

The Franchise Registry fills franchising credibility gap

The establishment of the Franchise Registry™ will help fill the credibility gap that currently exists in Australian franchising. It will provide a valuable reference point for prospective franchisees and their advisors to check whether a franchise system is in fact registered, and it will provide franchise systems with a means of differentiating themselves from non-registered systems. The Franchise Registry™ will also cost-effectively collect key information on the franchise sector that will enhance policy making in this vital sector of our economy.

In 2010 the Parliamentary Joint Committee on Corporations and Financial Services report on franchising noted the need for better indicators of stability of the Australian franchising sector, and better industry data. The Joint Committee in Recommendation 8 specifically recommended the establishment of a registration system for franchise businesses which could enable the collection of data on the franchising sector. However the cost of establishment of such a registry, and concern as to compliance costs for franchisors, led the Government to decide against implementing such a system. Although this decision is understandable, the lack of some form of registration has continued to affect the credibility of franchising and impact on the capacity of prospective franchisees to make informed decisions.

Established by FRANdata Australia, the Franchise Registry™ will enable brands to promote themselves as a reputable and compliant franchise system, and will help to enhance the credibility of the franchise business model in Australia.

According to the Franchising Australia 2012 Survey there are around 1,100 franchise brands in Australia, but FRANdata will be the first organization to fully map the sector and actually identify franchise brands by name. Further, to secure registration franchise brands must provide to the Franchise Registry™ annually a copy of their franchise documentation, and certify it is compliant. This is likely to lead to a rise in industry standards, and will provide greater confidence to prospective franchisees and the public generally.

The Franchise Registry™ will also help prospective franchisees identify genuine franchising opportunities as well as help the FCA obtain independent and credible information to better represent its members and provide regulators with more meaningful data to improve decision making.

Over the coming weeks, you may receive a letter from FRANdata inviting you to become a registered franchise brand along with more information about The Franchise Registry™. In the meantime, please visit the website www.thefranchiseregistry.com.au for further details and to register.