

From: julie anfield [REDACTED]
Sent: Friday, 12 September 2008 4:46 PM
To: Committee, Corporations (SEN)
Subject: FW: Parliamentary Inquiry into Franchising Code of Conduct submissions close 12 - 09-2008

Dear Secretary,
I was a franchisee of the [REDACTED] company from 2002 to 2004. I was unfortunate enough to be subjected to all of the transgressions stated below. In a nutshell I was badly advised by the franchisor, who was not supporting the franchisees in any way, and when I finally had a chance to save my [REDACTED] via a new manager who offered me a buy option, the franchisor, at the very last minute, prevented the deal from going ahead, thus, with full knowledge, destroying any possible chance I had of saving my business. The franchisor kept my money and I lost everything. I have a hearing in the Industrial Court in November, and would be happy to supply more details if it would help.

Kind regards,
Julie Anfield

[REDACTED]

From: [REDACTED]@bigpond.com
To: [REDACTED]@bigpond.com
Subject: Parliamentary Inquiry into Franchising Code of Conduct submissions close 12 -09-2008
Date: Thu, 11 Sep 2008 21:59:15 +1000

Dear current and ex-franchisees,

The following blog was posted on smartcompany.com.au and suggests reasons for the importance in making a submission to the "Joint Standing Committee's Inquiry" which **closes 12 September 2008**.

Therefore, I encourage all past and present franchisees to write their submission now as the Federal Government is prepared to listen. You have been given the chance to be heard so speak up now.

State what the problems are that you and other franchisees may have experienced. For example: Unfair contracts; misrepresentations; unconscionable conduct (and the fact that this legal term is ambiguous); third line forcing; poor or no adherence to the Franchise Code of Conduct (FCC); inadequacies of the FCC; inadequacies of ACCC; ACCC's lack of support and interest; no governing body overseeing the franchise industry; the Franchise Council of Australia (FCA) strongly supports Franchisors not franchisees; Franchisees don't have the funds to challenge Franchisors through the courts; no recourse for franchisees; no collective body overseeing the ongoing and growing problem and unscrupulous Franchisors know it; imbalance of power etc...

The Federal Government has given franchisees the chance to be heard so speak up whilst you have the chance.

The PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES invites submissions by 12 September 2008.

Please send submissions to corporations.joint@aph.gov.au or by post to:

Secretary, Parliamentary Joint Committee
on Corporations and Financial Services
Department of the Senate
PO Box 6100 Parliament House
Canberra ACT 2600

Phone: +61 2 6277 3583

Fax: +61 2 6277 5719

Email: corporations.joint@aph.gov.au

Emailed submissions should include full name, address and phone contact details so we can verify them.

Submissions become Committee documents and should not be made public before the Committee has done so. The Committee normally makes submissions public including by posting them on the internet. The Committee will consider requests to make a confidential submission.

Further information about making submissions is at
http://www.aph.gov.au/Senate/committee/wit_sub/index.htm

If you do not have time to write a detailed submission then write a concise submission and email it to them by 16:55pm, 12 September 2008. State that you request your submission to be acknowledged and accepted and a more detailed report will be forth coming due to the lateness of being made aware of this opportunity that you sincerely appreciate.

Regards,

Kristine Patterson

<http://www.franchisee.ws/content/view/130/47/>

"While statistical information is often reported about franchisors, Jason's comment "what then happens to the franchisee" in relation to collapsed franchise systems should sound alarm bells. Not only is there no information on franchisees of collapsed systems there is no statistical data on franchisees in general.

There are no responsibilities placed on franchisors to report to a statutory body when businesses within their systems are sold, terminated, "abandoned" or otherwise. Yes, they are listed by category in the disclosure document but are they categorised correctly? Who is checking the legitimacy of the disclosure document?

Franchisors and their advisers have cried that additional reporting responsibilities will have a cost attached to them. In this case, the alternative

then would be to have the exiting franchisee complete a mandatory report to the relevant statutory body on exiting the franchised business. Information could be entered on a database with statistical data and trends extrapolated annually, or as required, and reported to Government. It could identify particular trends in franchising in general and system specific conduct and behaviour. The information could also assist those contemplating buying a franchised business and form part of the due diligence process. No cost to the franchisor – but would the franchisor want franchisees doing such reporting? Highly unlikely.

Franchising is reported as a \$116 billion+ industry sector, but there is no reliable identifiable data on the “foot soldiers” who generate the income stream for their franchisors. What has actually happened to the thousands of franchisees over the years? It’s an interesting question.”

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corporations.joint@aph.gov.au W: www.aph.gov.au/senate/committee/corporations_ctte **PARLIAMENT**

OF AUSTRALIA **Inquiry into Franchising Code of Conduct**

On 25 June 2008 the Committee resolved to inquire into the Franchising Code of Conduct and related matters. The Committee will report by 1 December 2008. The terms of reference are:

The Committee is to inquire and report on the operation of the Franchising Code of Conduct, and to identify, where justified, improvements to the Code, with particular reference to:

1. the nature of the franchising industry, including the rights of both franchisors and franchisees;
2. whether an obligation for franchisors, franchisees and prospective franchisees to act in good faith should be explicitly incorporated into the Code (having regard to its presence as an element in paragraph 51AC(4)(k) of the *Trade Practices Act 1974*);
3. interaction between the Code and Part IVA and Part V Division 1 of the *Trade Practices Act 1974*, particularly with regard to the obligations in section 51AC of the Act;
4. the operation of the dispute resolution provisions under Part 4 of the Code; and
5. any other related matters.

The Committee invites submissions by 12 September 2008. Please send submissions to corporations.joint@aph.gov.au or by post to:
Secretary, Parliamentary Joint Committee on Corporations and Financial Services
Department of the Senate PO Box 6100 Parliament House
Canberra ACT 2600

Emailed submissions should include full name, address and phone contact details so we can verify them.

Submissions become Committee documents and should not be made public before the Committee has done so. The Committee normally makes submissions public including by posting them on the internet. The Committee will consider requests to make a confidential submission. Further information about making submissions is at http://www.aph.gov.au/Senate/committee/wit_sub/index.htm

For further information please contact the committee secretary on 02 6277 3583 or at corporations.joint@aph.gov.au

The Franchising Code of Conduct is a mandatory industry code established under section 51AE of the *Trade Practices Act 1974*. The Code and related information is available from <http://www.accc.gov.au/content/index.phtml/itemId/815503>

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