

# Disposing of uncollected goods

A guide for business and  
consumers

*Disposal of Uncollected Goods Act 2020*



*Promoting a fair marketplace*

**CBOS**

Consumer, Building &  
Occupational Services

This Guide is a resource and reference document and is for general information only.

**Executive Director**  
**Consumer, Building and Occupational Services**

**Contact details**

Website: [www.cbos.tas.gov.au](http://www.cbos.tas.gov.au)

Email: [cbos.info@justice.tas.gov.au](mailto:cbos.info@justice.tas.gov.au)

Phone: 1300 654 499

Post: PO Box 56, Rosny Park TAS 7018

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## Introduction

There are rules in Tasmania governing how businesses and consumers deal with disposing of uncollected goods. This Guide focuses on the disposal of uncollected goods.

The *Disposal of Uncollected Goods Act 2020* (the Act) provides guidance and contains special provisions relating to the disposal of motor vehicles and perishable goods.

Summary of provisions:

- Simple procedures for disposing of uncollected goods;
- Straightforward and easy-to-use **Goods Disposal Notice** that the business will send to the consumer;
- New **value categories** of goods with different disposal procedures;
- No requirement to only sell goods by public auction - private sales are permitted;
- A disposal process for perishable goods;
- Clear and simple record keeping templates;
- The Director of Consumer Affairs and Fair Trading can make Determinations about certain matters such as:
  - Keeping the dollar value of the value categories up-to-date;
  - Acceptable methods to determine the value of goods.

## What are uncollected goods?

Uncollected goods are items that are temporarily left with a business (for a period of time) by a consumer who then:

- hasn't come back to collect the goods
- hasn't told the business what to do with the goods
- hasn't paid the business
- can't be contacted or located.

The Act regulates how a business or individual (**the receiver**) disposes of goods (including motor vehicles) left behind by a consumer (**the provider**). The business or individual has **temporary possession** of the goods left behind. If the goods remain uncollected, the Act allows the business to sell or dispose of the goods and recover the cost of any work undertaken and storage costs.

## Examples of uncollected goods

- Clothing left at a dry cleaning service
- Jewellery left for repair
- A towing business picks up a damaged vehicle but is not told by the owner what to do with it
- The mechanic fixes a car, but the owner never returns to pay for the work and collect the car
- A commercial landlord is left with perishable food in a shop after the tenant leaves

## What goods are not covered by the Act?

- Unsolicited goods (such as products sent to a person as part of a marketing campaign)
- Goods left by residential tenants
- Pawned goods held by a pawnbroker
- Unclaimed lottery or gambling prizes
- Lost property, stolen goods or vehicles seized by the police
- Items obstructing public roads
- Abandoned goods (including on public or private land)
- 'lock up garage' lease (storage unit - renting a space to store unspecified goods)

## Does the Act apply to lay-by agreements?

No. A lay-by agreement lets consumers buy goods and pay for them in two or more instalments before collection. A consumer can cancel the lay-by agreement at any time before they receive the goods. If the consumer cancels the lay-by, the business must refund the deposit and all other money paid except for any termination payment.

## Are goods bought under a hire purchase agreement covered?

Yes. Goods bought under a hire purchase agreement are covered by the Act. There is a special arrangement covered by the *Personal Properties Securities Act 2009* of the Commonwealth Government. For goods subject to a **registered interest**, a [Goods Disposal Notice](#) must be given to the consumer before the business can dispose of the item.

## Disposing of uncollected goods – the process

When consumers leave their goods with a business, it is best practice to make arrangements for the goods to be collected. This arrangement can be verbal or in writing, for example, a dry cleaning docket or a receipt with a pickup date printed on it. The business can also prominently display a sign in the store. Sample wording for the sign:

*This business will dispose of goods that remain uncollected after a period of time.*  
*(Disposal of Uncollected Goods Act 2020)*

If the consumer doesn't return, the goods become uncollected. The business has to contact the consumer and advise that the goods will be disposed of if they are not collected.

The business must then send the consumer a [Goods Disposal Notice](#), which must contain details including specified collection date, for example, seven days after the notice is sent.

If the goods aren't collected by the specified date, the business can then dispose of the goods, but only after the statutory period has passed. Read more on [Value category thresholds](#).

## Contacting the consumer

The Act gives a business several options for sending a written [Goods Disposal Notice](#) to a consumer, including:

- A text message to a phone or a tablet
- Email
- Post
- Leaving a copy of the Goods Disposal Notice at the consumer's last known address
- Fax
- Sending the Notice to the registered address of a person who has a publicly registered interest in the goods; or
- Personal communication (only for perishable goods)

**NOTE:** if the goods are a motor vehicle, the business should get a certificate from the Motor Vehicles Registrar. The search certificate may provide the address of the registered owner of the vehicle being held.

## Disposing of goods - no collection arrangements in place

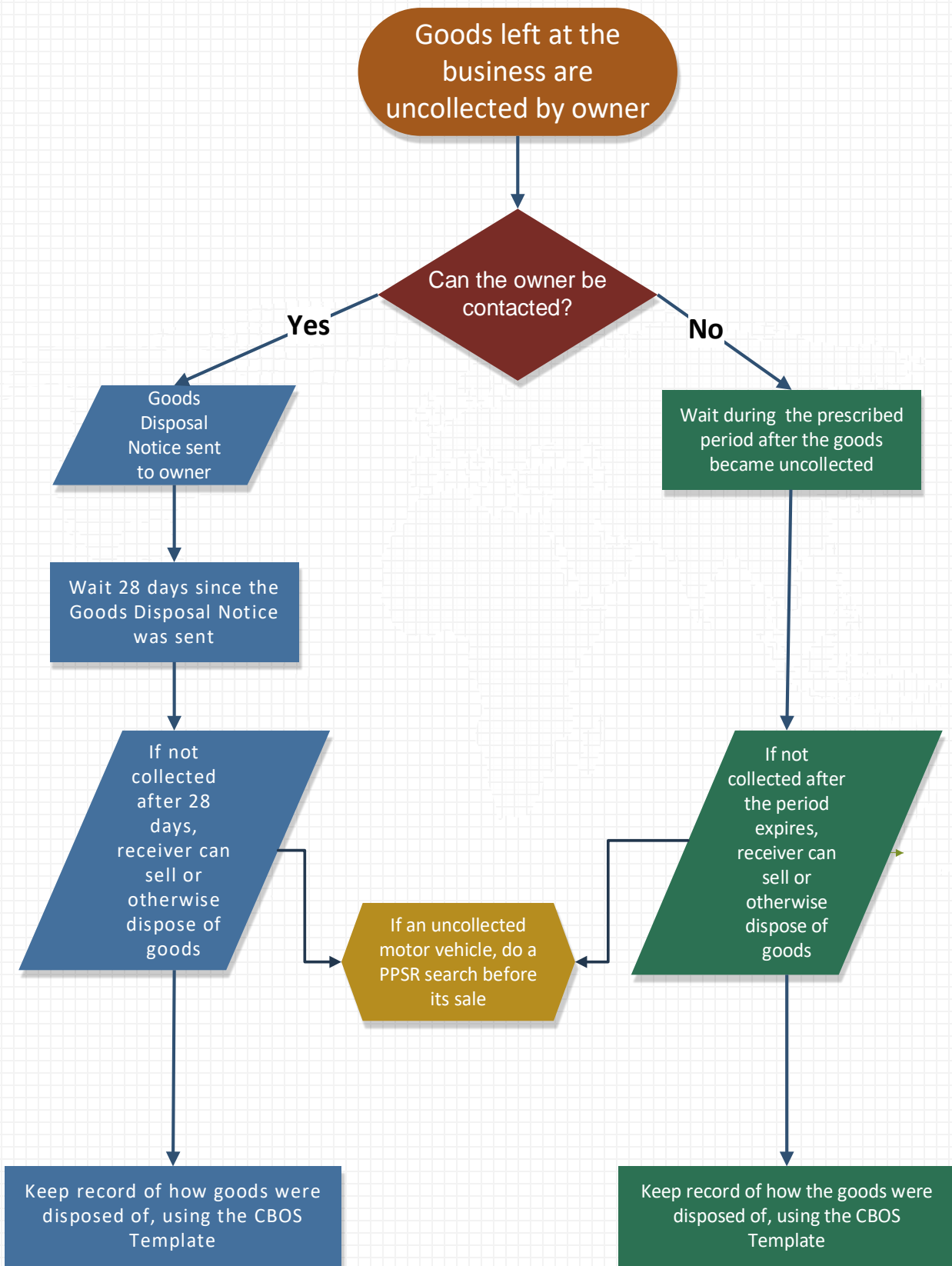
If there are no collection arrangements in place, the same procedures apply. If the consumer does not return to collect the goods after a reasonable time, the business must send a [Goods Disposal Notice](#) to the consumer, specifying a collection date.

If the goods aren't collected by the specified date, the business may dispose of them after the [statutory notice period](#) has passed.

## Disposing of goods – unable to contact or locate the consumer

When a business is unable to contact or locate a consumer, a [statutory notice period](#) for waiting applies before disposal is permitted.

# Disposal of Uncollected Goods Act simplified flowchart



## Can a consumer stop the disposal of their goods?

Yes, a consumer can stop the disposal of their goods by:

- paying any outstanding charges; and
- collecting the goods or making arrangements for their delivery; or
- applying to a court to resolve the dispute with the business holding the goods.

## Can a business still sell the goods if there are court proceedings?

No. If there is a dispute over the goods, and a court application has been lodged, the business cannot sell the goods. The court will decide on the matter.

## Goods Disposal Notice

The Act sets out requirements for the business (the receiver) to give formal notice to the consumer (the provider) who has not returned to collect their goods after a reasonable time. The business must provide a [Goods Disposal Notice](#) in writing to the consumer advising their intention to dispose of the uncollected goods.

That notice must specify:

- the receiver's name;
- a description of the goods;
- an address where the goods may be collected;
- a statement of the relevant charges payable. If the charge is likely to increase, the information should include current charges and an estimate of any further costs which may accrue;
- a statement advising that after a specified date, the goods will be disposed of unless they are collected and any relevant charges paid;
- if applicable, a statement that the receiver will keep an amount from the proceeds of the goods' sale. This amount must not exceed the sum of any relevant charges or disposal costs.

There is no special form that must be used. However, CBOS has published a [Goods Disposal Notice](#) template as part of this Guide for you to use.

For *perishable goods only*, personal communication including a phone call is sufficient to give the notice.



## How much notice must be given before disposing of the goods?

The required notice a business must give a consumer before disposing of any goods or vehicles varies depends on the value.

Monetary threshold:	Low Value Goods \$1 - \$199 Cars \$1 - \$999	Medium Value Goods \$200 - \$4999 Cars \$1000 - \$4999	High Value Goods \$5000 + Cars \$5000 +	Perishable Goods Any value
Goods Disposal Notice was given to the owner, but they have not taken delivery or given directions as to delivery.  Disposal is allowed after:	28 days since Notice given	28 days since Notice given	28 days since Notice given	Receivers can send a Goods Disposal Notice or give verbal notice of intent to dispose of goods.  Owners must be given a reasonable time to collect goods after the Notice (considering nature and condition of goods)
Goods Disposal Notice <b>cannot</b> be given, as the owner cannot be located or contacted.  Disposal is allowed after:	60 days since goods became uncollected	90 days since goods became uncollected	180 days since goods became uncollected	
Disposal methods allowed:	Sale, destruction, appropriation, or any other means	Public auction or private sale	Public auction or private sale (in some cases)	Sale, destruction, or appropriation

## Relevant charges

A business can ask a person to pay the **relevant charge** before collecting or delivering their uncollected goods or vehicle.

The relevant charge is the total amount owed for:

- repairs, cleaning, treatment or other work the business did on the goods or vehicle;
- transport costs;
- storage, maintaining and insurance for the goods or vehicle until they are disposed of from the date the business:
  - gave written notice of the intention to dispose of them or
  - applied for a court order for disposal.

If the owner or any other person with a proprietary or security interest in the goods (including a vehicle) pays this charge, they are entitled to collect or take delivery.

A business can deduct relevant charges from any proceeds received from selling the goods. If the sale proceeds do not cover the relevant charges, the business can sue the person who left the goods for the difference.

## Keeping records

The businesses must record and keep records about the disposal of any uncollected goods.

- You are required to record transactions involving the issuing of a disposal notice and the disposal of goods.
- You must prepare the record within seven days after disposing of any uncollected goods.
- The record must be made available on request; by the goods' provider, the owner of the goods, or any other person claiming an interest in the goods.
- For low-value goods, the record must be retained for two years from the goods' date of disposal.
- For goods of medium and higher values, the record must be retained for six years from the goods' date of disposal.

There isn't a special form that must be used. However, CBOS has published a [Disposal Record template](#) as part of this Guide for you to use.

## Value categories – for goods and motor vehicles

The Act divides all goods into three value categories:

- low
- medium
- high

Value category thresholds – Disposal of Uncollected Goods Act 2020	
Low	<ul style="list-style-type: none"><li>• General \$1 - \$199</li><li>• Vehicles \$1 - \$999</li></ul>
Medium	<ul style="list-style-type: none"><li>• General \$200 - \$499</li><li>• Vehicles \$1000 - \$4999</li></ul>
High	<ul style="list-style-type: none"><li>• General and vehicles - \$5000 +</li></ul>

The Director of Consumer Affairs and Fair Trading will periodically adjust the value categories' dollar threshold to ensure they do not become outdated due to inflation or increases in living costs. This adjustment is made by making a **Determination**.

## When does the value of the goods need to be decided?

The business (receiver) only has to decide the **value** of the goods if they are not collected and the owner:

- has received a notice about collecting them and hasn't responded or
- cannot be contacted.

If the owner can be contacted, they have the same statutory period (28 days) to arrange for collection regardless of the goods' value. The receiver cannot dispose of the goods until that period has elapsed.

## Does deciding a value impact the process?

Deciding the value of goods determines the appropriate statutory waiting period required before disposing of the uncollected goods.

The Act specifies that when an owner cannot be contacted, the **higher** the value of the goods, the **longer** the business has to keep them.

The valuation also affects the disposal methods. For example, low-value goods can be disposed of by any suitable means. Whereas high-value goods have restrictions on how the disposal can occur. Goods can be sold at a public auction or by private sale. A private sale should be used when the business has a reasonable belief that a private sale will achieve the best price.

## Valuing single or multiple items

If a consumer has left a number of goods uncollected, the goods should be valued individually unless the items make up a set. For example:

- a dining table and six chairs would be valued as one item
- a leather jacket, a dress and a pair of trousers left at a dry cleaner would be valued individually.

## Who decides the market value of goods?

The business (the receiver) which holds the goods can decide on the market value of goods. Traders in a relevant business or profession, such as jewellers or mechanics, can estimate the current market value. The business can estimate the market value of goods based on their experience or using any guides the Director of Consumer Affairs may have determined helpful.

The business must value the goods in **good faith**. For example, the business must not under-value goods so they can be disposed of sooner.

**Value** means the price the goods would attract in the market, without any special or extraordinary effort expended in selling them regardless of a particular contract. Also, it is important to note that the net value of those goods will be after any relevant charges are deducted for storing, removal, preservation, transportation and advertising.

As it is difficult to quantify, the sentimental value of goods to the customer is not considered in the valuation. A business is expected to use **common sense and sensitivity** when holding or disposing of goods that seem likely to be of sentimental value, for example, an antique ring. Businesses are encouraged to store the item or find someone with a personal interest in the item (such as another family member) as is reasonable.

### Valuable estate items (e.g. inherited antique jewellery)

There are no special rules relating to the personal sentimentality of family items. If the goods are left uncollected, they may be disposed of, after following the procedures set out in the Act.

If another person with a personal interest in the goods has notice that the goods are uncollected and is willing to pay the businesses' costs, then they are entitled to receive those goods.

There are specific periods and procedures in the Act for dealing with the disposal of those goods for high-value goods. One option is selling them at a public auction.

## Are there different ways for the disposal of uncollected goods?

Usually, a business will want to sell uncollected goods to recover their business costs. However, depending on their value, the Act allows different ways to dispose of goods. Disposal of Low-Value Goods can be done in a number of ways. The business may choose a method suitable for them.

### Types of disposal methods:

Goods value	Low	Medium	High	Perishable (any value)
<b>Disposal methods allowed</b>	Sale, destruction, appropriation, or any other means	Public auction or private sale	Public auction (or a private sale in some cases)	Sale, destruction, or appropriation

*(For the dollar values of these categories, see the table on page 9)*

### Examples:

- Low-value clothing may be destroyed.
- Low-value electrical goods may be appropriated by the business and kept for spares.
- Perishable goods fit for consumption may be donated to a charity food bank or else destroyed.
- A car valued at \$400 (Low Value) can be dismantled and destroyed, with the body scrapped and spare parts sold.

However, a medium value car (\$1,000 or more) or a high-value vehicle (\$5,000 or more) can only be sold, either by private sale or public auction.

## What happens after the goods are sold?

Any money left over after the business sells the uncollected goods or vehicle, and pays the relevant charge and disposal costs, is 'unclaimed money'. The consumer can request this from the business. After keeping that money for one year, if still unclaimed, the money is then dealt with under the *Unclaimed Money Act 2015*. The Department of Treasury and Finance accepts unclaimed money from businesses. Legal owners of the money can contact Treasury with appropriate proof of entitlement to make a claim.

## Does the purchaser get legal title to the sold goods?

Yes. If the processes in the Act are followed.

The purchaser gets **good legal title** to the goods, free from any interest that existed in the goods (in favour of another person) before the goods were sold.

This means they own the goods if, when they bought them, the new buyer was unaware of any:

- failure by the seller to comply with uncollected goods Act; or
- problems with the original owner's title to the goods.

Good legal title also means that the previous owner can no longer:

- claim the goods or
- ask the purchaser to pay any more money to be entitled to keep them.

## Registered interest in the goods

A **security interest** covers transactions considered a form of security such as mortgages over motor vehicles or charges on company property such as stock in trade. The [Personal Property Securities Register \(PPSR\)](#) is a national online register that can provide information to help protect consumers when buying personal property such as cars, boats or artworks (not including land or buildings). For a small fee, you can perform a search which will provide you with a search certificate.

## Can a business be liable for selling uncollected goods?

A business (receiver) who disposes of uncollected goods following the Act's provisions is not legally liable in relation to the goods due to that disposal.

## Penalties for disposing of goods incorrectly

There are penalties for not correctly disposing of uncollected goods. The key penalties are:

- Failure to search online registers before disposing of a high-value motor vehicle – a business must not dispose of a high-value motor vehicle (\$5000 or more) unless they have a written search result from the [Commonwealth Personal Property Securities Register](#)

- Failure to provide the purchaser of a vehicle with a receipt containing specific information - If a business sells an uncollected motor vehicle without a court order, it must provide the buyer with a receipt containing the following information:
  - the business name and address
  - the vehicle's last registration number (if applicable)
  - the Vehicle Identification Number (VIN)
- Failure to keep records of disposed of goods - Within seven days of disposing of uncollected goods without a court order, the business must prepare a disposal record containing detailed information, including the date and the manner of disposal.

## Perishable goods

The Act also covers disposing of perishable goods. The procedure is different when dealing with goods that can spoil (if left too long) and leave the business with a valueless commodity.

If the goods are still in a perishable state, the business can dispose of them by:

- sale
- disposal
- appropriation

In this situation, the business must contact the provider by either:

- verbal notice (including a phone call) or
- a Goods Disposal Notice

If the goods have already perished, the business can use any means to dispose of the uncollected goods. Afterwards, they must try to let the provider know that they have disposed of the goods.

## Disposing of motor vehicles rules

Some special rules apply to the disposal of motor vehicles including:

- giving a goods disposal notice to the owner;
- methods of disposal of motor vehicles;
- providing receipts to someone buying the vehicle; and
- keeping records of how the disposal occurred.

To help comply with the Act, this Guide provides two templates for businesses to use:

1. [Disposal record for an uncollected motor vehicle](#)
2. [Sales receipt for an uncollected motor vehicle](#)

More information on disposing of motor vehicles is available at [www.cbos.tas.gov.au](http://www.cbos.tas.gov.au). You can also read the *Guide - Disposing of uncollected motor vehicles*.

## Attachment 1 – Goods Disposal Notice template

# Goods Disposal Notice

*Disposal of Uncollected Goods Act 2020*

Date

[insert consumer name]

[insert postal address]

[insert City State Postcode]

[insert Phone number if available]

[insert email address]

Dear [insert consumer name]

I am informing you of our intention to dispose of your uncollected goods.

Your goods are described as:

- [make/model of goods]
- [description of goods]
- [date goods were received]

We [select option: <phoned you><emailed you><wrote to you>] on [insert date] asking for payment of charges and for you to collect your goods.

The goods described in this notice may still be collected from us at [insert street address] after you have paid the charges owing.

Please treat this as a matter of urgency and contact us as soon as possible.

If your goods are not collected within 28 days (from the date of this notice), the goods will be disposed of in accordance with the *Disposal of Uncollected goods Act 2020*, such as by sale, auction or appropriation.

Proceeds from selling your goods will be kept to cover our relevant charges and any disposal costs.

If proceeds from selling your goods do not cover charges and costs, you are still liable for that debt. Excess funds left over from a sale of your goods may be claimed from us.

## Relevant charges

Before releasing the goods, you must pay the total amount owing of \$insert. This amount is being charged to cover the following:

To calculate the relevant charge, include the cost of your business's services (repairs, cleaning, storage, servicing). Also, provide an estimate of any likely increase in the relevant charge, for example, a daily storage fee – DELETE THIS TEXT FROM NOTICE

Yours sincerely

Business name

[Add contact details if this information is not on letterhead]

## Disposal record of general goods

### *Disposal of Uncollected Goods Act 2020*

The *Disposal of Uncollected Goods Act 2020* requires businesses to record the disposal of any uncollected goods.

- You are required to record transactions involving the issuing of a disposal notice and the disposal of goods.
- You must prepare the record within seven days after disposing of any uncollected goods.
- The record must be made available on request, either by the goods' provider, the owner of the goods, or any other person claiming an interest in the goods.
- For low-value goods, the record must be retained for two years from the goods' date of disposal.
- For goods of medium and higher values, the record must be retained for six years from the goods' date of disposal.

Date of goods disposal notice and how it was given	Name and address of the person the notice was sent to	Disposal date	How goods were disposed of: (sale, auction, appropriation)				Auctioneer's name and business address (only if auctioned)
				Purchaser's name and address	Sale price	Amount retained by the business for its charges and costs	
					\$	\$	

**IMPORTANT:** Do **not** use this template if you dispose of an **uncollected motor vehicle**. Motor vehicles have different record-keeping requirements. You will find information on selling vehicles at [www.cbos.tas.gov.au](http://www.cbos.tas.gov.au)