



20 January 2011

To Whom it may Concern;

Through my involvement in the Australian Franchise sector over the past 13 years I have been involved in brands which owe their success to the unique business model of Franchising. In that time over 1000 franchised businesses have opened under these brands, and they now directly employ over 16,000 people. Approximately 10% of those businesses and their employees are in Western Australia. That level of growth simply would not have been possible without the commitment made by the Franchisees and the Franchisors of those brands.

I agree with the detailed reasoning provided by the Franchise Council of Australia. The franchise sector is already comprehensively regulated at a Federal level by the Franchising Code of Conduct and the Trade Practices Act, and overseen by the ACCC. We have just had two major Federal inquiries on this matter that specifically considered the recommendations of the SA and WA inquiries, so there can be no possible justification for introducing a new State law that contradicts the conclusions of these inquiries.

Western Australia has proven to be a dynamic market. I have no doubt however that legislation such as the proposed would have caused us to focus development resources in other markets, resulting in the delay of the opening of those businesses and the creation of those jobs. Any new legislation at State level will add compliance costs, and is a totally unnecessary duplication.

I also strongly oppose the introduction of any new statutory duty of good faith, let alone a State based duty. We already have the Franchising Code, prohibitions on misleading and deceptive conduct and unconscionable conduct and a common law duty to act in good faith that will apply to most franchise agreements. This is more than adequate. Any new duty will create uncertainty, cost and be a disincentive to business in Western Australia.

Regards,


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