



ASIC
Australian Securities &
Investments Commission

Committee	Parliamentary Joint Committee on Corporations and Financial Services
Inquiry	Inquiry into Corporate Insolvency in Australia
Question No.	025
Date	1 March 2023
Topic	Franchising data
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Committee member	Senator Deborah O'Neill

Question

CHAIR: Can I put on notice, following on from evidence today by Professor Jenny Buchan with regard to franchising, which is eight per cent of the economy, I'd like data to get clarity on franchisors and franchisees. I think her evidence today would be of interest to everybody because it covers what's going on in that space and their responsibilities.

Mr Day: We'll take that on notice. It may be more difficult to identify those through the statistics.

CHAIR: Especially if they're not required to reveal that they're actually operating a franchise business model—

Mr Day: Correct.

CHAIR: which changes quite a lot about insolvency.

Mr Day: Correct.

CHAIR: If you could look at that and give us your response, that would be helpful.

Mr Day: Certainly.

Answer

ASIC does not hold data that would enable it to report on the extent of companies currently engaged in franchising in Australia.

Further, ASIC data does not enable it to provide data on the number of companies engaged in franchising that enter a formal insolvency administration.