

Koutsantonis continues to ignore objections to de-facto franchising bill

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The Franchise Council of Australia (FCA) is disappointed the South Australian Government appears intent on introducing back-door franchising legislation through its *Small Business Commissioner Bill 2011*, especially as the 57 public submissions to the Bill have never been made publicly available.

The FCA has made clear its objection to the undeclared franchising-related elements of the Bill, being pushed by Small Business Minister Tom Koutsantonis.

“Yet Mr Koutsantonis says today that the sector wants this legislation,” says FCA Executive Director Steve Wright.

“The Commonwealth and other States have considered and rejected the franchising-related moves Mr Koutsantonis intends to implement. The Bill in its current form is disconcerting news for the \$9 billion South Australian franchise sector and the thousands of franchisees and employees who work in it.

“Mr Koutsantonis says the Bill mirrors the Victorian Small Business Commissioner model. But the truth is it goes much further - to the point it is actually a de-facto franchising bill, with heavy new penalties and the potential for different rules to those which exist in the rest of the nation.

“If Mr Koutsantonis thinks this will inspire franchising small business growth in SA, he is mistaken. He needs to pull back from this anti-franchising approach and return to what the Victorian, NSW and WA Governments have recognised is the sensible approach – a Small Business Commissioner Office which focuses on quick affordable dispute resolution, not one which sets up an expensive quasi-tribunal.

“Small business needs reduced red tape, not a new big-stick bureaucracy which the WA Government estimates would cost taxpayers millions of dollars a year to run. SA already trails the rest of the nation in terms of business confidence. Mr Koutsantonis’ Bill will make the situation worse, not better.”

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