

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 83

Topic: Dispute Resolution Process #2

Hansard Page: E110-111 (02/06/2010)

Senator BUSHBY asked:

Senator BUSHBY—Has the commission ever conducted a full investigation into specific alleged breaches of the dispute resolution processes under the codes?

Mr Ridgway—In my experience, the number of concerns that we have had raised with us directly related to conduct in relation to the mediation requirements have been resolved upon contact from the ACCC to the other party to clarify their obligations on the one hand where it has been perhaps unclear to them. Increasingly, the trend has been under the franchising code for franchisors to raise concerns about franchisees not meeting the obligations they feel they should be meeting. Sometimes clarification has assisted. On other occasions, it has become apparent that the concern has not been substantiated so it has not required further investigation.

Senator BUSHBY—Well, that is very useful. So the answer ultimately is that you have not actually conducted a full investigation because they have been resolved in other ways?

Mr Cassidy—Let us take it on notice. I think the tenor of what you are getting is that they are probably fairly few.

Answer:

Of the 158 complaints received by the ACCC that include an allegation of breaches of the dispute resolution processes under the Franchising Code (see BET 82), 20 were investigated specifically for contraventions of the dispute resolution provisions in the Code. The remaining 138 were not investigated for breaches of the dispute resolution provisions for the following reasons:

- insufficient evidence was provided, or
- the complainant requested that the complaint not be escalated, or
- the complaint was investigated for other breaches of the Code or the *Trade Practices Act 1974*.

The one Oilcode complaint from 2007 identified in the response to BET 82 was investigated and resulted in an administrative resolution. The trader and complainant settled the matter.