

Franchisees reject SA State-based legislation agenda

August 1 2011

Award-winning and experienced franchisees attending a conference in Adelaide have rejected moves by Small Business Minister Tom Koutsantonis to introduce new franchising laws in South Australia.

A group of five high-achieving franchisees told a SA business conference that new laws were both unnecessary and unwanted in the State.

The five individuals are business owners in the successful franchising brands Cartridge World, McDonald's, Mortgage Choice, Bakers Delight and Safetyquip.

The five were participating in a panel discussion session about franchisee success. In response to a question from prominent Adelaide franchising lawyer Richard Solomon, of Solomon Bampton, each of the five said they were against State based franchising laws, noting that franchising had always been a nationally regulated business segment.

On Thursday, Mr Koutsantonis foreshadowed the creation of a new Small Business Commissioner's office with the power to investigate complaints and levy \$50,000 fines for rule breaches. The Commissioner would investigate franchising, tenancy and other complaints, he said.

Cartridge Worlds' Kurt Muller told the conference attendees that he was involved in businesses in a number of States and that different rules in SA would simply make it harder to do business in SA.

"There are enough rules already; we don't need to make it any harder," Mr Muller said.

Award winning franchisees Peter Bonnici, of Bakers Delight, and Tim Lewis, of Safetyquip, said their experience of franchising was positive and that they did not think new rules were needed.

McDonald's franchisee Alan Robson, a four-store owner and employer of 450 people, said he felt sorry for brand owners operating interstate or internationally if they had to contend with different rules and regulations in different places.

"I know this is a big issue for many international companies like McDonald's and Cartridge World," Mr Robson said.



FRANCHISE COUNCIL OF AUSTRALIA

Franchise Council of Australia Media Release

Franchise Council of Australia Executive Director Steve Wright said it was a shame that SA appeared intent on 'going it alone' on franchising legislation.

"The Commonwealth and other States have considered and rejected the very moves Mr Koutsantonis intends to implement," Mr Wright said. "The narrow-gauge railway may have made sense to some inside South Australia, but it was a huge impediment to State economic growth. At a time when State laws are being harmonized, this is a major step into the past," he said.

"SA already trails the rest of the nation in terms of business confidence. This can only make a bad situation worse."

For more information, please contact:
Franchise Council of Australia 1300 669 030



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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