



[REDACTED] (SEN)

From: Stephen Spitz [REDACTED]
Sent: Friday, 12 September 2008 12:59 PM
To: Committee, Corporations (SEN)
Subject: [REDACTED]
Importance: High

I wish to reinforce the concerns of our representative body, The Franchise Council of Australia, regarding emotional and inaccurate statements that have been made in Federal Parliament and in State inquiries regarding conduct in the Australian franchising sector.

The FCA has made well-researched and considered submissions to the WA and SA inquiries on behalf of members. I trust the Corporations Committee will take these thorough submissions into account rather than rely on the emotive and inflammatory hearsay which has been presented in the House of Representatives recently.

In my experience in business and life, emotive attacks do not support thoughtful and positive solutions. The aggressive style of such attacks often masks a lack of substance. My view is that the real substance is the success of franchising. People in business and wanting to get into business are voting with their feet every day. Disputes occur, yes - they always will. But they are a very small percentage. Trying to change the rules in the ways suggested in Parliament recently will, in my view, only serve to undermine the whole sector - to the detriment of franchisors and franchisees.

I believe the regulatory environment franchising is under in this country is far and away ahead of any other including America. In our franchise system we are proud to be constantly talking about operating under the code of conduct and try to educate any incoming franchisee to our system to what that means to us and them.

Unfortunately because of the faults of a few it is effecting the reputation of the many. This I believe is a case of throwing out the baby with the bathwater! Please don't let this happen. At the end of the day we the franchisors have conceptualised and implemented business models that have contributed to the individual franchisee and the community at large based on a particular niche in the market and tried and true business systems. I believe this offers any new franchisee a far better chance of developing a sound commercial business which is successful and sustainable in the long term. Stand alone businesses in this environment do suffer but this is also because systems and operations in these individual businesses cannot stand the rigour necessary in a even more competitive environment. That is where I believe franchising far outweighs the benefit that only a few have tried to exploit.

Enjoy the rest of your day,

Stephen P Spitz
Franchisor/Co Founder

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Stephen Spitz

30/10/2008