



## Australian Retailers Association (ARA) SA Gift Card Regulation Guidelines December 2018

### South Australia Gift Card Regulations:

All retailers with stores in South Australia (SA) should be aware of changes to gift card/voucher regulations starting Monday 10 December 2018.

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

### Background and Timeframe:

From 10 December 2018, all gift cards sold in SA 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 10 June 2019 for retailers to offload non-compliant stock. **However, please note, all gift cards sold within this period will need to be honoured for the full three-year non-expiry period under the SA legislation.**

While the ARA has advocated strongly for a minimum 12-month transitional period, the SA 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 May 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 beginning of June 2019, retailers may have to write these off. After 10 June 2019, all gift cards/vouchers will need to clearly state a 3-year non-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 non-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. The SA Government has advised retailers to manually alter gift cards/vouchers which do not comply.
- Under the new laws, retailers are obliged to notify their customers of the changes by updating terms and conditions, websites, and in-store flyers and posters.

Phone: 1300 368 041  
Fax: (03) 8660 3399

MELBOURNE OFFICE  
Address: Level 1, 112 Wellington Parade  
East Melbourne VIC 3002



- These regulations apply to all gift cards/vouchers sold in store or online to a consumer who is in SA at the time of sale or sold to a consumer who resides in SA.
- Retailers cannot charge fees that reduce the redeemable value of the gift card after its sale (e.g. a \$2 administrative fee for a balance check).

### **Interstate Stores:**

Retailers are asking ARA about how the regulations will work with stores operating in different states. While there are questions about whether SA 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. Similar laws were introduced in New South Wales (NSW) earlier in 2018.

Below is a list of possible options:

- Some retailers have made the decision to reflect the changes nationally and will sell 3-year non-expiry gift cards in every state.
- If a retailer sells a gift card/voucher in Victoria which normally expires after 12 months, it would need to be valid for use in SA *and* 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, including gift cards/vouchers given as a part of a promotion, loyalty rewards and store credits/refund cards, are listed in the link below.

Limited guidance material has been published on the SA Government website site as follows:

- [Resources for Business.](#)

At this stage, the ARA is aware of national changes to gift card/voucher regulations set to come into effect during November 2019. These changes may assist with reducing complexities and inconsistencies for retailers who operate in multiple States and 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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