

24 June 2011

## **WA Parliament committee says no to Abetz franchising bill**

The FCA welcomes the finding of the WA parliaments' Economics and Industry Standing Committee opposing the introduction of the Franchising Bill 2010 proposed by Perth backbencher Peter Abetz.

FCA Executive Director Steve Wright said he is pleased and relieved, as the franchising community was fearful that the bill would have had a significant negative effect on WA and national franchising.

"I think we can say the Report is a victory for common sense," Mr Wright said today.

"The FCA is pleased that the Committee found that there were no widespread instances of misconduct in the franchise sector, and that the existing federal regulatory framework was working effectively.

"I would like to emphasise that franchising, especially in Australia, is very much a collaborative activity between franchisors and franchisees and many submissions to the committee noted the likely negative impact on franchisees in terms of increased uncertainty, reduced access to finance and increased costs of dispute resolution."

"The FCA is also pleased that the Committee agreed with the submissions made by the FCA and others that the 2010 amendments to the Franchising Code and the recent new powers given to the ACCC will address many of the problems cited in previous inquiries."

The FCA also welcomes the Committee's detailed consideration of conflict resolution and 'good faith', and their conclusion that specific amendments to the current Code and the Competition and Consumer Act were a more appropriate response.

The FCA wholeheartedly agrees with the comments of Committee Chairman Dr Mike Nahan, who said the Bill was not an appropriate measure given the significance of the proposed amendments, and the importance of uniform legislation to easing the cost and compliance burden for small businesses.

ENDS

**For more information, please contact:**

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