

	<p><b>A non-profit, volunteer organisation, advocating to advance the interests of consumers in Queensland</b></p> <p><i>Secretary:</i>  <i>Max Howard</i>  <i>PO Box 261</i>  <i>Corinda Q 4075</i>  <i>Telephone: 0419 678 395</i></p>
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7 August 2018

**SUBMISSION ON FEDERAL GOVERNMENT CONSULTATION  
PAPER ON PROPOSED REGULATIONS ON GIFT CARD EXPIRY  
DATES**

**BACKGROUND**

The Queensland Consumers' Association (the Association) is a non-profit organisation established over 40 years ago and which exists to advance the interests of Queensland consumers. The Association's members work in a voluntary capacity and specialise in particular policy areas.

The Association is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups, and works closely with many other consumer and community groups. Also, since some gift cards are subject to federal legislation administered by ASIC, it is relevant to this consultation that the Association is a member of ASIC's Queensland Regional Liaison Committee.

The Association made a written submission on the CCAAC's 2011 Issues Paper "Gift Cards in the Australian Market" and on the federal government's recent Consultation Regulatory Impact Statement (CRIS).

And, in December most years the Association has issued media releases suggesting that, to reduce possible problems and detriment, consumers should buy gift cards carefully and consider using them early. This has resulted in gift card purchase and use issues getting substantial publicity in Queensland.

Therefore, the Association is pleased to participate again in this consultation process.

*The contact person for this submission is: Ian Jarratt, email*

**COMMENTS**

**General**

We welcome the federal government's decision to propose new requirements for gift cards, aimed at ensuring that consumers are given a reasonable period of time to use their cards, improved access to expiry date information, and limiting post purchase fees.

We also welcome that the requirements will apply to gift cards that currently are regarded as "financial products" and regulated under ASIC legislation.

However, as indicated in our submission on the CRIS, we consider that any federal legislation should also address the problem of small amounts of unused value on gift cards. For example, in our submission we suggested that “If the unused value on a card is \$10 or less, and if requested by a consumer, the issuer should be required to payout in cash, or other means, the remaining unused value.”

We also consider that the Bill or Regulations should include a requirement that that it be reviewed no more than 3 years after full implementation and the federal government should undertake or commission ongoing monitoring of, and research on, the impacts of the legislation and developments and trends in the gift card market. We suggest this because this is a major change that will involve many types products and consumers, and markets and consumer needs are changing rapidly. Therefore, it is important to ensure that any new legislation in this area is achieving its objectives and is fit for purpose.

Also, although a separate issue to this consultation on the Bill and the possible content of Regulations, we consider that on-going consumer education programs should be undertaken by the ACCC, including at peak card purchasing periods to publicise expiry period requirements, etc.

### **The Bill**

We note that it is proposed to define in detail in regulations what is regarded or not regarded as a “gift card”.

However, we note also that the Bill refers to a ‘gift card’ being an article that “is of a kind that is commonly known as a gift card or gift voucher”.

Given that it is easy to change the name of products and the names that are commonly used to describe products, we wonder whether this definition is too broad. For example it might be possible to reduce this problem by including in the definition at least some of the key factors that will determine whether an article is regarded as a “gift card” in the regulations.

### **Proposed Regulation**

At this stage, we do not have any specific comments on the content of the proposed regulations. However, we hope to be able to participate in the consultations proposed, at a later date, on proposed regulations.