



Franchise Council of Australia Media Release

Wednesday, 10 November 2010

MEDIA RELEASE - Franchise Council of Australia

Investment bets off in WA - \$ Millions at risk if proposed WA Franchising Bill goes ahead

Millions of dollars in business investment will be taken away from WA if a proposed Bill threatening to change the franchising rules in WA goes ahead -- according to major franchising businesses.

Quick Service Restaurant Holdings (QSR) - owner of Red Rooster, Chicken Treat and CHOOKS Fresh & Tasty - has threatened to move its corporate headquarters and 3800 WA jobs east if a private member's Bill to change franchise agreement rules becomes law. In a statement released today, Chief Executive of QSR Mark Lindsay said the company would be at a disadvantage against Eastern States competitors, who would not have to meet the extra compliance burdens.

"And QSR is not on its own. Other WA-based businesses are expressing the same concerns," said Steve Wright, Executive Director of the Franchise Council of Australia (FCA). "WA represents a \$10 Billion franchise sector. If this bill lands in WA, expect to see millions of dollars of future investment in small business heading off in other directions.

At a FCA Franchising Breakfast in Melbourne yesterday - attended by franchisors, franchisees and suppliers - the FCA started a nationwide campaign to collect signatures opposing the WA Bill at FCA educational forums around the country.

This morning the FCA has distributed to all WA MPs a [comprehensive submission](#) explaining the severe consequences of the Franchising Bill 2010, introduced by Mr Peter Abetz, and why it must not go ahead.

"The FCA has also forwarded Government and Opposition copies of petitions against the good faith bill, first raised in SA in 2009 and now being promoted in WA; petitions containing hundreds of signatures, in about equal number split between franchisors, franchisees and suppliers," Mr Wright said.

"The industry response to this Bill may come as a surprise to some WA MPs who appear to have been lead up the garden path about the supposedly benign nature of the Bill. Hopefully now they will pay closer attention to what is driving this private members' bill and what its outcomes will be. When they do, it is hard to see how they could continue to support it.

"The supporters of this Bill may have been telling a rosy story in the past, but real WA businesses are now making their sentiments known -- loud and clear to all WA MPs. Let's hope a few more now take the time to actually look at the detail of what is being proposed and reassess their position.

"It is an abuse of process to consider that a private members bill of a highly technical nature could be shoved through Parliament without any serious assessment of its potential impact. Supporters of the Bill may be enjoying watching the Abetz Bill surfing towards shore on a wave of political opportunism, but I can assure you the WA franchising community is not enjoying the sensation at all. For them, it is



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not a wave, but a tsunami: looks benign enough on the horizon, but you don't want to be there when it lands.”

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The Franchise Council of Australia is the peak industry body for the \$130 Billion Australian franchise sector representing franchisors, franchisees and suppliers/advisors. www.franchise.org.au