

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates 1 - 2 November 2006

Question: sbt 44 (ACCC)

Topic: Franchise code of conduct under Trade Practices Act

Hansard Page: E76

Senator LUDWIG asked:

Would it be fair to say that the point you were making in the article headed 'Resolving franchise squabbles over rents' is that you do not see a need to change the franchise code of conduct under the TPA to assist in resolving those squabbles?

Mr Samuel—The example provided in the *Daily Telegraph* article was but one of several examples of potential sources of dispute between franchisees and franchisors. To the extent that those disputes amount to unconscionable conduct or misleading or deceptive conduct, the law is there to be able to deal with them. The franchising code, as you know, is currently under review. If you want more information on that, Mr Ridgeway could assist you on the extent of that review.

Senator LUDWIG—I am happy for you to take that on notice. A short summary of those issues would be helpful.

Mr Samuel—Yes.

Answer:

The Office of Small Business, as part of the Department of Industry, Tourism and Resources is conducting a review of the disclosure provisions within the Franchising Code of Conduct (the Code). The Terms of Reference for the review are:

1. The Committee is to review the current operation of Part 2 – Disclosure of the Franchising Code of Conduct.
2. The Committee is to identify, where justified, possible amendments that could improve the disclosure provisions of the Franchising Code of Conduct.