

FCA welcomes proposed amendments to 'contentious' SA SBC Bill

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The Franchise Council of Australia (FCA) welcomes the numerous amendments to the *SA Small Business Commissioner Bill 2011* (Bill) flagged for debate in the SA Parliament possibly today.

FCA Executive Director Steve Wright said the Liberal Party, Family First Party, and two independent MPs had indicated they would be supporting amendments to the bill being pushed by Small Business Minister Tom Koutsantonis.

"As well, Liberals and Independents have posed a number of questions about the way the Bill is planned to operate," Mr Wright said.

The Liberal Party has flagged a series of amendments which seek to avoid the possibility of existing Commonwealth Codes being adopted into South Australian law and then changed by regulation without recourse to the Parliament.

"That is an important discipline which gives some room for optimism that any proposed change in the future would get the thorough examination it deserved," Mr Wright said.

"The amendments acknowledge that some sectors, including franchising, already have substantial federal regulations and that to adopt and then change these at the State level is very unusual and highly contentious," Mr Wright said.

"The threat of state-based regulation of franchising is the FCA's major concern with the Bill in its current form. It's important to note that the FCA would not object to the Bill if it were based on the Victorian Small Business Commissioner model as was originally promised by Mr Koutsantonis."

Independent MP Anne Bressington has flagged an amendment to ensure that SA franchise owners are not disadvantaged compared to those in other States.

Family First MP Dennis Hood has proposed an amendment requiring a mandatory industry consultation process to accompany any future change to a Code (such as the Franchising Code of Conduct), with any failure to do so triggering a disallowance of the change.

Ms Bressington told Parliament yesterday that she had received a written assurance by Mr Koutsantonis that he would honour a 'disallowance' commitment. She said the SBC Bill had been one of the most contentious of the past year and that it should rightly be referred to a Parliamentary committee for thorough examination.

The Leader of the Opposition in the Legislative Council, Mr Ridgway, reminded Labor MPs that the Federal Labor Minister for Small Business, Senator Sherry, had described the SA move as 'bizarre' and had personally made clear his opposition to it.



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Senior Liberal MP Rob Lucas told Parliament the Bill would not magically solve newsagent complaints, commercial tenancy disputes or the machinery warranty problems of farmers and that MPs needed to question Mr Koutsantonis on these claims as the Bill entered committee debate phase, possibly today.

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The Franchise Council of Australia is the peak industry body for the \$128 Billion Australian franchise sector representing franchisors, franchisees and suppliers/advisors. www.franchise.org.au