



MEDIA RELEASE

For immediate release

Franchisees now have the power to take on big franchisors, says former Government adviser on the Franchising Code

Important amendments to the national Franchising Code of Conduct allow franchisees, who have the same franchisor, to resolve similar complaints as a group under Federal Government changes to the alternative dispute resolution (ADR) schemes.

Derek Minus, the former Federal government mediation adviser for the Franchising Code, said, "Previously, when groups of franchisees sought to have their dispute discussed together, so as to support each other and reduce the costs, their franchisors would refuse as they were not required to do so under the Code."

"These recent amendments to the Franchising Code, overseen by the ACCC, shifts the imbalance of bargaining power when resolving disputes and creates a more efficient process. Franchisees are in the best position to bring their common complaints forward.

"Now two or more franchisees with **similar** disputes under their franchise agreements with the **same** franchisor can refer the dispute to a **single** ADR practitioner for a **single** ADR process", Derek said.

More importantly, even if the franchisor does not agree that there should be a single ADR process, the ADR process can proceed despite the franchisor's disagreement and the franchisor must attend and try to resolve the dispute, in good faith.

As well, increased protection is provided for franchisees engaging in multi-party disputes, especially with collective bargaining. A special ACCC exemption now applies to franchisees (irrespective of their size) that engage in '*franchisee collective bargaining conduct*' when:

- collectively negotiating with other franchisees;
- are part of the same franchise network or 'brand'; and
- where the target is the common franchisor.

Franchisees (or prospective franchisees) also have a right of association for any lawful purpose. "Franchisors cannot restrict or impair the franchisee's freedom to form an association and a civil penalty can be imposed if they do", Derek Minus said. Finally, the recent changes to the Franchising Code allow franchisees, in the same franchise system, to freely discuss their disputes with each other, despite any confidentiality requirements in their franchise agreements.

"Through our web presence we already provide a free, automated on-line service to facilitate the sending of the initiating notice of dispute and we are now providing a fixed fee, fixed time conciliation service that groups of franchisees can all use together, to resolve disputes with their franchisor, efficiently and cost effectively", Derek concluded.



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About Franchising Code & Dispute Resolvers

The Franchising Code website is part of Dispute Resolution Associates, which was established in 2000 to deliver efficient dispute resolution systems and services to Australian corporations and governments. It is one of a number of industry "Codes of Conduct" websites that the company has established to support the community understand the dispute resolution processes managed by the ACCC that are mandated under the *Competition and Consumer Act 2010*. These websites provide automated on-line systems to register disputes and send notices for industries:

- Dairy (<https://dairycode.com.au/>)
- Horticulture (<https://horticulturecode.com.au/>)
- Oil (<https://oilcode.com.au/>)
- Wine (<https://winecode.com.au/>)
- Franchising (<https://franchisingcode.com.au/>)