

FCA welcomes SA Opposition's integrity on back-door franchising bill – calls for Upper House inquiry

September 14 2011

The Franchise Council of Australia welcomes the decision of the South Australian Opposition to stand up against the back-door legislating tactics of the SA Small Business Minister, Mr Tom Koutsantonis.

FCA Executive Director Steve Wright said the Small Business Commissioner Bill should now be subject to a thorough committee review in the Upper House.

Mr Wright said South Australian Labor was trying to introduce anti-franchising legislation under the cover of a Small Business Commissioner Bill supposedly based on a model adopted in Victoria, and followed in other States, including NSW, WA and possibly Queensland.

"However, the truth is the Koutsantonis Bill goes much further. It introduces a de-facto franchising Act with very high penalties and potentially different rules to those which apply in every other State," Mr Wright said. "What's more, there is no explanation of how this set of rules will be administered in relation to the existing national policing authority of the ACCC.

"Consequently, we are very pleased that the Opposition is standing up to the Koutsantonis tactics - especially as we know there are other organisations who are worried about aspects of this bill.

"It is my understanding that a number of major stakeholders, including law representative bodies, have expressed their concern with the Government's approach," Mr Wright said. "The FCA certainly has expressed such concerns, but Mr Koutsantonis does not seem to care. In fact, he claims the franchising sector actually wants this legislation - a claim it is impossible to verify because none of the responses to his draft legislation have been laid open to view.

"It is pretty audacious to claim widespread support for a Bill without even publishing the responses to it - or explaining why the Bill which was put in the Parliament was so dramatically different to that which was put out for a very short consultation period."

Mr Wright said the controversy surrounding the Bill was a shame, because the concept of a Small Business Commissioner, based on the Victorian model, was one which was regarded as positive by FCA and most other organisations.

"But the way Mr Koutsantonis has gone about this has certainly muddied the waters. This bill must now be put up for thorough scrutiny in the Upper House (assuming the Government uses its numbers to push it through the Lower House), and that means a committee inquiry which sources the most authoritative opinion available on a national and State basis -- something which has not occurred previously."



FRANCHISE COUNCIL OF AUSTRALIA

Franchise Council of Australia Media Release

For more information, please contact:

Terry Sefton

Franchise Council of Australia 03 9508 0801 or email – terry.sefton@franchise.org.au



FRANCHISE COUNCIL OF AUSTRALIA

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