

Frontline Recruitment Group Pty

Fax Transmission

To:

From: Bronwyn Butcher

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Legislative Assembly Committee

Monday, 24 January 2011

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Submission to Franchising Bill 2010 Parliamentary inquiry from Bronwyn Butcher Frontline Recruitment

Attention; Committee members

My name is Bronwyn Butcher I am a franchisee within the Frontline Recruitment Group franchise system. I have been a franchisee with this system for the past 10 years. I have also owned a food franchise for approximately 2 years.

During my time as a franchisee within the Frontline Recruitment Group I have successfully opened new franchises within differing verticals, later on selling these to incoming franchisees. A franchised business provides a proven system along with a network of people who can impart, provide and advise incoming franchisees with the requisite information to enhance their business. These benefits are a major point of difference and attraction to people who are prepared to make the commitment of owning their own business (this is the Australian way).

Franchising and small business collectively provide the wider community with financial, social and motivation that improves our quality of life.

Over the past three years I have been recognised for my contribution to franchising within Western Australia and Australasia. I have been awarded the 2008 FCA Franchisee of the Year, 2009 FCA Multi Franchisee of the Year and in 2010 FCA Woman Franchise of the Year.

I am also recognised within the Frontline Recruitment group as a mentor and motivator for incoming and current franchisees.

My solid franchise background provides credibility and a solid basis for me to comment on the proposed Franchising Bill 2010. I strongly oppose the Bill in its current format and am disappointed at the consultation process and reasoning for its proposal.

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I believe this Bill will have negative direct and indirect implications on the franchising sector, this is inclusive of my own business.

The Bill has many potential implications, initially it will require financial and physical resources in respect to obtaining and sourcing legal requirements. The flow on effects of this change in isolation will in all probability affect the value, strength and structure of my business and provide uncertainty as to my growth and expansion plans.

The Bill will also create confusion and uncertainty within the sector. A change in process and accountabilities will take a period of time to be accepted and ratified. The location of your franchise will be a consideration as to how, why and when you manage your business and will take away a consistent level playing field. Franchisors and franchisees within Australia will not have the same requirements which will undoubtedly cause disruption and inequity within their system.

In my experience change is constant and necessary, it needs to measured, consultative change that benefits the majority of affected persons. This Bill will provide a new platform for disagreement and disruption between franchisors and franchisees. This is not constructive it is expensive, time consuming and distracts from the core business. We currently have legislation, guidelines and agreed upon franchise contracts that oversee this sector. It is bound by franchise practitioners within the FCA that are single minded in representing and enhancing the franchise sector.

Any change to this needs to clearly and unequivocally show to all involved parties that their business will be enhanced, in my view I do not believe the Bill in its current format does that.

It is a positive step that Government is focussing on the franchise sector, this focus should not be on a Bill that intends to change the current process that has and is working. The Government focus and financial input should be directed on making it easier for individuals to join this sector, cutting red tape, landlord accountability, bank/lending accountability and ensuring that the entrepreneurs within the sector can increase their profitability and growth.

The franchise sector and small business do not need further pressure to become process driven, our focus needs to be results driven. This enables success and strength within the sector which in turn benefits to the wider community.

If a process or system can clearly show strong continual growth with minimal disruption over an extended period of time, why change?

The Franchising sector can show this and does not need this Bill to continue the success story.

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Yours sincerely,

Bronwyn Butcher

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