

WENDYS — FRANCHISE MEDIATION

Statement by Member for Southern River

MR P. ABETZ (Southern River) [12.51 pm]: Madam Acting Speaker (Ms J.M. Freeman), my commitment to preventing franchisors destroying franchisees with impunity resulted in my agreeing to attend a franchising mediation last Monday with Peter Coventry, a Wendys franchisee of some 24 years. Peter Coventry had been targeted by Wendys because he formed a coalition of franchisees to expose Wendys' unethical business practices and conduct, price gouging and profiteering. Wendys' counsel and mediator were informed last week that Senator Nick Xenophon, Peter Strong of the Council of Small Business of Australia and I would sit in on the mediation. On arrival at the mediation, Wendys' senior counsel informed us that he was under instruction not to proceed with the mediation if any one of us were in the room. From discussions and documents made available to me by former Wendys franchisees, it appears that Wendys' chief executive officer Rob McKay has a long history of targeting franchisees who object to Wendys' unethical practices and, as such, puts in train a range of tactics to destroy them financially. Thus it was no surprise that Rob McKay did not want members of Parliament to witness the mediation. However, I am pleased to inform this house that, although it is too late for Peter Coventry and the many financially struggling Wendys franchisees, the federal government yesterday announced changes to the franchising code of conduct, including that franchisors must act in good faith with franchisees in all their dealings and that the Australian Competition and Consumer Commission will now be able to issue infringement notices with fines of up to \$51 000 for breaches of the code. My advice to anyone considering buying a franchise is to hold off until January next year.