



Australian Government

Department of the Prime Minister and Cabinet
Office of Best Practice Regulation

Reference: 25083
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Ms Elizabeth Kelly
Deputy Secretary
Department of Industry, Science, Energy and Resources

Dear Elizabeth,

Regulation Impact Statement - Second-Pass Final Assessment - Changes to the Regulatory Framework Applying to the Franchise Sector

Thank you for submitting a Regulation Impact Statement (RIS) to the Office of Best Practice Regulation (OBPR) examining changes to the regulatory framework applying to the franchise sector for second-pass final assessment on 13 August 2020.

The OBPR's final assessment is that the RIS is adequate against the Government's impact analysis requirements. The RIS may now be provided to the decision maker to inform a final decision.

The OBPR considers that a higher level of analysis is required for the RIS to be consistent with good practice. In particular, the RIS should have provided some economic analysis on the aggregate scale and scope of direct financial losses incurred by franchisees and greater evidence of the breakdown of complaints received by the ACCC relating to franchising. Such evidence would provide decision makers with a better understanding of the nature and scope of the problem and would have complemented the submissions to the Parliamentary Joint Committee (PJC) and Franchising Taskforce.

That said, the RIS acknowledges these shortcomings in the aggregate evidence available, and thoroughly presents the views of stakeholders gathered during the extensive consultation.

We would appreciate you advising us when a final decision on this proposal has been announced and forwarding us a copy of the RIS in a form meeting the Government's accessibility requirements. The OBPR's reference number for this matter is 25083. If you have any further queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jason Lange'.

Jason Lange
Executive Director
Office of Best Practice Regulation
17 August 2020