27.1 All cattle are sold on the condition that the vendor is liable for payment of any industry agreed voluntary levy to fund the cost of residue testing.

27.2 The vendor shall guarantee the residue status of his livestock subject to -

- (a) a carcass sample being taken within seven (7) days of delivery.
- (b) where a violation is found in a sample carcass prior to the remainder of the vendor's lot being processed, the other animals or carcasses from that lot shall be held in live or carcass form where commercially practicable.
- (c) the vendor may request further testing of those animals or carcasses at his expense or negotiate alternative arrangements, and the purchaser shall assist the vendor to maximise returns on those animals or carcasses.
- (d) where a violation is found in a sample carcass after the remainder of the vendor's lot has been processed, the vendor's loss will be the lesser of the loss incurred by the purchaser on the affected production or the value of his animals.
- (e) a vendor's lot will be regarded as animals from the same property and/or with the same tail tag number despatched in one consignment.
- (f) the value of hides and offal will be taken to reimburse the purchaser for his costs of slaughter and handling the vendor's lot to the chillers.



- (g) the purchaser shall take all reasonable care to prevent residue contamination after sale.
- (h) where the purchaser is proved by the relevant state authority to be responsible for a contamination, the purchaser shall be liable.

**28. Hormonal growth promotants**

The vendor shall comply with any identification and declaration requirements that apply in the State or Territory from which the cattle are sold.

**29. Owner's risk on Liveweight sales**

29.1 All cattle sold by liveweight are deemed vendor's risk for actinobacillosis, actinomycosis, anthrax, arthritis, buckshot, cancer, icterus, illegal residues, lymphadenitis, multiple abscesses, peritonitis, pyaemia, red water, tick fever and uraemia.

29.2 The vendor is liable for the sale price of the animal subject to the purchaser presenting condemnation certificate specifying one or more of the diseases to the agent or vendor within seven (7) days of the sale.

## **PART E 2: CONDITIONS OF SALE - SHEEP**

### **1. Conditions of Sale apply to all sales**

- 1.1 All sales of sheep made through the AuctionsPlus System in an auction or through the bid and offer system or through a negotiated sale shall be subject to these Conditions of Sale and to any additional conditions of sale required by the market operator or agreed to by the vendor and purchaser, provided the additional conditions of sale are not inconsistent with these Operating Conditions, or with the prevailing law.
- 1.2 All sales of sheep made through the AuctionsPlus System in an interface auction shall be subject to these Conditions of Sale as varied by any conditions nominated in the catalogue.

### **2. Warranty of assessment and other information**

- 2.1 The vendor warrants that any information included in the assessment and any information he provides which is included in the catalogue is true and that all material information required by the designated form of assessment or by these Operating Conditions has been included in the assessment or the catalogue.
- 2.2 The vendor is liable for adjustments in price due to misdescription in the assessment unless the assessor guarantees the assessment.
- 2.3 The assessor is engaged by and is acting for and on behalf of the vendor and the vendor shall keep AuctionsPlus indemnified against all claims arising out of the assessment.

### **3. Maintenance of lot**

The vendor shall at his own cost maintain the lot from the time of assessment until the time of delivery, and warrants that at the estimated delivery date, the sheep will be delivered in the condition described in the catalogue.

### **4. Variation of composition of lot**

- 4.1 A vendor may deliver between 95% and 105% of the number of head listed for sale in the catalogue.
- 4.2 Subject to sub-clause 4.1, the composition of a lot may not be changed from that nominated in the catalogue.

### **5. Delivery of lot**

- 5.1 If, in the assessment, the vendor has nominated more than one place of delivery or more than one date of delivery, the purchaser shall within 24 hours of the sale advise the vendor or the selling agent of his chosen place and date for delivery, or the vendor and purchaser may mutually agree on a place and date for delivery.
- 5.2 Where the sale is on a Liveweight basis, the vendor must deliver to certified scales unless the vendor and purchaser mutually agree otherwise.
- 5.3 At the place of delivery and on the date of delivery the vendor shall deliver and the purchaser shall take delivery of the lot.
- 5.4 The vendor and the purchaser shall sign a stock delivery note in the designated form as evidence of delivery by the vendor and receipt by the purchaser and disclosing any discrepancy in the number of sheep and any other matter that might reasonably be expected to result in a claim.

- 5.5 If the vendor proves that for reasons beyond his control and that after taking all reasonable steps to deliver the lot by other available means he is unable to deliver the lot on the date of delivery or any later date that the purchaser is prepared to agree to, the vendor may rescind the contract.
- 5.6 If the purchaser proves that for reasons beyond his control and that after taking all reasonable steps to take delivery of the lot by other available means he is unable to take delivery of the lot on the date of delivery or any later date that the vendor is prepared to agree to, the purchaser may rescind the contract.
- 5.7 Where the contract is rescinded under sub-clause 5.5 or 5.6, neither the vendor nor the purchaser will have any claim against the other in respect of the rescission.
- 5.8 Reasons beyond the control of the vendor or the purchaser include act of God, strikes or other industrial disputes, flood, fire, failure of any third party to perform obligations under a contract and intervention by a government authority.
- 5.9 Rescission of the contract under sub-clause 5.5 or 5.6 will not prejudice any claim the market operator, AuctionsPlus or the selling agent has for fees in respect of the sale.
- 5.10 Where the lot is sold through the bid and offer system, and offered for forward delivery, the vendor and or the selling agent shall inspect the sheep at delivery and draft to the assessment specifications.
- 5.11 Stock that are lame, blind or diseased shall not be delivered unless the faults are disclosed in the catalogue.

## **6. Vendor's required transport arrangements**

If the vendor, in the catalogue, has nominated transport arrangements that he requires after delivery, the purchaser must comply with those transport arrangements unless the vendor and purchaser mutually agree otherwise.

## **7. Costs of transport**

- 7.1 The vendor shall bear all costs of transporting the lot to the place of delivery, and any marshalling yard fees.
- 7.2 The purchaser shall bear all costs of transporting the lot from the place of delivery (including the cost of transport to incorrect destinations).

## **8. Transport to abattoir**

Where the sale is on a Carcase weight basis, the purchaser shall ensure that the lot is transported to the abattoir by the most direct route and without unreasonable delay.

## **9. Quarantine and movement restrictions**

- 9.1 The vendor shall indemnify the purchaser against loss resulting from infringement by the purchaser of quarantine restrictions or movement restrictions unless the restrictions are disclosed in the assessment.
- 9.2 The purchaser shall bear all such loss resulting from infringement of restrictions disclosed in the assessment.

## **10. Weighing a lot sold on a Liveweight basis**

- 10.1 Where the sale is on a Liveweight basis, the vendor shall bear the cost of weighing the lot.

10.2 Where the sale is on a Liveweight basis, and the vendor has nominated the certified weighbridge scales at which he requires the lot to be weighed, the lot shall be weighed at those certified weighbridge scales unless the vendor and purchaser mutually agree otherwise.

10.3 Where the sale is on a Liveweight basis, the vendor, where possible, should ensure the lot is weighed at delivery after the number of hours off feed equivalent to that applied at assessment.

## **11. Title and Risk**

11.1 Where the sale is on a Per Head or Liveweight basis, the lot will be at the purchaser's risk at the place and time of delivery.

11.2 Where the sale is on a Carcase weight basis, the carcass will be at the purchaser's risk at the place and time when the carcass is weighed over the abattoir scales.

11.3 Title to and property in the lot will not pass to the purchaser until the full purchase price for the lot has been paid and if, prior to payment of the full purchase price, the purchaser or his agent takes possession of the lot, the purchaser or his agent must not dispose of or deal with it in any manner inconsistent with the vendor's title.

## **12. Warranty of title**

12.1 The vendor warrants that he is the beneficial owner of the lot free of all mortgages, charges and encumbrances and adverse interests and that he is entitled and competent to sell and deliver the lot in accordance with these Conditions of Sale.

12.2 AuctionsPlus or any market operator shall not be liable for any claim resulting from breaches in sub-clause 12.1.

## **13. Statutory charges**

Where the sale is on a Carcase weight basis -

- (a) the vendor is responsible for the payment of all statutory charges.
- (b) the purchaser shall deduct the statutory charges from the gross proceeds of sale, subject to the amount deducted being no greater than the amount entered in the bid basis of his successful bid.
- (c) where a sale is negotiated under these Conditions of Sale after an auction, the amount of the statutory charges shall be defined.

## **14. Costs of failing to pass ante mortem inspection**

Where the sale is on a Carcase weight basis and any sheep in the lot fail to pass ante mortem inspection by reason of disease, illness, dirt, wetness or fly strike, the vendor shall indemnify the purchaser against reasonable costs incurred in preparing the sheep for subsequent ante mortem inspection unless the reasons are disclosed in the assessment or the vendor proves the reasons were sustained after the time of delivery.

## **15. Slaughter of lot**

Where the sale is on a Carcase weight basis, the purchaser shall -

- (a) ensure that the lot is slaughtered in accordance with any requirements imposed by the vendor under clause 7 of Part C2;
- (b) notify the vendor or the selling agent of the place and date of slaughter within 24 hours of the sale;
- (c) pay and bear the costs of slaughter; and
- (d) issue and sign or ensure that the abattoir issues and signs a stock delivery note in the designated form as evidence of receipt of the lot at the abattoir and

disclosing any discrepancy in the number of animals and any other matter that might reasonably be expected to result in a claim.

**16. Time for slaughter**

Where the sale is on a Carcase weight basis, the purchaser shall take all reasonable steps to ensure that the lot is slaughtered -

- (a) in the case of adult sheep, within 48 hours after receipt of the lot at the abattoir, with allowances for weekends and public holidays; and
- (b) in the case of lambs and hoggets, within 24 hours after receipt of the lot at the abattoir, or within 48 hours if permitted by the vendor in the catalogue, with allowances for weekends and public holidays.

**17. Delay in slaughter beyond purchaser's control**

17.1 If for reasons that the purchaser proves were or are beyond his control, the lot is not slaughtered or will not be slaughtered within the period required under clause 16, the purchaser shall immediately notify the vendor or the selling agent and the vendor and the purchaser may agree on one of the following courses of action -

- (a) complete slaughter of the lot within 24 hours of the end of the period required under clause 16; or
- (b) the price will be paid in accordance with the assessment or the actual results of slaughter (without price adjustment for misdescription under clause 21), whichever is the more favourable to the vendor; or
- (c) unless quarantine restrictions or movement restrictions apply, the contract of sale will be rescinded and the lot will be returned to the vendor at the purchaser's cost; or
- (d) the lot will be kept at the abattoir and maintained until slaughter and the costs of maintaining the lot will be borne equally by the vendor and the purchaser; or
- (e) any other course of action agreed to by the vendor and the purchaser.

17.2 If the vendor and the purchaser fail to agree on a course of action, either one of them may require that the lot be kept at the abattoir and maintained until slaughter at his expense, or the matter shall be submitted to arbitration under these Operating Conditions.

**18. Delay in slaughter within purchaser's control**

If for reasons within the control of the purchaser or otherwise through the fault of the purchaser the lot is not slaughtered within the period required under clause 16, the vendor may require that the price be determined in accordance with the assessment.

**19. Condemnation**

19.1 Where the sale is on a Carcase weight basis and a carcase is partially condemned -

- (a) the vendor will receive no return for the condemned part except as provided for in paragraph (c) of this sub-clause; and
- (b) the part not condemned will be priced -
  - (i) at the average of the remainder of the lot; and
  - (ii) for the purpose of price adjustment for misdescription, where the fat measurement site is condemned, the fat measurement of the carcase will be the average of the remainder of the lot.
- (c) where the carcase is partially condemned as a result of any act or omission occurring in or in connection with the slaughter process, the purchaser shall pay for that part of the carcase partially condemned at the price paid for the remainder of the carcase.

19.2 Where the sale is on a Carcase weight basis and a carcase is totally condemned -

- (a) the purchaser shall pay and bear the costs of slaughter and shall provide the vendor with a copy of the condemnation note; and

- (b) except as provided for in paragraph (c) of this sub-clause, the vendor will receive no return from the purchaser for skin/pelt and offal but may apply for compensation from the appropriate authorities in the case of a notifiable disease.
  - (c) where the carcass is totally condemned as a result of any act or omission occurring in or in connection with the slaughter process, the purchaser shall pay for the condemned carcass at the average of the remainder of the lot.
- 19.3 Where the sale is on a Carcass weight basis and the carcass is retained for further reinspection by inspection authorities and subsequently condemned after the carcass is weighed over the abattoir scales, the liability for losses will remain with the vendor and the procedures outlined in sub-clauses 19.1 and 19.2 will apply.
- 20. Slaughter details for price calculation**

Where the sale is on a Carcass weight basis, the price will be calculated on the basis of the carcass measurement and kill data supplied in accordance with clause 5 of Part B of these Operating Conditions.
- 21. Price adjustment for misdescription**
  - 21.1 Where at the time of delivery the sheep in the lot are not in the condition described in the assessment, the vendor is liable for adjustments in price in the manner set out in the Second Schedule unless the selling agent guarantees the assessment.
  - 21.2 Subject to sub-clause 21.1, where at the time of delivery the sheep in the lot are not in the condition described in the assessment, the vendor's liability is limited to the obligations imposed by statute and all other liability is excluded. Where the Trade Practices Act, 1974, governs the sale, the vendor at his option will either supply equivalent sheep or pay the purchaser the cost of acquiring equivalent sheep.
- 22. Seed damage**
  - 22.1 Where the sale is on a Carcass weight basis, and irrespective of the level of accredited assessor, the purchaser may seek price adjustment for seed damage to the carcass exceeding that disclosed in the assessment.
  - 22.2 Claims for price adjustment for seed damage to the carcass shall be submitted to the selling agent within 72 hours of the slaughter of the lot.
  - 22.3 If the agent and purchaser are unable to negotiate a settlement, the matter is to be submitted to arbitration under these Operating Conditions.
- 23. Purchaser liability**

The purchaser of a lot, as designated in the sale confirmation notice, is liable for payment to the selling agent for the value of sheep purchased.
- 24. Purchaser default**

Unless otherwise provided in these Conditions of Sale, if the purchaser fails to comply with these Conditions of Sale:

  - (a) where the purchaser or his agent takes possession of the lot prior to payment of the full purchase price, the purchaser authorises the vendor to enter on its premises and any premises occupied by it or its agent at any time and without notice and take possession of the lot; and
  - (b) any lot sold to the purchaser may be re-sold by public auction or private contract in such lots and upon such conditions as the vendor decides and without notice to the purchaser and the purchaser shall indemnify the vendor against all loss and expense suffered or incurred in connection with

reclaiming the lot and re-sale (including loss and expense in respect of any actions, claims, proceedings and demands brought against the vendor by any third party) but may not participate in and profit that results.

**25. Vendor default**

25.1 Where a vendor fails to comply with these Conditions of Sale and the vendor or his agent and the purchaser are unable to negotiate a settlement, the matter is to be submitted to arbitration under these Operating Conditions, and -

- (a) the purchaser must notify AuctionsPlus in writing of the vendor's default within two (2) working days of the latest delivery date specified in the catalogue or that delivery day agreed between the agent and the purchaser, whichever is the later; and
- (b) the purchaser must provide AuctionsPlus with full particulars of all loss or expense claimed pursuant to sub-clause 25.2 within seven (7) working days of the latest delivery date specified in the catalogue or that delivery date agreed between the agent and the purchaser, whichever is the later.

25.2 The vendor shall indemnify the purchaser against all loss or expense suffered or incurred as a result of failing to comply with these Conditions of Sale.

**26. Contract of sale**

26.1 The contract of sale that results from acceptance of a bid or a negotiated sale is a contract made in the State or Territory from which the sheep are offered for sale and the proper law of the contract of sale is the law of or applicable in that State or Territory.

26.2 The terms of the sale and the parties to the sale, shall be documented in the sale confirmation notice generated from the AuctionsPlus System at the time of contracting the sale and following acceptance of the bid.

26.3 The terms of a negotiated sale and the parties to the sale shall be documented in the sale confirmation notice received by AuctionsPlus in accordance with Part D1, D2 or D3.

**THE FIRST SCHEDULE**  
**(Part E1, Clause 22)**  
**Basis of Price Adjustment for Misdescription of Cattle**

Claims for misdescription and resulting price adjustment may not be made pursuant to this Schedule when the date of delivery of the cattle is later than the maximum period allowed under these Operating Conditions.

**PER HEAD BASIS**

Claims for misdescription and resulting price adjustment are not available to the purchaser unless the accredited assessor (Levels 1, 2 or 3) grossly misdescribes the lot. The basis on which claims can be made under gross misdescription, the time period for submission of claims and price adjustment procedures are outlined on page 36.

**LIVEWEIGHT BASIS**

**Calculation of gut shrink**

The following guidelines are to apply -

1. Gut shrink to be established - 0 hours is the time livestock are removed from the vendor's paddock or as soon as mustering begins.
2. Shrink to be applied from 0 hours using the following factors that are indicative of the average situation -

Hours off Feed	Cows	
	Heifers (non yearlings)	Other Stock Categories
	Percentage Loss Per Hour	
1 - 4	1.00%	0.75%
5 - 12	0.50%	0.50%

The following example is illustrative only –

Yearlings described as 380 kg by a Level 2 accredited assessor - 2 hours off feed and water.  
 Cattle weighed at delivery by purchaser at 340 kg, 9 hours off feed and water.  
 Calculation of gut shrink is as follows –  
 $2 \text{ hours} \times 0.75\% \text{ plus } 5 \text{ hours} \times 0.50\% = 4.00\% \text{ or } 15.2\text{kg gut shrink.}$

**Acceptable degree of error by assessor**

The purchaser may only seek claims for misdescription in the following circumstances:

1. The accredited assessor (Levels 1, 2 or 3) grossly misdescribes the lot. The basis on which claims can be made under gross misdescription, the time period for submission of claims and price adjustment procedures are outlined on page 36.
2. Where the average liveweight at delivery (after adjustment for gut shrink) varies from that in the catalogue by more than the allowed tolerance for the respective level of accredited assessor -
  - Level 1 accredited assessor + or - 3%
  - Level 2 accredited assessor + or - 3%
  - Level 3 accredited assessor + or - 3%



### Time period for submission of claims

The claim shall be made by notifying the agent in writing outlining the reasons for making the claim -

1. For livestock bought as slaughter stock, prior to slaughter;
2. For livestock bought as store stock, by the end of the next working day after the day the lot is unloaded at the purchaser's nominated receival point.

### Price adjustment procedure

1. Calculate the average liveweight at delivery adjusted for gut shrink.
2. Where the difference between the average liveweight in the catalogue and the average liveweight at delivery adjusted for gut shrink is in excess of the tolerance level, the price payable, if adjustment is sought, is determined by applying a discount to the price bid of 1.5% for every 1% that the designated tolerance level is exceeded.

The following example is illustrative of the application of this adjustment –

Using the above, the adjusted liveweight at delivery is 352.2kg (340kg plus gut shrink of 15.2kg) - that is 27.8kg less than the liveweight at assessment or 7.3%. The variance is 4.3% in excess of the tolerance level for a Level 2 accredited assessor, thereby providing for an adjustment downwards of 6.45% on the price payable, should the purchaser seek the adjustment.

### CARCASE WEIGHT

#### Acceptable degree of error by assessor

Claims for misdescription may only be sought by the purchaser in the following circumstances

1. The accredited assessor (Levels 1, 2 or 3) grossly misdescribes the lot. The basis on which claims can be made under gross misdescription, the time period for submission of claims and price adjustment procedures are outlined on page 36.
2. Where the following carcass weight or fat score tolerances are exceeded -

#### (a) Carcass weight

Accreditation Level	Cows /Bulls	Other Stock Categories
1	+ or – 5%	+ or – 3%
2	+ or – 5%	+ or – 3%
3	+ or – 5%	+ or – 3%

If the average carcass weight varies from that assessed by more than the allowed tolerance for the respective level of accredited assessor, price adjustment may be sought.

Price adjustment will not be available where the abattoir does not measure the weight of the carcass.

**(b) Fat score**

Accreditation Level	Cows /Bulls	Other Stock Categories
1	+ or – 30%	+ or – 30%
2	+ or – 30%	+ or – 30%
3	+ or – 30%	+ or – 30%

An acceptable assessment requires at least 70% of the number of animals to be in the fat score designated in the catalogue and the balance in the adjacent score, otherwise price adjustment may be sought.

Price adjustment will not be available where the abattoir does not measure the fat depth of the carcase.

**Time period for submission of claims**

1. The claim shall be made by notifying the agent in writing outlining the reasons for making the claim by the end of the next working day after the lot is slaughtered.
2. The livestock shall be slaughtered in accordance with the period required under clause 17 of Part E1.

**Price Adjustment Procedure**

Where the purchaser seeks price adjustment, the extent of price adjustment shall be determined as follows -

- (a) by negotiation between the agent and purchaser; or
- (b) should agreement on price adjustment fail to be negotiated:
  - (i) the purchaser shall enter or cause to be entered the relevant carcase measurement and kill data into the AuctionsPlus System; and
  - (ii) price adjustment shall be determined by AuctionsPlus by application of the relevant AuctionsPlus Public Grid.

**GROSS MISDESCRIPTION**

1. A purchaser may only claim gross misdescription where -
  - (a) the age, sex or breed of the cattle delivered were obviously and substantially different to the specification included in the catalogue.
  - (b) dentition is incorrectly assessed in at least 10% of the cattle in the lot.
2. The claim must be made by notifying the selling agent in writing, outlining the reasons for making the claim:
  - (a) for livestock bought as slaughter stock
    - (i) in respect of age, sex and breed, prior to slaughter;
    - (ii) in respect of dentition, by the end of the next working day after the lot is slaughtered, subject to the lot being slaughtered in accordance with the time period required under the clause 17 of Part E1.
  - (b) for livestock bought as store stock, by the end of the next working day after the day the lot is unloaded at the purchaser's nominated receival point.
3. Where the error occurs in age, sex or breed, price adjustment is to be determined by negotiation between the selling agent and the purchaser, and if settlement cannot be negotiated, the matter is to be submitted to arbitration under these Operating Conditions.

4. Where the error occurs in dentition, the extent of price adjustment shall be determined as follows:
- (a) by negotiation between the selling agent and purchaser; or
  - (b) should agreement on price adjustment fail to be negotiated:
    - (i) the purchaser shall enter or cause to be entered the relevant carcass measurement and kill data into the AuctionsPlus System; and
    - (ii) price adjustment shall be determined by AuctionsPlus by application of the relevant AuctionsPlus Public Grid.

**BRUISING**

Where a purchaser seeks price adjustment for bruising, the following percentage adjustments will be applied to bruise scores as defined by the AUS-MEAT Language.

Bruise Score	Adjustment	
	Group A	Group B
1	2%	1%
2	2%	2%
3	4%	2%
4	2%	1%
5	5%	2%
6	6%	4%
7	5%	2%
8	9%	6%
9	15%	15%

Group A comprises calves, vealers, yearlings, young cattle, steers light, steers medium, steers heavy, heifers light, heifers heavy and cows heavy.

Group B comprises cows light, bulls light, bulls heavy and manufacturing mixed.

**THE SECOND SCHEDULE**  
**(Part E2, Clause 21)**  
**Basis of Price Adjustment for Misdescription of Sheep**

Claims for misdescription and resulting price adjustment may not be made pursuant to this Schedule when the date of delivery of the sheep is later than the maximum period allowed under these Operating Conditions.

**PER HEAD BASIS**

Claims for misdescription may only be sought by the purchaser in the following circumstances -

1. The accredited assessor (Levels 1, 2 or 3) grossly misdescribes the lot. The basis on which claims can be made under gross misdescription, the time period for submission of claims and price adjustment procedures are outlined on page 41.
2. For slaughter stock, where the following carcase weight tolerance is exceeded, providing the stock have been offered on a Per Head basis only and have not been offered on a Carcase weight basis.

Suckers/Lambs/Hoggets	+ or – 5%
Other Stock Categories	+ or – 7%

If the average carcase weight varies from the assessed weight by more than the allowed tolerance, price adjustment may be sought. Price adjustment will only be available where AUS-MEAT accredited feedback sheets, including individual weights, are provided.

**Exemption:** This clause does not apply to sheep transported from Tasmania (including King and Flinders Islands) to the mainland.

**Time period for submission of claims**

1. The claim shall be made by notifying the agent in writing, outlining the reasons for making the claim, by the end of the next working day after the lot is slaughtered.
2. The livestock shall be slaughtered in accordance with the period required under clause 16 of Part E2.

**Price adjustment procedure**

Where the purchaser seeks price adjustment, the extent of price adjustment shall be determined as follows -

- (a) by negotiation between the selling agent and purchaser; or
- (b) should agreement on price adjustment fail to be negotiated -
  - (i) the purchaser shall enter or cause to be entered the relevant carcase measurement and kill data into the AuctionsPlus System; and
  - (iii) price adjustment shall be determined by AuctionsPlus by application of the relevant AuctionsPlus Public Grid; and
  - (iii) the value of the skin shall be determined by agreement between the vendor and/or the selling agent and the purchaser, or alternatively by the market operator.

**LIVE WEIGHT BASIS**

**Calculation of gut shrink**

The following guidelines are to apply:

1. Gut shrink to be established - 0 hours is the time the sheep are removed from the vendor's paddock or as soon as mustering begins.

2. Shrink to be applied from 0 hours -
  - 0.50% per hour for first six hours
  - 0.30% per hour for next six hours
  - 0.25% per hour for next twelve hours
  - 0.125% per hour for next twenty-four hours
  - 0.10% per hour for next twenty-four hours

The following example is illustrative only –

Sheep described as 54.8 kg by a Level 2 accredited assessor - 0 hours off feed and water.  
 Sheep weighed at delivery by purchaser at 51.1kg - 20 hours off feed and water.  
 Calculation of gut shrink is as follows -

$$\begin{aligned}
 &6 \text{ Hours} \times 0.50 = 3.00 \% \\
 &6 \text{ Hours} \times 0.30 = 1.80 \% \\
 &8 \text{ Hours} \times 0.25 = 2.00 \% \\
 &= 6.80 \% \text{ or } 3.7 \text{ kg gut shrink}
 \end{aligned}$$

#### **Acceptable degree of error by assessor**

Claims for misdescription may only be sought by the purchaser in the following circumstances:

1. The accredited assessor (Levels 1, 2 or 3) grossly misdescribes the lot. The basis on which claims can be made under gross misdescription, the time period for submission of claims and price adjustment procedures are outlined on page 41.
2. Where the average liveweight at delivery (after adjustment for gut shrink) varies from that in the catalogue by more than the allowed tolerance for the respective level of accredited assessor -

$$\begin{aligned}
 &\text{Level 1 accredited assessor} + \text{ or } - 5\% \\
 &\text{Level 2 accredited assessor} + \text{ or } - 5\% \\
 &\text{Level 3 accredited assessor} + \text{ or } - 5\%
 \end{aligned}$$

#### **Time period for submission of claims**

The claim shall be made by notifying the selling agent in writing, outlining the reasons for making the claim:

1. for livestock bought as slaughter stock, prior to slaughter;
2. for livestock bought as store stock, by the end of the next working day after the day the lot is unloaded at the purchaser's nominated receival point.

#### **Price adjustment procedure**

1. Calculate the average liveweight at delivery adjusted for gut shrink.
2. Where the difference between the average liveweight in the catalogue and the average liveweight at delivery adjusted for gut shrink is in excess of the tolerance level, the price payable, if adjustment is sought, is determined by applying a discount to the price bid of 1.5% for every 1% that the designated tolerance level is exceeded.

The following example is illustrative of the application of this adjustment

Using the above, the adjusted liveweight at delivery is 54.8kg (51.1kg plus gut shrink of 3.7kg) - that is equivalent to the liveweight at assessment or 0%. The variance is 0% and is within the tolerance level for a Level 2 accredited assessor and no adjustment to the price payable is available.

## CARCASE WEIGHT

Acceptable degree of error by assessor

Claims for misdescription may only be sought by the purchaser in the following circumstances -

1. The accredited assessor (Levels 1, 2 or 3) grossly misdescribes the lot. The basis on which claims can be made under gross misdescription, the time period for submission of claims and price adjustment procedures are outlined on page 41.
2. Where the following carcass weight or fat score tolerances are exceeded -

### (a) Carcass weight

Accreditation Level	Suckers/Lambs/Hoggets	Other Stock Categories
1	+ or - 5%	+ or - 7%
2	+ or - 5%	+ or - 7%
3	+ or - 5%	+ or - 7%

If the average carcass weight varies from that assessed by more than the allowed tolerance for the respective level of accredited assessor, price adjustment may be sought.

Price adjustment will not be available where the abattoir does not measure the weight of the carcass.

### (b) Fat score

Accreditation Level	Suckers/Lambs/Hoggets	Other Stock Categories
1	+ or - 30%	+ or - 30%
2	+ or - 30%	+ or - 30%
3	+ or - 30%	+ or - 30%

An acceptable assessment requires at least 70% of the number of animals to be in the fat score designated in the catalogue and the balance in the adjacent score, otherwise price adjustment may be sought.

Price adjustment will not be available where the abattoir does not measure the fat depth of the carcass.

### Time period for submission of claims

1. The claim shall be made by notifying the agent in writing, outlining the reasons for making the claim, by the end of the next working day after the lot is slaughtered.
2. The livestock shall be slaughtered in accordance with the period required under clause 16 of Part E2.

### Price adjustment procedure

Where the purchaser seeks price adjustment, the extent of price adjustment shall be determined as follows -

- (a) by negotiation between the selling agent and purchaser; or
- (b) should agreement on price adjustment fail to be negotiated -

- (i) the purchaser shall enter or cause to be entered the relevant carcass measurement and kill data into the AuctionsPlus System; and
- (ii) price adjustment shall be determined by AuctionsPlus by application of the relevant AuctionsPlus Public Grid; and
- (iii) the value of the skin shall be as recorded in the purchaser's bid basis for the lot; or if no value has been recorded, it shall be determined by agreement between the vendor and/or the selling agent and the purchaser, or alternatively by the market operator.

**GROSS MISDESCRIPTION**

1. A purchaser may only claim gross misdescription where
  - (a) the age, sex or breed of the sheep delivered were obviously and substantially different to the specification included in the catalogue.
  - (b) dentition is incorrectly assessed in any animal in a lot listed as sucker, lamb or hogget.
  - (c) dentition is incorrectly assessed in at least 10% of the animals in a lot listed in a stock category other than sucker, lamb or hogget.
  
2. The claim must be made by notifying the agent in writing, outlining the reasons for making the claim -
  - (a) for livestock bought as slaughter stock -
    - (i) in respect of age, sex and breed, prior to slaughter;
    - (ii) in respect of dentition, by the end of the next working day after the lot is slaughtered, subject to the lot being slaughtered in accordance with the time period required under the clause 16 of Part E2.
  - (b) for livestock bought as store stock, by the end of the next working day after the day the lot is unloaded at the purchaser's nominated receival point.
  
3. Except as provided for in point 4 below, the extent of price adjustment is to be determined by negotiation between the selling agent and the purchaser, and if settlement cannot be negotiated, the matter is to be submitted to arbitration under these Operating Conditions.
  
4. In respect of sucker and lamb sales in Western Australia, any animals with two teeth will be automatically subject to a price reduction of 40%, and any animals with more than two teeth will be automatically subject to a price reduction of 60%.