Annexure D – Establishment & Ongoing Costs

(*All figures are GST exclusive unless stated)*

1. Items 14.3, 14.4 and 14.5 - Details of the range of costs to start operating the franchised business, based on current practice, for the following matters:

* 1. Inventory required to begin operation;
  2. security deposits, utility deposits, business licences, insurance and other prepaid expenses;
  3. additional funds, including working capital, required by the Sub-Franchisee before operations begin;
  4. other payments by a Sub-Franchisee to begin operations.

2. Refer to the Table on the following pages, however:

1. This is not an exhaustive list. All amounts detailed below are estimated.
2. All amounts quoted are GST exclusive except where indicated otherwise.
3. The Sub-Franchisee must pay GST on any taxable supply.
4. In most cases, the actual amount of the payments cannot easily be worked out.
5. Where possible, the Sub-Franchisor has included the upper and lower limits of the payments. However, some of the items may vary from Sub-Franchisee to Sub-Franchisee, depending on the individual circumstances of the Sub-Franchisee.
6. Further, the cost of some of the items are likely to fluctuate over time, depending on factors such as increasing costs, improvements in services, changes in technology and changes in the marketplace.
7. If this Disclosure Document is issued for a renewal of a Sub-Franchise, then the Sub-Franchisee is taken to have full knowledge of all prepayments and other establishment and ongoing costs and payments associated with the Sub-Franchise.
8. The Sub-Franchisor is unable to give to a Sub-Franchisee a complete list of every payment that it will be required to make as a Sub-Franchisee to third parties.
9. There are many payments which every business owner must make to third parties including suppliers and to local, state and federal governments in terms of fees, charges, levies, taxes and costs for doing business.
10. New Sub-Franchisees must and existing Sub-Franchisees should obtain independent accounting and business advice to identify such costs and also for the purpose of preparing a business plan.
11. The Sub-Franchisee’s choice of supplier will affect the amount of the payment.
12. The timing of payment and whether it is refundable is also dependent on the terms that the supplier offers to a Sub-Franchisee.
13. The Sub-Franchisor is not able to foresee or to advise a Sub-Franchisee of every cost or payment it may be required to make.
14. No representation is made that the tables in this Disclosure Document contain all of the establishment costs that a Sub-Franchisee will have to pay if it intends to commence to operate a business.
15. The Sub-Franchisor strongly recommends that the Sub-Franchisee undertakes its own due diligence, including conducting research, talking to current and former Sub-Franchisees and obtaining necessary advice as to the costs involved in running the franchise.

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| ESTABLISHMENT COSTS | | | | | |
| Type of Cost | Description | Amount | Payment To | Due Date | Refundable? |
| IT and Office Equipment required to begin operations | Laptop Computer;  Multifunction Printer Scanner;  Web Cam;  Computer Headset;  Shredder;  Smart Phone | $2,000 - $4,000 | IT and Office Equipment Supplier | As per terms of Supplier | As per terms of Supplier |
| Inventory required to begin operations | Stationery | $200 - $500 | Supplier of stationery | As per terms of Supplier | As per terms of Supplier |
| Other payments by a Sub-Franchisee to begin operations | Sub-Franchisee’s legal fees for advice | Unable to estimate, could be $3,000 - $5,000 or more depending on the Supplier | Sub-Franchisee’s lawyer | As required by Sub-Franchisee’s lawyer | As per terms of the Sub-Franchisee’s lawyer |
| Sub-Franchisee’s accounting fees for advice | Unable to estimate, could be $3,000 - $5,000 or more depending on the Supplier | Sub-Franchisee’s accountant | As required by Sub-Franchisee’s accountant | As per terms of the Sub-Franchisee’s accountant |
| Sub-Franchisee’s Business advice | Unable to estimate, could be $3,000 - $5,000 or more depending on the Supplier | Sub-Franchisee’s Business Advisor | As required by Sub-Franchisee’s Business Advisor | As per terms of the Sub-Franchisee’s Business Advisor |
| Uniforms and Business Cards | $500 | Supplier of uniforms and business cards | As specified by Supplier | As specified by Supplier |
| Registration of business name | As specified by the Relevant Authority. At the date of this Disclosure Document estimated at $37.00 to $87.00 (depending on whether one (1) year or three (3) year registration is sought) | The relevant authority. | Prior to registration | No |
| Initial payments by a Sub-Franchisee in connection with the purchase of a Sub-Franchise. | Documentation Fee | N/A | Sub-Franchisor or nominated lawyer | Prior to commencement | No |
| Training Fee | $6,000 | Sub-Franchisor | Prior to commencement | No |
| Initial Franchise Fee | $12,000+ depending on region | Sub-Franchisor | Upon execution of Franchise Agreement | See below |
| Insurances | Workers compensation | Unable to estimate as premiums are set by the WorkCover authority in the relevant State. Premiums are generally calculated based on gross wages and other contributing factors including previous claims by employees of the employer. | WorkCover authority in relevant State | As specified by the relevant  Authority | As determined by the relevant Authority |
| Any other insurance required by statute, regulation or which the Sub-Franchisee determines is required | As specified by relevant Authority or relevant  broker | Relevant Authority,  Insurance company  or broker | As per terms on invoice or as specified in any relevant contract | In accordance with any insurance policy |

3. 14.6 - For each recurring or isolated payment payable by the Sub-Franchisee to the Sub-Franchisor or an associate of the Sub-Franchisor or to be collected by the Sub-Franchisor or an associate of the Sub-Franchisor for another person:

1. description of the payment;
2. amount of the payment or formula used to work out the payment;
3. to whom the payment is made;
4. when the payment is due; and
5. whether the payment is refundable and, if so, under what conditions.

4. 14.8 For item 14.6, if the amount of the payment cannot easily be worked out – the upper and lower limits

of the amount.

5. 14.10 - To avoid doubt, this item covers a payment of significant capital expenditure. Refer to the Table on the following pages:

1. This is not an exhaustive list. All amounts detailed below are estimated.
2. All amounts quoted are GST exclusive except where indicated otherwise. The Sub-Franchisee must pay GST on any taxable supply.
3. In most cases, the actual amount of the payments cannot easily be worked out.
4. Where possible, the Sub-Franchisor has included the upper and lower limits of the payments. However, some of the items may vary from Sub-Franchisee to Sub-Franchisee, depending on the individual circumstances of the Sub-Franchisee.
5. Further, the cost of some of the items is likely to fluctuate over time, depending on factors such as increasing costs, improvements in services, changes in technology and changes in the marketplace.
6. If this Disclosure Document is issued for a renewal of a Sub-Franchise, then the Sub-Franchisee is taken to have full knowledge of all prepayments and other establishment and ongoing costs and payments associated with the Sub-Franchise.
7. The Sub-Franchisor is unable to give to a Sub-Franchisee a complete list of every payment that it will be required to make as a Sub-Franchisee to third parties.
8. There are many payments which every business owner must make to third parties including suppliers and to local, state and federal governments in terms of fees, charges, taxes and costs for doing business.
9. The Sub-Franchisee should obtain independent accounting and business advice to identify such costs and also for the purpose of preparing a business plan.
10. The Sub-Franchisee’s choice of supplier will affect the amount of the payment.
11. The timing of payment and whether it is refundable is also dependent on the terms that the supplier offers to a Sub-Franchisee.
12. The Sub-Franchisor is not able to foresee or to advise a Sub-Franchisee of every cost or payment you may be required to make.
13. No representation is made that the tables in this Disclosure Document contain all of the establishment costs that a Sub-Franchisee will have to pay if it intends to commence to operate a business.
14. The Sub-Franchisor strongly recommends that the Sub-Franchisee undertakes its own due diligence, including conducting research, talking to current and former Sub-Franchisees and obtaining necessary advice.

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| OTHER PAYMENTS | | | | | |
| Type of Cost | Description | Amount | Payment To | Due Date | Refundable? |
| Costs if Sub-Franchisee terminates under the cooling off period | The Sub-Franchisor will refund the amount of any deposit or any Initial Franchise Fee received less the Sub-Franchisor’s reasonable costs that may include the Documentation Fee and the Training Fee as noted in the Franchise Agreement. |  | Sub-Franchisor may  withhold this from money already paid by the Sub-Franchisee | Upon Sub-Franchisee  terminating during Cooling Off Period | No |
| Recurring or isolated payments payable by the Sub-Franchisee to the Sub-Franchisor or an Associate of the Sub-Franchisor or to be collected by the Sub-Franchisor or an Associate of the Sub-Franchisor for another person | Franchise Fees | The greater of:  $200(minimum payment); or  15% of Gross Dollar Volume. | Sub-Franchisor | Monthly in arears | No |
| Costs associated with Training | The Sub-Franchisee must pay related expenses including but not limited to travel, accommodation, meals, wages, car hire, and out of pocket expenses | Various | Sub-Franchisees must participate in the training program prior to the commencement of the Franchised Business | No |
| Sub-Franchisor’s costs (administration costs legal fees in relation to negotiation, preparation, execution and any renewal, assignment, variation or rescission of the Franchise Agreement | Unable to estimate, could be $3,000 - $10,000 or more depending on the terms required. | Sub-Franchisor or the Sub-Franchisor’s lawyer | Payable upon exercising right of renewal, variation or recission | No |
| Assignment Fee (in addition to legal costs) | 20% of the sale price of the Sub-Franchise | Sub-Franchisor | Payable as directed by the Sub-Franchisor but prior to consent being provided. | No |
| Training and seminars in addition to the initial training either provided upon request by the Sub-Franchisee or when required by the Sub-Franchisor | As specified by the Sub-Franchisor or Associate of the Sub-Franchisor | Sub-Franchisor or Associate of Sub-Franchisor | As specified by the Sub-Franchisor or Associate of the Sub-Franchisor | No |
| Sub-Franchisor’s cost in remedying a breach of the Franchise Agreement | As specified by the Sub-Franchisor or Sub-Franchisor’s lawyer | Sub-Franchisor or Sub-Franchisor’s lawyer | As specified by the Sub-Franchisor or Sub-Franchisor’s lawyer | No |
| IT User Fee | $200 per additional user per month | Sub-Franchisor | Monthly in arrears | No |