

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 have reasonable experience in the franchise industry and I am very disappointed that some people portray our industry to be anything but concerned for the well-being of all the constituents: franchisor, franchisee and customer. I particularly am angered by the idea that it is beneficial for a franchisor to systematically churn franchisees. This is nonsense and any franchise will not last if they ever had that core value.

Yours faithfully,

Regards

Michael Renwick

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