Form R5

Collusive Practices

Collusive practices at auctions of land or a business

Land and Business (Sale and Conveyancing) Act 1994 section 24L

Land and Business (Sale and Conveyancing) Regulations 2010 regulation 28

Section 24L of the *Land and Business (Sale and Conveyancing) Act 1994* makes it unlawful to engage in collusive practices in relation to an auction of land or a business. Under that section a person must not do any of the following as a result of a collusive practice, or induce or attempt to induce another person by a collusive practice to do any of the following:

a) abstain from bidding;
b) bid to a limited extent;
c) do anything else that might tend to prevent free and open competition.

The maximum penalty for committing such an offence is $20 000.

** "Collusive practice" is defined in section 24L(4) of the Act. If you are intending to bid at an auction and are unsure whether your activity constitutes a collusive practice, it is advisable to seek independent legal advice.*

NOTE: At auctions of land or businesses this form must be made available for perusal by members of the public for at least 30 minutes immediately before the auction is due to commence.