

CONSUMER AFFAIRS

Uncollected Goods

The Northern Territory Government's Uncollected Goods Act will benefit any business left holding unwanted goods as a result of customers failing to pay for or collect goods that have been repaired.

WHAT DOES THE ACT DO?

The *Uncollected Goods Act* provides a simple and cost-effective way for businesses to dispose of items left on their premises and reclaim any financial losses associated with repairs, storage and insurance.

Businesses such as dry cleaners, watch repairers, shoe repairers, electrical repair shops and motor repair shops are able to take advantage of the uncollected goods process.

KEY ELEMENTS OF THE ACT INCLUDE:

Simplified methods of disposal

A four tiered value system for disposal notification.

- For uncollected goods valued at less than \$200 the receiver may dispose of them after 28 days if the provider is given notice of the intention to dispose of the goods and does not claim them. Goods may be disposed of by sale, destruction, appropriation or any other means.
- For uncollected goods valued at \$200 or more, but less than \$1,000; the provider, owner or and any other person having or claiming an interest in the goods is given two months notice of the impending sale and then the goods can be sold at auction or private sale for a fair price.
- For uncollected goods valued at \$1,000 or more, but less than \$7,000, the provider, owner and any other person having or claiming an interest in the goods is given 3 months notice, the Commissioner of Police must be informed, and a newspaper advertisement must be placed 28 days before the goods are disposed of. Goods can be auctioned or sold by private sale for a fair price.
- For uncollected goods valued at \$7000 or more a receiver will need a Court order to dispose of the goods.

There are special provisions for the disposal of motor vehicles.

PRIORITY PAYMENT FOR REPAIRS

The cost of repairs or services that have not been paid for will take priority over any other security interest holder claiming an interest in the goods. This means the proceeds of sale can be put towards unpaid repairs and the cost of selling the goods.

RECORD KEEPING REQUIREMENTS

Businesses need to keep records for three years from the date of disposal of the goods.

PROTECTION FOR CONSUMERS

The Act provides protection for consumers with regard to any uncollected goods.

- Consumers must be notified in accordance with the Act before their goods are disposed of.
- After paying the relevant amount for the repairs, the consumer can still claim the goods at any time prior to the goods being sold.
- Interested parties are able to inspect the records of the receiver.
- The Act provides for dispute resolution for the cost of repairs of the goods.
- If a receiver does not dispose of uncollected goods in accordance with the Act, the receiver may be liable to a consumer.

PROTECTION FOR PURCHASERS

- A purchaser of uncollected goods can obtain good title to the goods as long as:
 - the purchaser is not aware of any failure by the receiver to comply with the Act; and
 - the purchaser is not aware that the provider did not have good title to the goods.
- A receiver must give a purchaser of a motor vehicle, a receipt that complies with the Act.
- A purchaser of a motor vehicle, with an existing registered interest, can apply to have that interest removed.

For further information contact Consumer Affairs

Old Admiralty Towers, 68 The Esplanade, GPO Box 1722, Darwin NT 0801

Ph: 08 8999 1999 - Fax: 08 8935 7727

or

Level 1, Belvedere House, Parsons Street, PO Box 1745 Alice Springs NT 0871

Telephone: 08 8951 8606 Fax: 08 8951 5442

or phone 1800 019 319

Email: consumer@nt.gov.au

Web site: consumeraffairs.nt.gov.au

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