



Ms Jeanette Radcliffe
Committee Secretary - Senate Education and Employment Committee
Parliament House
CANBERRA ACT 2600

15 November 2022

Dear Ms Radcliffe,

The Franchise Council of Australia (FCA) would again like to thank the Senate Education and Employment Legislation Committee for the opportunity to participate in the Inquiry into the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022*.

The FCA undertook to provide answers to three specific questions during our appearance at the public hearing on Friday 11 November. These answers are outlined below:

Q – Senator CASH: How many of your members have applied to the Fair Work Commission for the single-interest enterprise agreement as it currently stands?

A – The Franchise Council of Australia does not collect this information from our members and is unable to provide either a precise or indicative figure within the timeline provided by the committee.

Q – Senator SHELDON: How many franchisor members do you have, and how many franchisee direct members do you have?

A – Since the publication of the final report by the Parliamentary Joint Committee on Corporations and Financial Services of the Inquiry into the operation and effectiveness of the Franchising Code of Conduct in March 2019, the Franchise Council of Australia has undertaken a comprehensive range of internal reforms.

These include:

- Increasing franchisee representation on the FCA's Board of Directors which provides franchisee members with a direct role in regards to our governance and strategic direction. As of Tuesday 15 November, there are two direct franchisee members on the FCA's Board of Directors.
- Strengthening the voice of franchisee members and advocates via a franchisee advisory committee.
- The establishment of a Franchisee Forum as a platform for franchisees to provide input on the FCA's long-term strategic priorities and near-term objectives on a regular basis.
- The provision of a free-for-members employment relations hotline which can provide advice and assistance in regards to wage compliance.

As of Tuesday 15 November, the FCA has 391 direct franchisor members. An estimated 58,000 franchisees are represented by the FCA indirectly via their member franchisor. The FCA has 38 direct franchisee members.

In line with the aforementioned reforms, our current direct franchisee membership represents an increase of 1,800 per cent on the 2018 figures Senator Sheldon referenced during the hearing. This is a testament to the success of our reform process, which took place amid the disruption of the COVID-19 pandemic.

Franchisees who are indirectly represented by the FCA via their member franchisor are able to access the same resources and opportunities as direct franchisee members – with the exception of voting at the AGM. As such, the majority of these franchisee businesses do not seek direct membership with the FCA.

The engagement of indirect franchisees in the FCA's decision-making processes is strong. This can be seen by participation figures at our regular Franchisee Forums. The July Forum had 205 franchisee participants and the November Forum had 87 franchisee participants.

Q – Senator SHELDON: Are more than 10 per cent of your members franchisees?

A – As of Tuesday 15 November 2022, direct franchisee members comprise 9.7 per cent of our total membership.

The FCA will continue its efforts to represent more direct franchisee and franchisor members in sectors across the Australian economy.

We are happy to provide written answers to any additional questions from committee members.

Sincerely,

Mary Aldred
CEO