

Your Ref: Inquiry into the Franchising Bill 2010 (WA)

Quote in reply: Franchise Law Committee

2 February 2011

Economics and Industry Committee  
Legislative Assembly  
Parliament House  
Harvest Terrace  
PERTH WA 6000

Email: laeisc@parliament.wa.gov.au

Dear Economics and Industry Committee Members

## INQUIRY INTO THE FRANCHISING BILL 2010 (WA)

Thank you for the opportunity to provide comments on the *Franchising Bill 2010 (WA)* (the WA Bill) and for granting the Society an extension of time to provide submissions on this issue.

This letter has been compiled with the assistance of the Franchise Law Committee of the Queensland Law Society.

We refer to our letter to the Premier of Western Australia, The Hon. Colin Barnett MP dated 8 November 2010, (the **November Submission**) which is **enclosed** for your attention. Our concerns regarding the WA Bill that we expressed in the November Submission remain and to that extent this supplementary submission incorporates the terms of the November Submission.

The Society would like to make additional comments on the Bill for consideration by the Committee before addressing the terms of reference:

### Executive summary

- (a) The Society believes that:
- (i) there is no justification for additional State based regulation of franchising in Australia;
  - (ii) the *Competition and Consumer Act* (the CCA) which replaced the *Trade Practices Act* (the TPA) on 1 January 2011 provides adequate remedies and relief for breaches of the Code;

- (iii) the CCA adequately empowers the ACCC to investigate and prosecute those who breach the law, in particular breaches of the Code; and
  - (iv) there is no need to codify a definition of “*good faith*” either in the Code or State based legislation as their already exists an implied duty of good faith incorporated into franchise agreements.
- (b) The process of adoption of part of a Commonwealth Regulation (embodied in the terms of the Code) as a means to obtain jurisdiction to investigate and to prosecute for breaches of essentially an existing Commonwealth Law is flawed and does not assist in providing a uniform national regime for the regulation of franchising in Australia.
- (c) It would be preferable to focus government funding and resources to provide pre-franchise education for both franchisors and franchisees. It would be preferable for the State to work collaboratively with the Commonwealth to investigate and, if appropriate, establish a cost effective, more efficient and timely dispute resolution process to which can apply to certain types of disputes (that are properly able to be considered in that format). Specifically dispute resolution processes that complement the existing mediation process encouraged under the Code.
- (e) The Commonwealth regime, which provides for the regulation of participants in franchising under both the Oil Code and the Franchising Code of Conduct, is working and provides certainty and stability to the franchising sector.
- (f) State based legislation to regulate franchising in the manner proposed will result in more (not less) litigation, greater costs to participants in the sector and considerable confusion and uncertainty.
- (g) The Society has identified in the November Submission a wide range of issues, problems and suggestions to correct many of those identified problems and the WA Bill in its current form should not be enacted.

**1. Inconsistency with the *Trade Practices Act 1974* (now the *Competition and Consumer Act 2010*).**

There appear to be several areas of direct and indirect inconsistency with the CCA. These have been highlighted in the November Submission.

In particular the Society believes that:

- **Retrospectivity.** As a Commonwealth law, the Code was drafted based on drafting guidelines established by the Commonwealth to apply to Commonwealth legislation. The drafting considerations of the State in relation to the WA which adopt the Code as its own do not necessarily follow the same legislative considerations as for Commonwealth laws. Those Commonwealth processes ensure that only in exceptional circumstances will Commonwealth legislation operate retrospectively. The retrospective nature of the WA Bill is directly in conflict with the prospective nature of the Code. In particular the most recent amendments to the Code made it clear that they would not apply retrospectively and identified which amendments applied and when they commenced to apply.

- **Administrative overlap.** There is a clear and distinct overlap of competing administration and procedural difficulties that will arise between investigations and prosecutions conducted separately by State and Commonwealth regulators. We understand that there has been little or no consultation between the State and the ACCC in relation to how existing or future investigations or prosecutions would be handled or dealt with. This is possibly something that requires a much higher level of consultation at COAG. Obviously the sector would need to have a clear understanding of how this process would operate so that those in the sector will know what to expect and so they can obtain meaningful legal advice from their legal advisors of those processes.
- **Double jeopardy.** There are immediate real and significant industry concerns about the prosecution provisions of the WA Bill and the direct risk of double jeopardy arising from investigations, prosecutions and litigation arising from the WA Bill and existing provisions of the CCA and Code. The proponents of the WA Bill have suggested that administratively this will be resolved by cooperation between the States and the Commonwealth as they regularly do so on other matters. However this process is less than clear and should not be left until after the WA Bill is passed to be clarified. The Committee may find further benefit with liaising with the Commonwealth, the ACCC and the Office of Franchising Mediation Advisor to identify how they would handle this conflict or what practical problems in enforcement and investigation will arise.
- **Cover the field.** It is arguable that the CCA already covers or should cover the field in relation to the right to prosecute for penalties for breaches of the Franchising Code of Conduct. The Franchising Code of Conduct (WA) is simply a virtual reproduction by reference of that Schedule to the *Trade Practices (Industry Codes- Franchising) Regulations 1998*. It is a mirror image of terms (many of which arguably only exist because it is a Commonwealth law – see the definition of “serious offence”). The Commonwealth have expressly intended to make adherence to the prescribed industry code mandatory (and not voluntary) so that it applied to those it expressly intends to apply to and they cannot contract out of its operation. The powers of enforcement of it are clearly contained in the CCA.
- **Section 109.** If the Commonwealth does cover the field then, s109 of the Commonwealth Constitution would apply in relation to any inconsistency between State and Commonwealth laws. It is possible that a constitutional challenge could result particularly where a prosecution arises for something that has already been dealt with by the ACCC or under the CCA.
- **Copyright.** Because of the unusual way in which the State seeks to copy and reproduce by reference a part of a Commonwealth regulation as its own, it raises issues concerning the rights of the State to copy for their own benefit “as of right” and without the consent of the Commonwealth under the *Copyright Act 1968*.
- **Co-operative approach.** There are no doubt significant public interest reasons why States and Territories and the Commonwealth should allow useful provisions drafted in their legislation to be used elsewhere. This has been seen in the co-operative approach undertaken in the enactment of state based laws to give effect to uniform national laws. That co-operation has ostensibly been through formal and informal agreements through COAG.
- **Circumvention.** This process is clearly designed to circumvent the outcome of various Commonwealth reviews. It is a novel attempt to change the Commonwealth law to benefit franchisees in WA. The process bi-passes the Commonwealth to enact in that State the

terms of its own mandatory industry code through “virtual” legislation. This is done for the sole purposes of giving a State jurisdiction to prosecute and give substantive legal rights to franchisees to sue in circumstances where they do not currently have those rights. It is being done on the pretext that it “enhances” existing provisions or regulations imposed by the Commonwealth when in fact it will destabilize the sector and cause confusion, further litigation and costs.

**2. Will it enhance the purpose of the Franchising Code of Conduct, which is to regulate the conduct of participants towards each other?**

The Bill does not enhance the purpose of the Commonwealth’s Franchising Code of Conduct; rather the WA Bill seeks to augment parties’ rights under the CCA.

- The Code’s purpose is worded slightly differently to the terms of reference.
- The WA Bill states that its purpose is:

*“An Act to regulate the conduct of people who are about to enter or who are parties to franchise agreements and for related matters”.*

- That purpose extends much further than Clause 2 of the Code which provides:

*“The purpose of this code is to regulate the conduct of participants in franchising towards other participants in franchising”.*

- Whilst both purposes deal with “*regulating conduct*”, the WA Bill goes further by seeking to regulate “*other matters*”: There is no doubt that the ability to regulate these “*other matters*” gives rise to real concerns that additional state based regulation does not necessarily amount to enhancement of the Franchising Code of Conduct.
- The expression “*enhance*” is defined in the Cambridge dictionary to mean: “*to improve the quality, amount or strength of something*”. That definition suggests that it improves an existing thing, not necessarily replaces or copies it or that it seeks to cover areas that the existing thing does not.
- The WA Bill is simply seeking to augment the rights of franchisees under the Code and CCA . Augment is defined “*to add something in order to make it larger or more substantial*”. It has a different meaning to “*enhance*”.
- The State does not have the power to “*enhance*” the Commonwealth’s Franchising Code of Conduct per se. Only the Commonwealth can amend that legislative instrument and make enhancements to it. If this was the intended test in the terms of reference then it would clearly fail that test. If the real purpose was to enquire whether rights of franchisees were augmented then the result is different.
- The WA Bill clearly seeks to enable the State to legislate to regulate parties to WA franchise agreements and to create rights and obligations in parallel to the existing Commonwealth law. This process can result in a detriment to one party and an enhancement to another. There is no doubt that you could argue that franchisees in WA would receive the benefit of

additional rights by the passing of the WA Bill in its current form. Whether those rights are balanced or fair is a different question.

- The terms of the Code currently contain no express relief or penalty provisions. All relief or penalty provisions are contained in the CCA. It is clear that the adoption of the Code as the *Franchising Code of Conduct (WA)* adds nothing to the Code, it is not enhanced at all. It is the subsequent application of the provisions of the WA Bill for breaches of the WA Code that would enhance or augment a party's rights to relief in addition to the existing rights they may have under the CCA.
- The WA Bill creates a State based law and jurisdiction to investigate and deal with breaches of the Code. As a result the WA Bill augments rights of relief, some of which already substantially exist under the CCA and significantly imposes a penalty regime for breaches of the Code and rights to seek compensation for personal injuries arising from breaches that may not be similarly expressed in the CCA.
- The rights under the WA Bill do not enhance or augment any right of the ACCC to prosecute for breaches of the Code. It simply overlaps their jurisdiction to deal with breaches of the Code.
- The WA Bill goes much further than the Code, so its purpose and effect is far wider. It embodies rights and a statutory basis for claims (relief orders) and accessorial liability for those knowingly concerned in a breach (in much the same way as Section 75B of the old TPA).
- The Code only applies to agreements that are franchise agreements within the meaning of the Code and which are not otherwise exempt under clause 5 of the Code. The November Submission outlined some areas of concern on the application of the Code and therefore the purpose of the Bill and who was intended to be covered by it.
- The Society reiterates its concerns that there needs to be clear amendments made to the WA Bill to ensure that it does not inadvertently apply to franchise agreements regulated by Oil Code or fractional franchise agreements that are otherwise exempted under clause 5(3)(a) and (b) of the Code. The drafting error identified cannot be allowed to be overlooked or significant consequences to those persons would arise.
- The purpose of the WA Bill is deliberate. It is a move to introduce state based relationship legislation, very similar to legislation that already exists in Ontario Canada, despite the fact that the Commonwealth does not believe that it is necessary or desirable to extend the Commonwealth law that far.
- In Ontario, there is a piece of legislation called the *Arthur Wishart Act (Franchise Disclosure)*, 2000, S.O. 2000 (the Wishart Act) In that jurisdiction there is a definition of fair dealing which has a good faith element attached to it.
- Relevantly there was a recent Ontario Court of Appeal case of *Salah-v- Timothy's Coffees of the World Inc* 2010 ONCA 673 which highlighted the affect that this form of law would have in franchising litigation. In Ontario there is a codified "*duty of fair dealing*" (or good faith) and a right to bring a claim for damage suffered. In this case the franchisee had a conditional right of renewal. The franchisor did not allow a renewal and was sued for damage for breach

of contract and breach of the duty of good faith and fair dealing. The franchisee also sued and obtained damages for mental distress.

- In particular, in Ontario there is legislation that is similar to what is sought to be enacted in WA:

*“Breach of duty of good faith*

*Section 3 of the Wishart Act provides:*

*Fair dealing*

*3.(1) Every franchise agreement imposes on each party a duty of fair dealing in its performance and enforcement.*

*Right of action*

*(2) A party to a franchise agreement has a right of action for damages against another party to the franchise agreement who breaches the duty of fair dealing in the performance or enforcement of the franchise agreement.*

*Interpretation*

*(3) For the purpose of this section, the duty of fair dealing includes the duty to act in good faith and in accordance with reasonable commercial standards. “*

- In that case the plaintiff sought and obtained damages for breach of contract and damages for the breach of good faith and for mental distress. The appeal by the franchisor was dismissed.
- The case is important as the consequences of the WA Bill, if enacted, would clearly allow for this type of litigation. When you read the case, and apply the current Australian Law (the CCA) to the facts, there would certainly be grounds to raise an unconscionable conduct claim under the CCA and also the ability for the ACCC to investigate and prosecute.
- We understand that Ontario does not have similar legislation to the CCA. Great care needs to be taken when trying to adopt similar legislative concepts used by other foreign jurisdictions without extensive consultation of all stakeholders as to the effect it will have on the parties, particularly where there is existing relevant legislation or common law. The Ontario law is not representative of “best practice” in the Australian franchising sector.
- There is no doubt that the WA Bill if enacted will result in more claims proceeding to Court although many franchisees still lack the financial ability to bring those claims in our court system and would argue they cannot do so “**quickly, cheaply and effectively**”.
- Ultimately, it is more likely that these 3 elements may ultimately be what franchisees desire. To enhance the dispute resolution initiative already undertaken by the Commonwealth it would be beneficial for the States (if they chose to do so) to work with the Commonwealth to simplify and streamline a useful national dispute resolution forum and empower the ACCC with more funds to prosecute clear breaches of the law.
- The purpose of Part 4 of the Code is to encourage ADR in particular mediation. Arguably the WA Bill does not encourage a reduction in litigation or - faster more affordable avenues for

dispute resolution than the avenues that are already available to a party to a dispute following the Code process. Therefore, in this regard, the Code has not been enhanced.

- Clearly, the WA Bill, if enacted in its current form, will give a franchisee an additional opportunity to sue and circumvent the provisions of the CCA if the ACCC does not prosecute or the ACCC or the franchisee does not win its case against a franchisor relying on the provisions of the CCA. This unfairly exposes franchisors to a clear form of double jeopardy under two separate pieces of legislation and arguably significant costs for multiple claims in different jurisdictions relating to the same issue. The Bill does nothing to address the clear conflicts that will arise between the different jurisdictions and conflicting rights granted to Franchisees.
- It has been suggested that a process similar to that used in Victoria should be reviewed by the Commonwealth to identify whether it could be beneficial to resolve disputes under the Code. Parties must be entitled to enforce their legal rights in a forum that will allow them to seek and obtain appropriate relief. Currently one of those forums is through mediation in part 4 of the Code where the Code expressly allows for the parties to follow that mediation process (except in exceptional circumstances where litigation is appropriate.) The WA Bill does not convey a cost effective or meaningful alternate dispute resolution process to enhance the Code.
- The WA Bill seeks to create new rights for relief that go further than mediation. Presumably the State will not interfere with the role or appointment of the *Office of Franchising Mediation Advisor* in any referral process as the parties are bound by that.
- There is no doubt that litigation is expensive in Australia and takes significant periods of time to reach court. Put simply, the parties (including most franchisors and most franchisees) find it difficult to afford to run a claim all the way to Court, irrespective of whether they ultimately win or lose.
- Most claims settle before they go to court and that in relation to mediation parties are forced to compromise and accept less than optimal outcomes because they “*can live with it*” and move on. Often this is far more cost effective than proceedings and is a “*no costs award*” way of resolving the dispute. This sort of process is not unique to franchising and is the same consideration given to resolving many other forms of contractual disputes.
- It is important that any dispute process allow for certain types of disputes to be resolved quickly. Some issues would lend themselves to resolution through mediation whereas others could be resolved in a form of tribunal. There are many other forms of disputes that would not and would need the ability to go to court to get adequate relief. The decision on whether there should be a form of faster, cheaper and more accessible resolution processes needs far more involvement and collaboration between the States and the Commonwealth.
- The WA Bill seeks to adopt a definition of “*good faith*” which is not universally accepted as reflective of “*industry accepted practice*” or even “*best practice*”.
- Interestingly many franchisees could allege that their franchisor does not act with candour and good faith in all of their dealings with the franchisee and that is why they would argue that they want a definition codified. Many franchisors also could argue that some of their franchisees display a lack of candour and good faith in their dealings, and there is little that the franchisor can do under the Code because franchisees do not have any form of

significant obligation under the Code other than those limited to and contained in Part 4 Dispute resolution.

- Those obligations are limited to dealing with the requirement to follow the process set out in the Code and attend and participate in a mediation and having to pay their share of the costs of that mediation.
- In addition the language in the Code (such as contained in clause 11 (2) of the Code dealing with independent advice certificates) is expressed in terms of a prohibition imposed on a franchisor from doing something. For example a prohibition from entering into the agreement rather than any form of enforceable obligation on the franchisee to provide them with the independent advice certificates or the statement under section 11 of the Code that a franchisor must receive before entering into a franchise agreement.
- The Code therefore is already heavily weighted in terms of the benefit of rights conferred on franchisees and the burden of obligations imposed on the franchisor, that benefit and burden favours the franchisee.
- In the High Court Case of *Ketchell – v – Master of Education Services*, a franchisee sought relief from liability for failure by the franchisor to prove it had received a certificate under Section 11(1) of the code. The evidence clearly showed that the franchisee had received the disclosure document and the case revolved around the franchisee seeking to rely on a technical argument that the franchise agreement was void simply because the franchisor could not produce the certificate certifying they had received the disclosure document and the code and had a reasonable opportunity to read and understand it, even when the Disclosure document had been received and they had read it and irrespective of whether they had sought advice on it.
- The Code creates many obligations on franchisors. However the same cannot be said to apply to franchisees. It creates predominantly rights for which franchisors can and have been held accountable if they are not observed.
- The terms of the WA Bill will create new obligations on franchisees to act in good faith and to compensate franchisors for loss they may suffer as a result of a franchisee breaching the Franchising Code of Conduct (WA) or the WA Bill. This goes further than the Code currently does.
- It suggests that franchisors will also benefit with rights against a franchisee who breaches the Franchising Code of Conduct (WA) when, in reality, it is almost impossible for a franchisor to benefit from that breach as the Code does not create obligations on the franchisee (which if they were breached would be actionable.) That aspect does not enhance rights of a franchisor.
- It is only a breach of the WA Bill that gives rise to new rights that may be used against both franchisors and franchisees that they may not yet be fully understood by franchisees.
- There are several clauses of the WA Bill which do create new rights enforceable against a franchisee. These include Clause 11 Duty of parties to act in good faith; Clause 12 Right to prosecute individuals for breaching the Bill (although in reality it is extremely unlikely that a franchisee would be prosecuted), Clause 13 - Injunctions, Clause -14 Redress orders, Clause 5 – Damages for Harm.

- The balance that the Commonwealth established under the Code would be unsettled by State based legislation. That unsettling does not amount to an enhancement of the Code.
- This Bill seeks to use a novel approach to give the State Jurisdiction to hear disputes that otherwise would be solely within the jurisdiction of the Commonwealth and the ACCC and create new basis of claims which will encourage litigation. The Code deliberately was intended as a measure to reduce litigation and encourage ADR. This will not be enhanced by the enactment of the Bill.

### **3. Will the WA Bill result in a cost impact on the State or participants in franchising?**

#### ***Additional Legal costs - Update of legal documents and changes in procedures:***

- Franchisors will face an immediate cost to review and update of disclosure documents to be issued in WA and maintaining a separate one that deals with the WA Bill .This is required because of the provisions dealing with the “end of term arrangements” would be different as a franchisee has the right to apply to court for a renewal order.
- This would require a franchisor’s lawyers to update disclosure and advise the client on the consequences, assist in implementing new processes to handle end of term arrangements and renewals that are consistent with the Commonwealth Code and updating complaint handling procedures.
- The WA Bill may also delay the timing of existing transactions during any phase in period whilst amendments to disclosure are made or re-disclosure having to be made. There are no transitional provisions to deal with re-disclosure required because of the new legislation
- It is likely that new master franchise agreements will be granted on a state by state basis for those with State based regulation. There will be costs associated with re-drafting master franchise agreements or master licences to separate them to a state by state form of arrangement. This will result in direct additional issuing legal costs. It will also require a separate State based disclosure document and extra costs for that which ultimately may be borne by franchisees.
- There will be costs associated with amendments to Disclosure Documents to handle disclosure of prosecutions or judgments under the WA Bill. This includes costs of ongoing disclosure if a franchisor is prosecuted under the WA Bill or an order or judgement is given (the Section 18 (2) ongoing disclosure obligation). There is a direct inconsistency in Section 18 (2)(b) (i) to (vi), as there appears to be no obligation (under the Code) to give ongoing disclosure of prosecutions or orders made under the WA Bill, but sound business judgement of most franchisors would dictate it (therefore an indirect cost consequence).
- There will be costs for amendments to franchise agreements to deal with dispute resolution provisions to resolve the conflict between the Code mediation and the provisions enabling a party to seek redress orders.
- Costs to update any existing compliance program (in the form suggested by the ACCC) to include these state based changes.

- If the retrospective application of the Bill continues then there will be direct costs arising in relation to:
  - Defending potential claims that were not possible to be commenced before the WA Bill was enacted;
  - Insurance companies having to pay out on claims that were not possible to be brought before the WA Bill commenced;
  - Franchisors having to defend claims that were not possible before the commencement of the WA Bill because of Insurance companies may chose not to cover them for those retrospective claims, and obligations to pay damages, costs and interest arising from those;
  - Having to defend more than one simultaneous or adjoining prosecutions for the same breach but in different forums;
  - The inability ability to get a credit for penalties paid if ACCC subsequently fines you after you have paid WA fines;
  - Transitional costs for identifying and dealing with problems that the new Bill poses such as going back to get releases from ex franchisees if you are a franchisor proposing to sell your entire system. This would need to be undertaken to remove or minimise those risks and stop a decrease in the purchase price being made that relates to that risk. There is a direct result that systems may be worth a lot less as purchasers factor in that risk to the offer price;
  - Costs for D & O insurance for franchisors liability (if they can get cover) will go up to cover new statutory causes of personal injury claims and redress orders;
  - Lawyers will no doubt need to do more (thereby increasing the cost) to deal with breaches, transfers non renewals and terminations where the threat that a franchisee will seek a redress order is real and likely - it will change the nature of advices as the consequences are very serious and may result in additional procedures or documents being used to manage risk;
  - The blanket inability of a franchisor to ask for and obtain an undertaking as to costs as part of injunctive relief may expose them to loss if the franchisee loses and is impecunious; and
  - Having to deal with overlapping rights in respect to a new franchise granted in a territory where an ex franchisee who has left the system now wishes to seek a redress order (including reinstatement) even though a new franchisee has been appointed. These are costs to the franchisor but also costs to the new franchisee who may be an innocent third party.

### ***Human resources***

- Costs of diversion of resources to understand the changes and to train and educate staff about the changes. There will be additional costs for sending staff to external training and

education programs to ensure staff are aware of the changes. There is to our understanding no proposal or commitment for the State to fund those educational programs at its expense.

- There will be acute focus on compliance within organisations to ensure that individuals are not exposed to personal liability orders. This may require additional staff to be engaged with that sort of experience or changing job and role descriptions which is likely lead to greater staff costs. This may also necessitate appointment of additional in house counsel to that role to manage the risk.
- Master franchisees will now also have to deal with this issue and cost burden even if their franchisor is actively involved to ensure they are not also personally liable.
- Costs of diversion of resources to defend multiple prosecutions for the same breach.
- Costs for interstate and overseas franchising parties to have disputes heard in WA (eg travel accommodation etc and having to brief local lawyers) if the agreement allows for them to be heard in Western Australia.

### **Insurance**

- From a practitioner's perspective, professional indemnity insurance cover may not extend to civil monetary penalties under the WA Bill. As a result, legal practitioners would directly bear those costs (plus the costs of defending any professional disciplinary proceedings) irrespective of the outcome. If covered, a legal practitioner would be liable to pay an excess with the possibility of an increase to professional indemnity insurance premiums as well as a possible increase of operating costs.
- In addition to professional indemnity insurance, franchisees and franchisors may be exposed in circumstances where loss of income insurance may not extend to franchising disputes arising from alleged and/or proved breaches of the WA Bill. Both franchisors and franchisees would be disadvantaged, especially in circumstances where a franchising dispute is protracted, and even if a party is successful, it may be that the costs payable are not sufficient to cover loss of income, legal costs and other operating expenses as a result of the dispute. Conversely, if either party is covered, any Court applications under the WA Bill may result in increased premiums and cost.

### **Conclusion**

For the reasons stated above the Society is of the opinion that:

- (a) The WA Bill directly conflicts with the CCA and the Commonwealth's Franchising Code of Conduct; and
- (b) The WA Bill does not enhance the Code and in fact will detract from it and has the potential to destabilize the sector; and
- (c) The additional costs to participants in the sector are real, significant and unnecessary; and
- (d) State based regulation of franchising in this form is nebulous and it is not reflective of "*best practice*" in Australia or anywhere in the world.

If you have any queries regarding the contents of this letter, please do not hesitate to contact our Policy Solicitor, Louise Pennisi on 3842 5872 or [L.pennisi@qls.com.au](mailto:L.pennisi@qls.com.au) or our Franchise Law Committee Chair Derek Sutherland on 0410 326 999 or [Derek.sutherland@iconlaw.com.au](mailto:Derek.sutherland@iconlaw.com.au)

Yours faithfully

Bruce Doyle  
**President**