

**From:** Peter Davis [mailto:]  
**Sent:** Thursday, 13 January 2011 2:07 PM  
**To:** Committee, Economics & Industry Standing  
**Cc:** Bronwyn Butcher  
**Subject:** Submission to Franchising Bill 2010 from Frontline Recruitment Group



Dear Sir/Madam,

Despite them being West Aussies I love my WA franchisees...so I am writing to you on their behalf as their franchisor to let you know how we feel about the Franchising Bill 2010 (EM 162) introduced by Peter Abetz...

Myself and my wife own a small franchise system (25 Franchisees) that we have set up from scratch and been operating for over 15 years... we still have our original franchisees with us... We don't have time nor the energy/inclination to debate each point of the Bill. Our attitude is that Australia already has some of the most onerous franchising laws in the world, we live with these...they help maintain the partnership balance necessary in franchising... they work now... if the laws eventually become too onerous we will simply make a commercial decision and shut down our franchise system nationally... but in the interim if Peter Abetz wants to compound the complexity of franchising in Australia by having state based laws he is only going to disadvantage franchisees in his state.... let me tell you why... this is the important bit...

38% of franchisors have less than 50 franchises they (the franchisors) are essentially small businesses (this is a point that is lost on most observers) and in many cases there are franchisees who have greater turnover than franchisors. If a Franchisor has 35 Franchisees in Aust this means they have approx 3-5 in WA... It is already costly to run WA franchisees from the Eastern states to compound this by increasing compliance and the associated increased risk of litigation (having to learn and stay abreast of another set of laws) may simply make franchising in WA not worth it...

If this Bill goes through it will make our life more complex (costly) we wont fight it... we will either have to pass the cost on or look at whether we continue franchising in WA (unless of course the new WA franchisees are Sydney Swans Supporters in which case we will happily continue). The concept of that more favourable franchising laws will attract franchisors to a certain state is ridiculous... if the laws need to be changed do it Nationally...Australia is too small to have State based franchising laws... better to make the goal "simplification" for ALL parties...

Happy to talk to you directly if you want to call me....

A handwritten signature in black ink, appearing to read 'Pete Davis', with a large, sweeping flourish extending from the end of the name.

Cheers  
Pete Davis