



**AD Franchising Pty Ltd**

ABN 21 101 497 778 trading as **The Natural Way**

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12 September 2008

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

Also sent be email to: [corporations.joint@aph.gov.au](mailto:corporations.joint@aph.gov.au)

Re: Federal Inquiry into Franchising

Dear Sir/Madam

We are concerned to note the inaccurate, and apparently emotionally charged statements that have been made recently in Federal Parliament regarding franchising and alleged conduct the in the Australian franchising sector.

In this context we endorse and wish to reinforce the concerns of our representative body, The Franchise Council of Australia. This also applies to the recent State inquiries in South Australia and Western Australia.

In our view 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.

Speaking personally (as a person with many years business experience, including a period of 5 years as the General Manager of the Queensland Small Business Corporation, and having served on the inaugural Franchise Code Council in the early to mid 1990's), I am alarmed when I read of emotive attacks made by people who possibly don't have the depth of business experience that long-term business-people do.

The passionate and aggressive style of such attacks in an the parliamentary arena often masks a lack of substance and all too often these attacks/statements also do not support thoughtful and positive solutions.

There is a great body of evidence that shows the success of franchising. People in business and wanting to get into business are evidence of this every week. For many people owning a franchise is the first taste they have of being in their own business, and already we see 'glazed eyes' when they are faced with the volume of paperwork they are presented with. We support disclosure and informed decision making, but when the 'rules' are set by non-business people they often work against the intended outcome.

We fully acknowledge that disputes occur – they always have in business, and always will. In the Franchise sector they are a very small percentage, and we believe there are already more effective processes and procedures in the Franchising sector for dispute resolution than there are in the business community at large.

We believe that "trying to change the rules" in the ways suggested in Parliament recently will undermine the whole Franchising sector, and this will have far reaching impacts on Franchisors and Franchisees, spilling over into less and less job and wealth-creation overall

Yours sincerely,

**AD Management Services Pty Ltd, trading as The Natural Way**

A handwritten signature in black ink that reads "David Eagle". The signature is stylized with a large, sweeping 'D' and a long, horizontal stroke extending from the end of the name.

David Eagle  
**Director**