

Simon Thiessen

From: Simon Thiessen [simon.thiessen@realllearning.com.au]

Sent: Thursday, 20 January 2011 3:53 PM

To: 'laeisc@parliament.wa.gov.au'

Subject: Parliamentary Inquiry Franchising



We are an emerging franchise system in the business services sector. We are strongly opposed to the proposed Western Australian state based franchising legislation because:

- It is a financial and administrative burden for a franchisor to comply with different legislation in different states. It will increase the cost of granting a franchise as well as the cost of ongoing administration. It would be a pity to see higher fees being charged in certain states to off set these increased costs – this is not the way we want to operate and it is not fair on Western Australians who are interested in joining a franchise system. A specific example are our franchise agreements which would need to be re written specifically for Western Australia. As a franchisor, we need to recover these additional costs. An option we would seriously consider would be not offering franchises in Western Australia
- It is unnecessary. The sector is already governed by a rigorous national code and that code has recently been updated. Complying with franchising regulations will be much harder if they are different in each state. Not every franchisor is ethical but state based codes will make it easier rather than harder for these people to operate. We fully support the enforcement of the existing code but we do not support the complication of it with state based rules
- The proposed changes include some aspects that we would be unwilling to operate within – they are ill conceived, arbitrary and seem to go against well established principles of law. Some of these changes would threaten the health of the overall system including the franchisees that these state based rules are presumably designed to protect

Go Hard! Have Fun!
Simon Thiessen

The Real Learning Experience

PO Box 270, Kingston

Tasmania 7051

Phone 03 6229 8302

Fax 03 6229 8702

Website www.realllearning.com.au

ABN 80 105 113 344

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