

**From:** david  
**Sent:** Thursday, 23 February 2012 11:26 AM  
**To:** CCAAC  
**Subject:** Gift cards

CCAAC Gift Card Review  
C/- of Manager  
Consumer Policy Framework Unit  
Infrastructure, Competition and Consumer Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
**Email:** [CCAAC@treasury.gov.au](mailto:CCAAC@treasury.gov.au)

**Float & Therapies Pty Ltd**

**To Whom it May Concern**

**You have requested information and opinion on Gift Card Reform**

**I offer these opinions on the subject with the experience of running an iconic "Brisbane" business known as the Float Centre.**

**This business operated for over 20 years, the last 15 years by my wife and to a lesser extent myself, whereas I personally run other businesses as well. This business ultimately failed through lack of profitability in June 2010, despite at the time receiving the highest customers reviews ever in its operation.**

**My background is that I was an Investment Banker for 30 years and was the Treasurer of a large regional bank at the end of my banking career. I subsequently set up and operated small businesses, one of which was the above referred to. I only say this to emphasise that I have some experience in this matter.**

**GIFT vouchers are essentially the life blood of small business when it comes back to profitability. It was our experience that Christmas time created about 50% of total profitability. Smaller things such as birthdays, mother and fathers day ect also offered opportunities. The point is that people buy gifts and give them on the basis clearly laid out on the voucher ie non refundable, expiry date and terms of conditions applicable to the modality sold. We found that the recipient was aware of all this but through complacency or whatever did not always adhere to the conditions. These people were the loudest and very much in the minority, our practice was to alleviate and help the customer. If your business does not do that, it will not survive regardless. If the judges of this process of Gift card reform know anything about small business they will realise that cash flow is the essence. Business cannot afford to account for income on a unused basis as they are essentially bringing income forward by the advanced sale.**

**The process being looked at is essentially a "squeaky wheel" syndrome caused by consumer advocates who fail to understand that by undermining any and every innovation undertaken by small business that they eventually destroy what they set out to save ie cost effective services for the consumer. Whatever system is introduced in this process will be so beaucratic that small business will say "whats the point" I will not issue gift cards. The result will be bigger businesses with different structures will end up charging twice the value of the service to achieve political correctness in the eyes of the consumer..... Do you really believe the consumer wins on this basis?**

**This process is being undertaken by Fair Trading and I know when I have spoken to officers of fair trading who are dealing with the public that they get terribly frustrated by the pettiness of public perception and complaint, whilst there are exceptions with some unscrupulous traders, the the department generally has more empathy with the vast majority of traders.**

**MY simple answer to your call for "gift card" reform is "Caveat Emptor". BUYER BEWARE ! If you want to make life harder than it already is then make some basic undertakings to keep it to a 12 month expiry date with the conditions clearly and legibly explained. Ie value of the gift (people do not want to give gifts with a price tag) but specify the service being sold, that way there is no balance left. Options to upgrade or swap for other product again can be specified at the descretion of the seller.**

**Before you people act on this matter, remember that small business will only be inconvenienced further with unwieldy legislation. Create a definition of good practices and offer mediation if disputes result..... ITS THAT SIMPLE ! Dont make another set of rules to police....start using commonsense based on the needs of the many, not the few!**

**David Poole  
Director  
Float and Therapies**