

EDITORIAL

Franchising has been one of the stars in Australia's booming economy, and continues to draw attention as one of the most successful ways for small businesses to compete in the marketplace.

Issues such as a tight labour market, changing social trends and a general maturing of the sector continue to present both challenges and opportunities in Australia.

Since the introduction of the mandatory Franchising Code of Conduct in 1998 there has been a growing culture of compliance with the laws governing franchising.

The introduction of the code has led to a maturing of the franchising sector in Australia and a greater understanding of both the rights and responsibilities of franchisees and franchisors.

It is now eight years since the code was introduced, and the challenges facing franchising operators have changed with the sector.

The Australian Government is currently reviewing the disclosure requirements of the code. It has taken submissions from hundreds of franchisees and other interested parties keen to ensure the legislation remains relevant and responsive to the needs of all that work in franchises.

Putting the disclosure provisions under the microscope allows industry, government and regulators to refocus on issues that need to be addressed and test the status quo. Hopefully the result will be an even better model, if indeed changes are required.

An effective, functional code allows its administrator, the Australian Competition and Consumer Commission, to fulfil its key role in the area—protecting competition, and ensuring vulnerable businesses and consumers are protected from unconscionable and misleading conduct.

It is also a good opportunity to increase awareness of the risks and obligations of all involved, and to remind those thinking of becoming franchisees or franchisors of the right way to go about it.

Constantly reassessing and finding ways to improve conditions for small and medium-sized franchise businesses will not only benefit the individuals involved, but more importantly their customers, the Australian public. Something we would all welcome.