

From: [Robyn Billings](#)
To: [Franchising Review](#)
Subject: RE: Franchising Review - recommendations.
Date: Friday, 8 September 2023 4:52:40 PM

Hello Review panel and team,

I have received an email requesting any suggestions for the upcoming review of the Code relating to franchising.

After participating in a panel of reviewers previously selected as we underwent dispute with a prior franchisor I feel it a great opportunity to be able to suggest new areas of improvement and hope my email assist in this process and give the review panel some ideas.

My suggestions:

1. Cost of producing the Disclosure document must be borne by the “potential buyer” as you are providing all the intel and contract information to a consumer at no cost and no obligation.

The consumer can take that information and open/operate a business same/similar with the whole franchise setup terms and conditions without paying a carrot.

This could be a set fee by the Code or simply stated as Legal costs to produce said document.

It is wrong to enforce Nil payment or “refund in full” prior to signing a contract as a Franchise is an expensive process and scam buyers take your knowledge and become your exact competitor.

2. Disclosure document – Is it possible to complete a Disclosure document questionnaire online via an account login that consumers can download for a fee.

This would not include a copy of the Franchise contract, or any franchise figures and financials as this should be protected however the questions in the DD should easily be downloadable via a portal.

This system could then produce a Receipt of acknowledgment of completion of DD.

3. If prospective franchisee is interested in progressing to apply for franchise and be provided contract the legal fees are payable by the buyer and non-refundable.

4. There has to be a simple – more fast effective way to enter a franchise agreement. An electricity or internet account can be done immediately. Purchases of a vehicle signed up immediately.

Why does a franchise have to take 14 days, and then have a 14 day cooling off period.

5. Franchisor protections – introduced.

- a. Such as franchisee fees paid up front and legal non-refundable.

- b. Franchisor can work and operate within a franchisee territory for any reason – not just as a result of default.

Often in mobile franchises the franchisee can be booked out and unable to service a client which should be able to be serviced by Head office as the need arises in emergency circumstances.

6. Franchisees should be reprimanded by the code the same as a franchisor can be.

For example “if Franchisee A continues to operate in franchise B territory and franchisor in house advice to stop does not work a franchisee should be able to lodge complaint about other franchisees operating poorly and be investigated or fined.

7. The Code of conduct is too long. Make it briefer, and in simple language terms not legal terminology.
8. Perhaps introduce – franchising levels
 - Level 1 – Franchises under \$50,000 – Completion time (immediate sign up available) same day
 - Level 2 – Franchises \$51,000-249,000 completion time (14 days Cooling off period)
 - Level 3 - Franchises \$249,001 to \$500,000 or over/plus.... Completion time (28 days cooling off period).
9. Franchisors have no protection in the current system, and yet their business bares all to the public and runs the risk of damages and loss.

Franchisees should be able to charge “renewal fees” if said franchisee has not advised they do not seek to renew a contract within 3 months of renewal.
10. Franchise Lawyers should only be able to charge a set fee for Disclosure Document production rather than an hourly rate. If Lawyer does not abide they should be reprimanded by the Code the same as a franchisor.
11. Conditions affecting the franchise “outside” of the franchisors control such as Covid/ medical circumstances and Government forced closures should be held against the franchisor should such franchise become bankrupt or suffer losses.

Franchisor protections must be introduced.
12. State licence and trade certificate compliance requirements legislation introduced after the said franchise has commenced should not be automatically inherited, rather than shut down until trade certificates are completed.

Franchisors provide additional training “in house” that is superior to a trade certificate at a trainee level and yet on a compliance level this is not acceptable and stupidity overrides 30 years of experience.

Franchisor contracts should be exempted from Trade certificate and licence requirements as the contracts and franchise system is already adequate and franchisors often offer 20-30 years of expertise and technical support far greater than any licence requirements.

Franchisees should not be shut down for failure to have a trainee certificate, when a signed contract is in place.

If you wish to discuss any of these topics or suggestions please do not hesitate to call me anytime.

Thank you for your time.

Kind Regards,

Robyn Billings



Speedy Autoglass

2/2 Millennium Circuit

HELENSVALE QLD 4212

T: 0756659775

<https://www.speedyautoglass.com.au>