

From: Ian Krawitz [mailto:ian.krawitz@10thousandfeet.com]
Sent: Friday, 21 January 2011 3:00 PM
To: Committee, Economics & Industry Standing
Subject: Submission to the WA Government re Franchising

To whom it may concern, I am actively involved in the franchise sector.

I understand the WA Government is reviewing state based legislation on franchising and has called for submissions.

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 I side with the submission provided by the Franchise Council of Australia in that it would be uncalled for to introduce a new State law that contradicts the conclusions of these inquiries.

Any new legislation at State level will add compliance costs, and is an unnecessary duplication. Each state by themselves do not have a great enough scale to make it commercially viable for franchisors to be across different legislation and as such, it will make it prohibitive for franchisors to do business in WA.

I also 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. Any new duty will create uncertainty, cost and be a disincentive to business in Western Australia.

Kind regards,



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