



THE LIST

RANK		Company	Chief executive/s	Revenue 2007-08 \$m	Revenue growth* %	Founded	State	Employees	Industry sector
2008	2007								
1	-	Longwarry Food Park	Rakesh Aggarwal	41.35	423.42	2001	Vic	30	Manufacturing
2	2	Itcom Australia	Graeme Ross	14.28	353.84	1994	Vic	21	Information technology
3	-	Weldtronics	David Osman	11.16	284.44	2005	WA	28	Manufacturing
4	-	Austech Institute For Further Education	Kharak Bajwa	30.43	245.18	1992	NSW	86	Education
5	-	m.Net Corporation	Horden Wiltshire	7.73	183.11	2001	SA	38	Communications
6	18	Thomas Duryea Consulting	Andrew Thomas	30.15	178.76	2000	Vic	72	Information technology
7	-	Ansearch	David Burden	12.26	173.37	1975	Vic	65	Information technology
8	14	Bax Property	Andre Bax	14.91	160.88	2004	Old	8	Property and business services
9	-	The Citadel Group	Miles Jakeman	28.65	146.59	2007	ACT	110	Personal and other services
10	12	Refund Home Loans	Wayne Ormond	10.51	141.74	2003	Old	26	Finance and insurance
11	-	Australian Bight Abalone	Andrew Ferguson	26.30	141.50	2005	SA	30	Agriculture, forestry and fishing
12	-	Revolution IT	Hamish Leighton	16.23	139.68	2004	VIC	140	Information technology
13	-	VASP Group	Virginio Archetti	27.68	139.62	1996	NSW	179	Communications
14	23	Powertech	Brian Grimmer	50.50	129.72	1998	WA	194	Mining

**The BRW
Fast 100 08 flagship has
just ranked us**

No. 10



Refund consistently rates well in surveys of the industry and earlier this year topped the rating for "Fastest-Growing Franchises by Outlet" in the BRW magazine survey (Flagship edition January 31 – March 5 2008).

Last week, in BRW's 2008 "Fast 100" survey, Refund improved from its 12th position in 2007 to make the prestigious Top 10 as a result of the company's revenue growth of 141.74% (to a total of \$10.51million) in the 2007-08 year (Flagship edition October 30 – November 26 2008).

Refund's recognition was one of only three in the Financial Services category in the Top 100 and only one of 27 who featured in the Top 100 in the previous year, 2007.

Significantly, Refund was one of 7 franchise operations rated in the Top 100, with the second coming in at number 24.



Upbeat in down cycle:
Refund Home Loans
 chief Wayne Ormond

Bargain broker

DISCOUNT FEES AND HIGH YIELDS MEAN GOOD BUSINESS FOR A LENDING ENTREPRENEUR. **REPORT: KATE BURGESS**

● Wayne Ormond, the chief executive of mortgage broking franchise business Refund Home Loans, likes handing out money. So much so, that on the day *BRW* spoke to him, he had handed out thousands of dollars in cash to shoppers in Brisbane's Queen Street Mall.

Hours earlier, the Reserve Bank of Australia had slashed official interest rates by a full percentage point. Convinced that the banks should pass on the entire amount to borrowers, he decided to set an example of how easy it is to hand out cash.

"I was trying to illustrate that if a small company like Refund can afford to give some of its profit back to customers or to people then the banks most certainly can – when they make billion-dollar profits," Ormond says.

And the cash is indeed piling up.

Three years ago, Refund Home Loans turned over \$2.7 million. It now turns over \$10.51 million – growing by an average of 141.74 per cent each year.

Refund – as the name would suggest – is a

business built on handing back cash. It shares a percentage of the commission earned by its brokers for each loan it writes. Ormond says it varies with the amount and type of loan, and ranges from 10 per cent to 50 per cent of the commission paid by lenders to brokers.

It's Ormond's key point of difference. His business is entirely composed of franchises, and he says it's up to individual franchisees to determine how much of their commission they are prepared to give away to customers.

Ormond's loans are no different to those made by the banks – although he does offer a choice of 35 different lenders. And his business model is reminiscent of other mortgage brokers such as Mortgage Choice or Aussie Home Loans.

Refund Home Loans

Rank: 10

Chief executive: Wayne Ormond

Revenue (2007-08): \$10.51 million

Growth*: 141.74%

* Average annual revenue growth over three years

"The difference is we share that upfront commission with customers," he says. "But for the same bank loan [the customer] was going to get, the difference is that at the end of that we are going to give them a cheque. So from a customer's point of view, it is a no-brainer."

Refund's growth is due to its rapidly expanding franchise network, which now has 200 branches. Ormond says there is still plenty of territory to conquer, and that he intends to sell a further 200 area franchises. "The franchises are all set up from scratch – we haven't bought any existing businesses that had franchisees," he says.

But Ormond is not stopping there. "We have the second category which is called partner franchises, and we can have about 4000 of those. Partners are part-time franchisees."

Refund franchisees must dole out a percentage of their income and so have less earning potential than other mortgage brokers, but costs are also kept to a minimum. There are no brick and mortar branches or offices. Brokers visit customers in their homes or workplaces and don't do business over the phone.

"People don't have time any more to go into branches. We don't do things over the phone. We want to see people. It also mitigates fraud, because you avoid the situation where people are giving a false address," Ormond says.

Refund's growth has slowed down from the stellar 211 per cent recorded two years ago. In the most recent financial year it slipped to 37 per cent. It is still an impressive figure at a time when new mortgage finance contracted sharply thanks to successive RBA interest rate rises.

Even in the current climate, with the banks' cost of funding at historic highs, Ormond is upbeat about the year ahead.

"Debt consolidation and refinancing is getting more popular and it certainly gives us an advantage because we give that refund. Customers often use the refund to offset the exit cost of one lender to another," he says.

Ormond is also optimistic about the prospects for the housing market.

"I think if we continue to have interest rate cuts, which I think we will, it will certainly drive people from the sharemarket, which is in utter turmoil, back into property. And the yields on property are quite high."

Ormond claims that market turbulence may work well for Refund in other ways. He expects to see investment dollars pour into self-managed super funds, which can now hold property. "There will be a lot more people going into self-managed super funds on the basis that fund managers have not done a great job. Of course in these turbulent times people are always looking for someone to blame," he says. **BRW**