

Franchise Council of Australia welcomes parliamentary inquiry report

March 14 2019

The Franchise Council of Australia (FCA) has welcomed the report of the inquiry into franchising in Australia and is pleased that a number of our recommendations have been embraced by the inquiry.

The FCA followed the inquiry closely in 2018 and listened carefully to the testimony and issues raised. We are already addressing some of the concerns raised through the inquiry process.

Two key initiatives that the FCA is supporting is the establishment of a registry of all franchises in Australia, and the mandatory requirement to obtain legal and financial advice prior to entering a franchise agreement.

The FCA has also taken action to more directly engage franchisees through a new FCA Franchise Advisory Committee and is encouraged by the response it has received from franchisees.

We look forward to constructively contributing to the Task Force and working to effectively implement both the changes we have underway and other recommendations of the inquiry.

The FCA emphasised to the inquiry that there was a need for more rigorous compliance oversight and enforcement and we have been actively engaging with the ACCC.

We are pleased that recent enforcement actions have successfully brought some unscrupulous operators to account with significant penalties.

The ACCC has also advised that it is focusing its compliance investigations in 2019 on the most problematic sub-set in small business – the food services and takeaway food sector.

The FCA has made it clear that we will not tolerate breaches of the franchising code or consumer law by either franchisors or franchisees, whether or not they are FCA members.

Any breach of the law by a franchise business reflects on the reputation of the majority in franchising whom do the right thing.

Franchising works best when there's open collaboration between franchisors and franchisees and the FCA is committed to ensuring their mutual success.