

Summary of Sub 108

This submission outlines a case in which it is alleged that a franchisee was offered an unreasonable contract at renewal and then, when they sought mediation, their franchise agreement was terminated. The submission also indicates that disclosure documents received by the franchisee did not make clear the extent to which the franchisor was currently in mediation or dispute with existing franchisees.

The submission draws an analogy between investing in a franchise and investing in a company on the stock exchange and suggests that a franchisor should have to lodge a prospectus with an appropriate government body.

This submission is from a franchisee.