



6/137 Main Street
Osborne Park WA 6017
Phone: (08) 9444 5100
Fax: (08) 9444 5122
admin@cappuccinopress.com.au
www.cappuccinopress.com.au

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Mr Timothy Hughes (Principal Research Officer)
Economics and Industry Standing Committee
Level 1
11 Harvest Terrace
West Perth WA 6005



Submission to the Economics and Industry Committee in relation to the
Inquiry into the Franchising Bill 2010

Dear Timothy

I am a franchisee of a WA based franchise system and have recently heard a number of reports in the media in relation to the proposed new franchising laws.

From the reports I have heard I see that the new laws would be damaging to the reputation of franchising. It is certain that I would not proceed with the purchase of a franchise in the current circumstances due to the uncertainty and possibly my understanding of the proposed new laws. I have also heard that some banks have put their lending for franchise business on hold until there is an outcome on this issue.

As a franchisee I am concerned about the media reporting of franchising and it seems unfair and unjust to single out franchising in general. I have experience in franchising on both a small and large scale and have friends in various franchise systems, both as Master Franchisors and franchisees. I have found that franchising actually provides a safety net for franchisees as opposed to any possible negative consequences as a result of the franchisor/franchisee relationship and the associated legal aspects.

I do not see any point in adding any further legislation to a system that is already working well and certainly provides me as a franchisee with enough protection to give me comfort that my agreement with my


franchisor is fair and reasonable and that the compulsory mediation mechanism would allow me to satisfy any disputes should they arise.

Should new laws be introduced I may consider selling my business as I am unsure what the effect would be on franchising and my franchisor's business but I would prefer not to find out the hard way.

Please consider my comments in the context of your inquiry and please also consider the effect the proposed laws would have on not only my businesses but the thousands of franchisees businesses throughout WA.

Thank you for inviting my input.

Yours faithfully

A handwritten signature in black ink, appearing to be 'D. Barr', enclosed within a large, hand-drawn oval.

Damian Barr
Franchisee
Cappuccino Xpress – Maddington (WA)