



Franchise Council of Australia Media Release

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“No state-based laws” according to 95% of Franchise Council members

A proposed new set of franchising rules for South Australia is opposed by more than 95% of franchise executives, a survey of Franchise Council of Australia (FCA) members has found.

The biennial survey showed that 95.1% of respondents believe the Australian franchise community should be regulated by uniform National regulation – and not separate state rules.

Of those surveyed, 84% also believe the proposed rules would detract from the value of franchise systems in SA and close to 80% indicated that if implemented, the legislation would influence their attitudes towards investment in the state.

“The results of the survey formalise what we have suspected for some time – that there is almost unanimous opposition to this initiative,” said Steve Wright, Executive Director of the Franchise Council of Australia.

“There is no upside to this legislation – it would be disastrous for franchisors, franchisees and damaging to South Australian economy broadly,” he said.

“It would make it harder for small business owners to start franchises in SA, and more difficult to sell them – hindering local growth of what has been one of the nation’s best performing sectors since the onset of the global financial crisis in 2008.

“From our point of view, it is taking South Australia back to the days of the narrow gauge railway.”

The survey also posed questions regarding Mr Piccolo’s concerns that ‘rogue franchisors’ are common among the franchise community.

“Contrary to claims by some commentators, none of our members surveyed considered that ‘rogue franchisors’ are widespread within the membership base,” Mr Wright said.

“FCA members are required to abide by ethical business standards, and we support an active ACCC policing the sector to ensure that all franchisors uphold the law. Recent prosecutions by the ACCC have proven that this mechanism is working, and we do not need a whole new set of rules for any one state or territory.”

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

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