



**Australian  
Retailers  
Association**

## **Australian Retailers Association (ARA) NSW Gift Card Regulation Guidelines February 2018**

### **NSW Gift Card Regulations:**

All retailers with stores in NSW should be aware of changes to gift card/voucher regulations starting Saturday 31 March 2018. Despite the best efforts of the ARA, NSW Fair Trading has to date provided only limited guidance on how the regulations will operate.

The ARA has prepared a background for retailers to explain and prepare for the changes.

### **Background and Timeframe:**

From 31 March 2018, all gift cards sold in NSW will be subject to a minimum expiry period of three years from the date of purchase. A 6-month transitional period is in place until 30 September 2018 for retailers to offload non-compliant stock.

While the ARA has advocated strongly for a minimum 12-month transitional period, the NSW government has been difficult to deal with on this matter. The ARA advises to prepare to have all non-compliant gift cards/vouchers removed from sale by the end of September as a worst-case scenario.

- If your gift cards/vouchers have an expiry period pre-coded (e.g. 12 months), and these are not sold by the end of September, retailers may have to write these off. After the end of September, all gift cards/vouchers will need to clearly state a 3-year expiry.
- Some retailers have gone to the extent of changing their POS systems to reflect the changes to expiry, without having to dump stock.
- All new gift card/voucher stock ordered during this time must be compliant with the new 3-year expiry period.
- All gift cards/vouchers purchased during this transitional period must be valid for 3-years, even if currently coded with a 12-month expiry, for example. NSW Fair Trading has advised retailers to manually alter gift cards/vouchers which do not comply.
- All gift cards/vouchers purchased before 31 March 2018 will maintain their current expiry periods.

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- These regulations apply to all gift cards/vouchers sold in store or online to a consumer who is in NSW at the time of sale or sold to a consumer who resides in NSW.

ARA has sought further explanation from NSW Fair Trading on multiple occasions, however, we have not received a response.

### **Interstate Stores:**

Retailers are asking ARA about how the regulations will work with stores operating in different states. While there are questions about whether NSW can restrict gift card/voucher sales in other states, retailers may be left vulnerable to fines for non-compliance. The ARA has argued that all interstate businesses should be exempt from the regulations, to remove the possibility of interstate businesses incurring fines. NSW Fair Trading has not responded to ARA's request.

Below is a list of possible options:

- Some retailers have made the decision to reflect the changes nationally and will sell 3-year expiry gift cards in every state.
- If a retailer sells a gift card/voucher in Queensland which normally expires after 12 months, it would need to be valid for use in NSW for at least three years. This is difficult for retailers to navigate, which is why many have moved to implement the regulations nationally.
- Some retailers may decide to discontinue the sale of gift cards/vouchers altogether.

### **Exemptions:**

A limited range of exemptions are included on the NSW Fair Trading website. These include gift cards/vouchers given as part of a promotion, loyalty rewards, and store credits.

Limited guidance material has been published on the NSW Fair Trading site as follows:

- [General guidance material.](#)
- [Resources for business.](#)

At this stage, the ARA has not been informed of changes to gift card/voucher regulations in other States/Territories. Be sure to look out in ARA Retail Voice for any further announcements.

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### **Further Information:**

If you have any further queries, please do not hesitate to contact ARA's policy and advocacy team at [policy@retail.org.au](mailto:policy@retail.org.au).

### **About the Australian Retailers Association:**

Founded in 1903, the Australian Retailers Association (ARA) is Australia's largest retail association, representing the country's \$310 billion sector, which employs more than 1.2 million people. As Australia's leading retail peak body industry, the ARA is a strong pro-active advocate for Australian retail and works to ensure retail success by informing, protecting, advocating, educating and saving money for its 7,500 independent and national retail members throughout Australia. For more information, visit [www.retail.org.au](http://www.retail.org.au) or call 1300 368 041.

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