

## Franchise council takes sides

The peak body supporting Australia's \$128 billion franchising sector, the Franchise Council of Australia, says the industry would be best served by the Coalition because it has clear strategies to guide businesses through an economic slump.

In the lead-up to the November 24 election, FCA chief executive Richard Evans says both the Labor and Liberal parties appear to be well equipped to manage a prospering economy.

But it is what happens when the economy experiences a downturn that concerns the industry.

"The economy is certainly healthy, and consumer confidence is high ... but it is not sustainable, and what we are concerned about is what happens then," Evans says. "We want to see an economic policy that can stand up to tough conditions ... and we believe the current federal government can maintain direction, even with a change of leadership within the party."

Evans says the franchising sector's players – more than 50 per cent of which are retailers – are also against

Labor's proposed unravelling of industrial relations laws. He says such a move would harm business owners, who want consistency across their businesses.

"The effect of winding back these laws flows back to the consumer," he says. "With the re-introduction of penalty rates, things such as 24-hour shopping and Sunday trading are put at risk. These are things that consumers themselves are demanding."

Despite a government enquiry into the sector last year and new provisions for the franchising code of practice, Evans says the industry doesn't need to be further regulated. "Some former franchisees have been left disenchanted by the system, but the fact of the matter is that businesses fail ... and both parties [the franchisee and franchisor] blame each other," he says. "You can't legislate for success. The fact is that we have one of the most highly regulated and best-practice industries in the world, and it needs to be left alone."

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