

Dear Committee Members,

My wife Avril and myself have been franchisees since 2002 owning four outlets across two different brands.

Late last year whilst I had a franchise business on the market for sale. Some potential buyers who were not franchisees had become wary and expressed confusion and concern about investing in a franchise with all the uncertainty created by the State based inquires into the sector and media surrounding it.

Uncertainly, additional rules and more red tape have an impact on people's willingness to invest. I strongly believe the uncertainty and state based legislation will indirectly hurt the value and prices of all franchised businesses – this would be a major concern to all existing and potential franchisees across Australia, but even more so for existing franchisees within your state.

The inquires and threat of additional legislation have not exactly instilled confidence in franchising for the banks and investors, and may also make it harder for franchisees to get financing- believe me the GFC has already made it hard enough to do business and get funding!

Additionally introducing a new state Bill will complicate matters for ourselves and franchisees and will cost more in legal costs as you are having to deal with sets of laws and rules.

I have already raised this point and asked this question of the Nick Sherry the Federal Small Business Minister at the FCA franchising convention at the Gold Coast last year. I would rather see Government effort put into simplifying business and making it easier for us in small businesses to make money and create jobs. Additional rules and regulations don't make money and create jobs.

As someone who has been successful and believes in the opportunities of franchising I am strongly opposed to state based legislation. I know that many of my franchisee colleagues are also strongly opposed to state based legislation. Please consider my submission and don't make it harder for small business.

Regards



Tony Melhem

**Deputy Chairman** -Franchise Council of Australia

**Chairman**- Franchise Council of Australia National Franchisee Forum

**Multi-national award winning franchisee:**

- 2004/05 Australian Franchisee of the Year for Gloria Jean's Coffee
- National Marketing Award for Gloria Jean's Coffee
- 2005 Winner of the Franchise Council of Australia & PricewaterhouseCoopers 'Franchisee of the Year' for NSW/ACT
- 2006 Winner of the Franchise Council of Australia & PricewaterhouseCoopers 'Franchisee of the Year' for NSW/ACT