

AUSTRALIAN CAPITAL TERRITORY

TRADING STAMPS ORDINANCE 1972

EXPLANATORY MEMORANDUM

No. 2 of 1972

The objective of the Trading Stamps Ordinance 1972 is to prohibit the use of trading stamps in the Australian Capital Territory, including the Jervis Bay Territory.

Basically, the Ordinance will prohibit schemes which involve the following factors –

- trading stamp companies selling trading stamps, which include stamps, labels, covers, tickets, tokens or devices, to retailers;
- retailers distributing the trading stamps free of charge to customers; and
- where the customers are promised that on accumulation of a number of trading stamps, they will be able to obtain specified goods from the trading stamp company.

This prohibition will not apply to arrangements pursuant to which manufacturers or wholesalers attach coupons to goods.

Promoters of prohibited schemes and suppliers of trading stamps to retailers will be liable to a maximum penalty of \$1000. Retailers who distribute the stamps will be liable to a maximum penalty of \$500.

The decision to ban trading stamps arose out of a recommendation made by the Australian Capital Territory Advisory Council as it was feared that the cost of these stamps must ultimately be incorporated in the price of goods or services. The decision was supported by retailers' and consumers' associations.

Similar legislation exists in all the States of the Commonwealth except New South Wales. The Government of New South Wales is preparing legislation to prohibit trading stamps.

R.J.H.

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(Minister's Initials)