

3rd September 2008.

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

Mr Chairman,

My staff and I are writing to express our support for changes to the laws covering franchising agreements in Australia, which we understand is the subject of your inquiry.

My name is Norm McGregor, the store Manager of KFC Whitfords. I have two Assistant Managers and approximately thirty staff at work at various times.

Competitive Foods Australia has been operating in WA for over 39 years and we were most concerned with the forced closure of the KFC Rockingham store – operated continuously for 30 years – in November last year. We do know that this had an impact on all the staff, as they were forced to be retrenched by our company. Three more stores are scheduled to close late in 2008 and our store is one of them.

As a store Manager, I am concerned for the future of my staff as I do know that many of the young people employed by us will find it hard to find other employment near by.

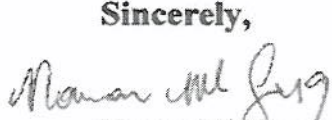
We have been following this issue closely and am aware of the lack of provisions at a federal level through the Trade Practices Act and the Franchise Code Conduct and at a state level through the Fair Trading Act.

As a result we would strongly support the following changes:


- 1. Amendments to the Franchise Code of Conduct to include a provision requiring a franchisor to renew the franchise agreement on expiry, unless the franchisor had a good faith reason not to do so, and to include a provision requiring a franchisor to renew the franchise agreement on expiry, unless the franchisor had a good faith reason not to do so.**
- 2. Changes to the Franchise Code of Conduct and the relevant State-based Fair Trading Act that ensures that a franchisee could take legal action to stop a franchisor from misusing its superior bargaining position and require a franchisor to act reasonably and in good faith in negotiating a renewal of a franchise agreement; and**
- 3. Provisions in either the Franchise Code or the Trade Practices Act and the Fair Trading Act to require a franchisor to compensate a franchisee for the value of the franchise business if the franchise is not renewed.**

We believe that in the broad public interest and to ensure equity and stability in the franchise industry that these changes be adopted by your inquiry as part of its recommendations to the Australian Government.

Sincerely,



Norm McGregor.
(Manager)



Louise O'Connell.
(Assistant Manager)



Courtney Bunn.
(Assistant Manager)

Attached are the names of all the staff working at KFC Whitfords.