



Australian
**Small Business and
Family Enterprise**
Ombudsman

MEDIA STATEMENT

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Franchise Disclosure Registry to help restore confidence in sector

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) Bruce Billson has welcomed plans to establish a new mandatory Franchise Disclosure Registry, saying it will provide prospective franchisees with vital information needed prior to entering into a binding franchise agreement.

Mr Billson says the national registry, to be released next year, will require franchisors to lodge disclosure documentation about their franchise annually. These documents will be publicly available through the registry.

“There is a clear need of greater awareness in the franchise sector and this registry will certainly help restore confidence in this sector,” Mr Billson says.

“My office has advocated strongly for the implementation of this registry to improve transparency of franchise operations, so prospective franchisees are properly informed before signing a franchise agreement.

“Over the past six months my office has fielded over 240 calls from franchisees seeking information regarding disputes under Franchising Code of Conduct.

“This demonstrates just how critically important it is for prospective franchisees to know what they are getting into before signing a franchise agreement.

“The Franchise Disclosure Registry will be publicly available, to help prospective franchisees undertake vital due diligence that is necessary before entering into a franchise agreement.

“The cost of purchasing and setting up a franchise can be very significant, so it makes good business sense to do your homework first.

“As part of that due diligence, it is important to seek independent legal and business advice before making that substantial investment.

“Prospective franchisees need to ensure they are aware of a range of key ongoing costs associated with running the business such as wages, rent and inventory.”

The Franchise Disclosure Registry is scheduled for release in early 2022. There will be a transition period to allow franchising businesses to understand the new requirements before the registry is mandated.

Anyone involved in a franchise dispute under the Code is encouraged to contact ASBFEO for assistance on 1300 650 460 or email info@asbfeo.gov.au

Media contact: Donna Acioli, 02 6213 7410 / 0448 467 178