

**ECONOMICS AND INDUSTRY STANDING COMMITTEE — SEVENTH REPORT —
“INQUIRY INTO THE FRANCHISING BILL 2010”**

Government Response — Statement by Minister for Commerce

HON SIMON O'BRIEN (South Metropolitan — Minister for Commerce) [10.09 am]: I inform the house that the government welcomes the findings and recommendations of the Economics and Industry Standing Committee in the report of its inquiry into the Franchising Bill 2010. The inquiry was comprehensive and considered a large array of issues.

The government notes the committee's recommendation that at this time the Franchising Bill be opposed. That recommendation is based on the committee's findings that franchising is most appropriately and usefully regulated at the commonwealth level and therefore there must be compelling reasons to depart from that regulatory system by introducing state-based legislation. Also, recent amendments to the Competition and Consumer Act 2010, including the Australian Consumer Law, that have come into effect in 2010 and 2011 should significantly improve the effectiveness and enforcement capabilities of the Australian Competition and Consumer Commission; and, the full suite of amendments to the Franchising Code of Conduct and the Competition and Consumer Act address many of the problems cited in earlier state and commonwealth inquiries with a view to lifting the standard of conduct in the franchising industry. Finally, given the significance of these amendments at a commonwealth level, which are due to be reviewed in 2013, the committee is not convinced that the Franchising Bill 2010 is an appropriate measure at this time. Regardless of this last point, the government appreciates the importance of the issue and I am pursuing a dialogue with the federal minister and state counterparts. Current indications are that a meeting of ministers responsible for small business will be convened later this year, and franchising regulation will be an agenda item. I look forward to reporting progress on this matter in due course.

Consideration of the statement made an order of the day for the next sitting, on motion by **Hon Ed Dermer**.