

REIA Fact Sheet – Changes to Franchising Laws

The Australian Parliament has passed the *Competition and Consumer Amendment (Industry Code Penalties) Bill 2014*.

It will allow regulations to be made that will permit:

- the Australian Competition and Consumer Commission (**ACCC**) to either issue infringement notices or seek orders for civil pecuniary penalties for breaches of the Franchising Code of Conduct identified in the (yet to be published) regulations; and
- courts to impose monetary penalties of up to \$51,000 on franchisors associated with a breach of the Franchising Code of Conduct.

These provisions are to apply to franchise agreements entered into after 1 January 2015.

This gives effect to one of the Government's proposed reforms to the Franchising Code that it has been working on since it was elected in 2013.

The final Franchising Code has yet to be published, although it is still the intention for the new Code to commence operation on **1 January 2015**.

REIA, on behalf of its Affiliates' Council, made comments on a draft of the Code published earlier this year.

Franchise operators will need to examine their contracts and practices to ensure they comply with the new law.

It is therefore to be hoped the new Code is published as soon as possible.

Real Estate Institute of Australia

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