



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**Main Committee**

**STATEMENTS BY MEMBERS**

**Franchising**

**SPEECH**

**Monday, 25 May 2009**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

<b>Date</b> Monday, 25 May 2009	<b>Source</b> House
<b>Page</b> 120	<b>Proof</b> Yes
<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> Gash, Joanna, MP	<b>Question No.</b>

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**Mrs GASH** (Gilmore) (6.47 pm)—The report of the inquiry into the franchise industry was handed to the Minister for Small Business, Independent Contractors and the Service Economy on 1 December last year. That report contained bipartisan recommendations to strengthen the Franchising Code of Conduct. To date, nothing has come out of Minister Emerson’s office in response to the significant allegations raised through the inquiry, especially regarding the role of the ACCC. This failure to act on the substance of the report is tantamount to a failure of policy direction on the part of this Labor government, a failure that is unwarranted, unjustifiable and unacceptable. Ample information was made available to this inquiry. Previous Western Australian and South Australian inquiries revealed to the minister he needs to take immediate action. Instead he chooses to sit on its hands and say nothing. The minister needs to show leadership on franchising matters.

I am also very concerned about the ACCC’s continued failure to stop rogue franchises. I find it extraordinary that, despite the myriad of cases brought to its attention over the years, the ACCC continues to stand by and watch as franchise systems collapse. By his silence the minister encourages the practice of churning, demonstrating that there is no will on the government side to reform the industry. Nearly six months have gone by and the minister still refuses to act decisively to protect vulnerable franchisees. If a stimulus has ever been needed then here is the opportunity. I call on the minister to immediately issue the government’s response to the inquiry and to establish a consultative and bipartisan working party to address the injustices that have been done to franchisees to prevent further injustices. This continuing delay does nothing to restore confidence in this government.