LAWS6991 Fundamentals of Contract Law

SYDNEY LAW SCHOOL · UNIVERSITY OF SYDNEY · POSTGRADUATE

Full guide + ask Sia about LAWS6991

01 · Exam map

COURSE FACTS

Early 0% | Interim 40% | Final Exam 60%

TASK	EXAM-VALUE FORMAT
Early Feedback Task · 0%	5-question online quiz; formative.
Interim Assignment · 40%	Several short problem questions; first two teaching days; 3,000 words including references.
Final Exam · 60%	Supervised problem questions; 30 min reading + 2 h writing; anything taught may be examined.

PERMITTED-MATERIALS TRUTH

"The final exam is a supervised Open Book exam" (LAWS6991 Contract Introduction slides, 2026 (PDFRAW_LAWS6991_Contract_Introduction_2026.txt))

FORM — Terms — Ending → Remedy

O+A · C	express?	perform?	damages
certainty	implied?	terminate	estoppel
intention	exclude?	repudiate	rescind
formality	breach?	frustrate?	ACL

Read the facts along the contract's life; skip a stage only after stating why it is uncontroversial.

02 · Formation gate

CH 1

QUESTION	LEGAL EFFECT
Offer + acceptance?	Objective agreement.
Consideration?	Needed for a simple contract; not for a deed.
Certainty + completeness?	Court can identify and enforce the bargain.
Intention?	Objective intention to create legal relations.
Capacity, legality, consent?	May prevent enforcement or make the contract voidable.

Objective theory: read words and conduct as a reasonable recipient would; undisclosed intention is irrelevant. *Realestate.com.au v Hardingham; Cirrus.* Missing formation element may mean no contract; impaired consent makes a formed contract voidable, not void.

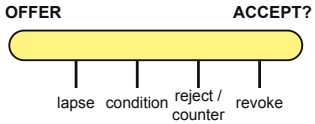
EXAM MOVE *Identify who is advised and the remedy sought before classifying the bargain: simple/deed; bilateral/unilateral; executed/executory.*

03 · Offer alive?

CH 2

An *offer* shows readiness to be bound on stated terms without further negotiation. An invitation to treat invites offers. Classification is objective.

COMMUNICATION	DEFAULT + AUTHORITY
Self-service display	Invitation; customer offers at checkout — *Boots Cash Chemists.*
Catalogue / price list	Invitation — *Grainger v Gough.*
Reward advertisement	Can be offer to world if specific and committed — *Carlill.*
Lowest-price reply	Information, not willingness to sell — *Harvey v Facey.*
Tender / auction	Bidders ordinarily make offers; wording or platform rules may change result.



Test each ending chronologically; a paid option blocks revocation during its period.

ENDING THE OFFER

- **Lapse:** stated time, otherwise reasonable time; failure of a condition also ends it.
- **Counter-offer:** destroys original — *Hyde v Wrench.* Mere inquiry leaves it alive — *Stevenson Jacques v McLean.*
- **Revocation:** must reach offeree before acceptance; reliable third-party notice suffices — *Dickinson v Dodds.*
- **Option:** bare promise to keep open is revocable; consideration makes it binding — *Goldsborough Mort v Quinn.*
- **Unilateral performance:** no universal bar on revocation after performance begins; consider implied ancillary promise or estoppel — *Mobil Oil v Wellcome.*

OFFER PARAGRAPH

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Issue: legal offer or invitation?
Rule + authority. Apply specificity,
commitment, remaining negotiation and
context. Then run lapse → rejection/counter-offer → revocation
→ acceptance.
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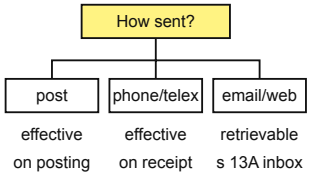
04 · Acceptance

CH 3

Acceptance must be by the intended offeree, respond to a live offer, be final and unqualified, and usually be communicated. An act done without knowledge or reliance is not acceptance — *R v Clarke.* Silence alone cannot be imposed — *Felthouse v Bindley*; taking services with knowledge of their terms may objectively accept by conduct — *Empirnall.*



Choose the rule by the actual medium; electronic acceptance is not postal acceptance.

ACCEPTANCE CHECK *Identify the intended offeree, a live offer, matching assent, reliance and the legally effective communication time.*

TIMING AND NON-VERBAL ASSENT

FACT	RULE TO APPLY
Letter lost/delayed	Posting effective if post reasonable and actual receipt not required — *Household Fire Insurance v Grant.*
Email to designated inbox	Received when capable of retrieval, whether read or not — Electronic Transactions Act 2000 (NSW) s 13A.
Competing forms	Varied terms are counter-offer; identify last terms accepted by word or conduct — *Butler Machine Tool.*
No clean exchange	Ask whether mutual assent is manifested and reasonable parties would see a concluded bargain — *Brambles.*

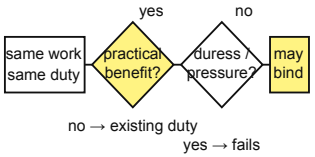
TRAP *"Sent" and "read" are not the statutory event. Put every message on a timeline and state the legal time of effectiveness.*

05 · Consideration

CH 4

Consideration is a legally recognised benefit or detriment given as the price of the promise. It must be sufficient, not adequate — *Chappell v Nestle.* A condition for a policy benefit is not necessarily a bargain — *Australian Woollen Mills.* Past consideration fails — *Roscorla v Thomas.*

PATTERN	RULE
Part debt on due date	No release without something new or deed — *Pinnel; Foakes v Beer.*
Existing contractual duty	Traditionally no value — *Stilk v Myrick*; test practical benefit exception.



Practical benefit is concrete commercial value, tested with pressure before enforcement.

06 · Variation gate

CH 4

Williams v Roffey: extra promise for the same work can bind where the promisor obtains a practical benefit and duress or fraud is absent. *Musumeci v Winadell* restates the NSW inquiry:

1. A already contracted to work/supply for B.
2. Before completion, B doubts A will or can finish.
3. B promises extra payment or concession for the original performance.
4. B gains a practical benefit/avoids disbenefit worth more than its likely remedy, or A gives up an attractive non-performance option.

07 · Certainty

CH 5

DEFECT	QUESTION · AUTHORITY
Uncertain	Capable of a meaning? Construe commercially — *Upper Hunter.*
Incomplete	Essential term absent, or objective mechanism? *Whitlock v Brew; Godecke v Kirwan.*
Negotiate	Objective good-faith standard/mechanism? Possible in principle — *Coal Cliff.*
Illusory	One party has unfettered discretion? *Placer; Biotechnology v Pace.*
Finance	Honesty, perhaps reasonableness, restrains discretion — *Meehan v Jones.*

Rescue only after identifying failure: external decision-maker; construction; severance where the clause is a mere appendage — *Fitzgerald v Masters*; or waiver of a sole-benefit clause. A court cannot invent the bargain.

CERTAINTY ORDER

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meaning → essential completeness →
discretion → mechanism → severance /
waiver → conclusion
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08 · Intention + form

CH 6

Ermogenous rejects rigid social/commercial presumptions. Objectively weigh subject matter, status, relationship and surrounding circumstances; the party asserting a contract bears the onus. Business promise may bind if promissory unless legal effect is expressly excluded — *Banque Brussels Lambert; Rose and Frank.* Family arrangements can bind on evidence — *Todd v Nicol.*

CLASS 1	CLASS 2	CLASS 3
bound now	all agreed	no deal until
restate	perform later	formal doc.
BINDING	BINDING	NOT BOUND

Class 4: bound now fuller deal expected

The classes assist the objective intention inquiry; the language and expected further terms decide.

LAND: CONVEYANCING ACT 1919 (NSW) S 54A

A land contract needs a written agreement/note signed by the person sued or authorised signer. It must identify parties + consideration/price + land. Electronic signature can satisfy the requirement (Electronic Transactions Act 2000 (NSW) s 9). Non-compliance makes the oral contract unenforceable at common law, not void. Section 54A(2) preserves part performance; acts must be unequivocally referable to some such contract — *Pipikos v Trayans.*

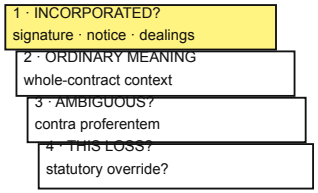
09 · Express terms

CH 7

Ask whether an intelligent bystander, in the parties' position, would infer a promise that the statement was true — *Hospital Products.* Weigh wording, timing, importance and relative expertise. A private seller passing on a registration record made a representation — *Oscar Chess*; a dealer with means to verify made a term — *Dick Bentley.*

CLASS	CONSEQUENCE OF BREACH
Condition	Essential: termination + damages.
Warranty	Non-essential: damages only.
Intermediate	Termination only if effects are sufficiently serious — *Hong Kong Fir.*

Parol evidence: only after finding the agreement wholly written; then extrinsic evidence cannot add, vary or contradict. Exceptions include partly oral agreement, ambiguity, mistake, custom and condition precedent. A collateral contract must be intended/reliant/promissory and consistent — *JJ Savage; Hoyt's.*

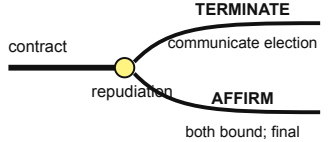


Incorporation precedes construction; ACL consumer guarantees cannot be excluded: s 64.

10 · Incorporation + implication

CH 7–8

ROUTE	RULE + AUTHORITY
Signature	Signer bound whether read or not — *L'Estrange; Toll*; misrepresentation can defeat reliance — *Curtis.*
Notice	Recipient must know document carries terms; notice before formation — *Causer; Oceanic Sun; Thornton.*
Course of dealing	Prior dealings must be sufficiently regular and consistent — *Balmain New Ferry; La Rosa.*
Term in fact	*BP Refinery*: reasonable/equitable; necessary for business efficacy; obvious; clear; consistent with express terms. All five.
Cooperation	Reasonable steps enabling the other party's contractual benefit — *Secured Income.*
Good faith	No settled general High Court duty; NSW controls discretion: honest, proper purpose, not arbitrary — *Burger King.*



Repudiation gives an election; it does not itself end the contract.

11 · Ending the contract

CH 9

ROUTE	TRIGGER / AUTHORITY
Performance	Exact, divisible or substantial — *Hoenig; Bolton.*
Condition / intermediate	Any breach of condition; serious consequences for intermediate term — *Hong Kong Fir.*
Delay	Time ordinarily non-essential: Conveyancing Act s 13. Valid notice targets the breach, gives reasonable time and warns — *Louinder.*
Repudiation	Renunciation or final inability; innocent party elects — *Universal Cargo; Laurinda.*

12 · Frustration

CH 9

Without default, a supervening event makes performance radically different, not merely harder — *Davis Contractors; Codelfa.* Exclude allocated risk and fault. Automatic discharge; Frustrated Contracts Act 1978 (NSW) s 7 and ss 9–15 govern promises and payment adjustment.

13 · Damages + equity

CH 10

DAMAGES

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loss → causation → remoteness →
mitigation → quantify
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ROUTE	TEST + AUTHORITY
Expectation / reliance	Performed position — *Robinson*; wasted expenditure net residual value — *Amann; Cessnock.*
Cost to conform	Necessary and reasonable — *Bellgrove; Tabcorp.*
Estoppel	Clear assumption + induced reliance + knowledge + detriment; proportionate relief — *Waltons; Crown.*
Impaired consent	Influence (*Thorne*); illegitimate pressure (*Crescendo*); special disadvantage + knowing exploitation (*Amadio*). Contract voidable.

14 · Statutory routes

CH 11–12

ROUTE	GATE + TEST
ss 20–22	Trade/commerce. Section 20 tracks equity; s 21 is broader and can reach systems; s 22 informs overall judgment — *Productivity Partners; Kobelt.*
ss 23–24	Standard form consumer/small-business term; imbalance + unnecessary + detriment; unfair term void.

LAWS6991 Worked Drills · Traps · Fast Recall

APPLY EVERY ELEMENT · COMPARE AUTHORITIES · FINISH WITH ADVICE

Full guide + ask Sia about LAWS6991

SIDE 2/2 · 4 DRILLS · NUMBERS TO THE END · TRAP TABLES · AUTHORITY PAIRS · IRAC UNDER TIME · 30 min reading · 2 h writing · every topic examinable

15 · Time + answer frame

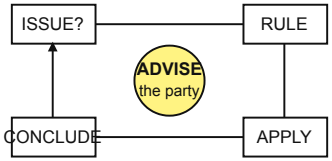
EXAM METHOD

Use reading time to underline the party advised and remedy wanted; put communications and performance in date order; write an issue list from formation through remedies; mark facts pointing both ways; note the tab/page for each rule. Allocate writing time in proportion to the question's marks.

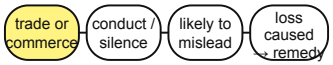


read + plan — IRAC issue by issue — audit each conclusion

The published split: plan first; reserve the writing period for applied analysis.



Rule means proposition + case/section; application means comparison with the actual facts.



audience + error → remedy

ACL s 18 chain: every link is separately applied to the facts.

REUSABLE PARAGRAPH

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I Whether … . R The rule is … (authority). A Here, fact X
resembles/differs because … ; fact Y points the other way … . C Therefore
the stronger view is … , so [party] can/cannot … .
```

AUDIT BEFORE MOVING ON
Right party + requested remedy?
Every issue has a case or section?
Rule applied to named facts, not case retold?
Competing view where law/facts permit?
Conclusion answers the issue sentence?

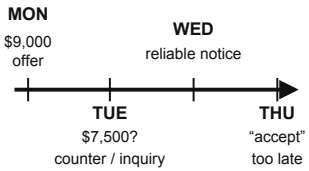
READING-TIME SCAN

MARK	WHAT IT TRIGGERS
Dates/messages	Offer lifespan and communication timing.
Signed paper/ticket	Incorporation, formality, parol evidence.
Delay/refusal/event	Breach, repudiation, election or frustration.

16 · Drill 1: offer timeline

WORKED EXAMPLE

Facts. Mon: restorer emails café owner, refit for $9,000, "open until Fri". Tue: owner asks, "Would you do it for $7,500?" Wed: reliable mutual supplier says restorer signed another client for the same fortnight. Thu: owner emails acceptance of $9,000.



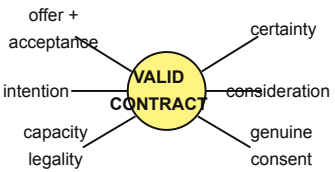
Two independent paths end the Monday offer before Thursday.

IRAC STEP	APPLIED ANSWER
Issue	Was Monday an offer and did it survive until Thursday?
Offer	Price, scope and acceptance time show objective willingness to be bound.
Tuesday	A counter-offer destroys the original (*Hyde*); a mere inquiry does not (*Stevenson Jacques*). Question form permits both views.
Keep-open words	No consideration for the promise, so no binding option (*Goldsborough Mort*).
Wednesday	Reliable third-party knowledge of dealing elsewhere revokes (*Dickinson*).
Conclusion	No contract: counter-offer likely ended it; even if inquiry, reliable notice revoked before Thursday.

TRAP *Do not jump from Monday to Thursday. The score sits in classifying Tuesday and then running Wednesday as an alternative.*

OFFER CLASSIFICATION QUICK CONTRASTS

LOOKS LIKE INVITATION	LOOKS LIKE OFFER
Shelf label; catalogue; ordinary advertisement; lowest-price information.	Specific conditions; fixed reward; money set aside; nothing left to negotiate.
Boots; Grainger; Harvey	*Carlill*



Formation first; capacity, legality and consent then decide enforceability or avoidance.

17 · Drill 2: email race

WORKED EXAMPLE

Facts. 9.00 am: wholesaler emails offer for 500 umbrellas at $8 each. 10.15 am: retailer's acceptance becomes retrievable in the wholesaler's designated inbox. 10.30 am: before reading it, wholesaler emails revocation.

STEP	ANSWER
Medium	Email is not post; receipt rule governs — *Brinkibon*.
Statute	Electronic Transactions Act 2000 (NSW) s 13A: received when capable of retrieval at designated address, not when opened.
Priority	Acceptance effective 10.15; revocation at 10.30 is too late.
Number	500 × $8 = $4,000.
Conclusion	Contract formed at 10.15 am for $4,000.

WRITE THE LEGAL CLOCK

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09:00 offer → 10:15 retrievable = acceptance received → contract → 10:30
attempted revocation has no effect.
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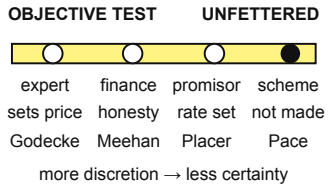
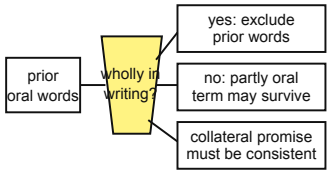


External machinery or an honesty standard can save a gap; wholly self-set performance cannot.

MINI-APPLICATION: OPEN PRICE

Two-year flour supply "at a price to be agreed quarterly", but independent grain-market expert fixes price if no agreement. Price is essential; a bare agreement to agree would fail. The external mechanism makes it sufficiently complete under *Godecke v Kirwan* and consistent with *Upper Hunter*. Likely valid.

DO NOT CONFUSE	CORRECT LABEL
Term has two possible meanings	Construction, not automatic voidness.
Essential term missing, no machinery	Incomplete agreement.
Performance entirely at promisor's will	Illusory promise.



The parol evidence rule applies only after finding the agreement wholly written.

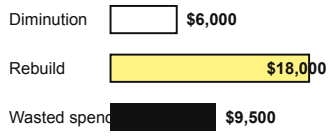
18 · Drill 3: rent concession

WORKED EXAMPLE

Facts. Rent is $4,000/month. Road closure collapses trade; tenant may leave. Landlord accepts $3,000/month until reopening to keep centre fully let. Four months later landlord demands shortfall.

IRAC STEP	APPLIED ANSWER
Calculate	($4,000 − $3,000) × 4 = $4,000 shortfall.
Issue	Consideration for accepting less while tenant performs existing duty?
Traditional rule	Part payment gives no consideration for releasing balance — *Pinnel; Foakes*.
Exception	*Musumeci* applied practical benefit to rent reduction: avoiding a less-than-fully-let centre can exceed the value of a remedy.
Pressure	Check duress, fraud, undue influence, unconscionability or unfair pressure; none stated.
Conclusion	Concession likely binding; $4,000 probably not recoverable.

COUNTERARGUMENT *State the existing-duty and part-payment rules first. The exception does not erase them; it explains why this variation may nevertheless bind.*



choose the legal measure

Source example: cost to conform can beat diminution when conformity is necessary and reasonable.

DAMAGES NUMBER DRILLS

FACTS	WORKING → RESULT
Promised wall value $410,000; as built $404,000; rebuild $18,000; contract $60,000.	Diminution = $6,000. *Bellgrove*: rebuilding needed for drainage and reasonable → likely $18,000.
Dairy spends $90,000; resale $20,000; profits too uncertain after repudiation.	Reliance = $90,000 − $20,000 = $70,000, subject to proof contract would not recoup — *Amann*.
Expectation and reliance pleaded.	Not elective rival causes: both express compensation; court chooses assessment — *Cessnock*.

CHOOSE THE REMEDIAL ROUTE

FINDING	ROUTE
Proven contractual breach	Compensatory damages; test termination separately.
Clear relied-on assumption, no contract	Estoppel; relief proportionate to detriment.
Consent impaired	Rescission of voidable contract; identify doctrine.

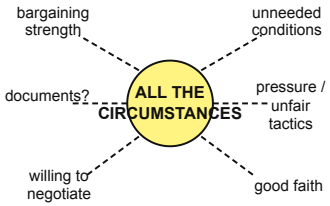
19 · Drill 4: courier cap

WORKED EXAMPLE

Facts. Signed courier contract limits liability "for loss of or damage to any consignment, however caused" to $500. Driver leaves rings worth $12,000 on doorstep; stolen.

STEP	APPLIED ANSWER
Incorporation	Signature binds whether read or not — *L'Estrange; Toll*.
Construction	Ordinary and natural meaning in whole contract; contra proferentem only if ambiguous — *Darlington Futures*.
Reach	"Loss … however caused" naturally covers theft following driver carelessness.
Numbers	Recovery = $500; contractual unrecovered loss = $12,000 − $500 = $11,500.
Conclusion	Clause incorporated and applies; liability capped at $500.

ORDER *Never construe a clause before showing how it entered the contract. Then test ambiguity, this loss, and statutory override.*



ACL s 22 supplies relevant matters, not a mechanical checklist: Productivity Partners.

STATUTORY FORK

FACT PATTERN	ROUTE
Private deal; special disadvantage exploited	Equitable unconscionable dealing: *Amadio*.
Trade/commerce; unwritten-law standard	ACL s 20.
Supply/acquisition; system or conduct unconscionable overall	ACL s 21 + relevant s 22 matters.
Standard form consumer/small-business term	ACL ss 23–24 unfair-term test.
Conduct likely to lead audience into error	ACL s 18; then causation and remedy.

Threshold number: small business if at least one party employs fewer than 100 people *or* had turnover below $10,000,000. In the source drill, 85 employees satisfies the first limb despite $12,500,000 turnover. A one-sided price-change clause may satisfy all s 24 limbs; if unfair, it is void and the remainder continues if operable.

20 · Fast recall: authority pairs

ALL TOPICS

CONTEST	CASE PAIR / PIVOT
Counter-offer v inquiry	*Hyde* v *Stevenson Jacques*: proposed variation or question?
Silence v conduct	*Felthouse* v *Empirnall*: imposed silence or objective taking of benefit?
Seller statement	*Oscar Chess* v *Dick Bentley*: relative knowledge and responsibility.
Minor v serious defects	*Hoenig* v *Bolton*: effective purpose and cure proportion.
Unclear v incomplete	*Upper Hunter* v *Whitlock*: construable meaning or missing essentials?
Clear v vague assumption	*Waltons* v *Crown v Cosmopolitan*.
Repudiation v frustration	*Universal Cargo* election v *Codelfa* automatic discharge.
Equity v ACL s 21	Special disadvantage test v broader all-circumstances standard/system.

21 · Common traps

EXAM CUES

WRONG SHORTCUT	REPAIR SENTENCE
"Advertisement = invitation."	Usually, but specific committed reward may be unilateral offer: *Carlill*.
"Silence never accepts."	Cannot be imposed; silence plus knowing conduct can objectively assent.
"Email accepted when read."	Designated-address message received when retrievable: s 13A.
"Consideration must be fair value."	Sufficient, not adequate; but must be bargained price.
"Reliance makes statement a term."	Need objective promise/guarantee, not inducement alone.
"Repudiation ends contract."	Innocent party must elect and communicate; affirmation keeps both bound.
"Frustration is hardship."	Performance must be radically different, without default or allocated risk.
"Misrepresentation makes contract void."	Impaired consent ordinarily makes it voidable, pending rescission.
"Section 22 is a checklist."	Relevant matters inform an evaluative judgment over all circumstances.

LAST-LINE REMEDIES

FINDING	STATE THE CONSEQUENCE
No formation	No contract; test estoppel/restitution/statute if facts support.
Breach	Damages; termination only if condition, sufficiently serious intermediate breach, valid notice or repudiation plus election.
Frustration	Automatic prospective discharge; apply NSW statutory adjustment.
Vitiated consent	Voidable; rescission and bars; add damages where available.
ACL s 18 + caused loss	Damages s 236; consider injunction s 232 and orders ss 237, 243.