



Protecting Vulnerable Workers

This Fact Sheet has been written for **Franchisors** and the impact of the Protecting Vulnerable Workers Act for Franchisors.

Background

On 14 September 2017, the *Fair Work Amendment (Protecting Vulnerable Workers) Bill 2017* received royal assent and became a new law called the *Fair Work Amendment (Protecting Vulnerable Workers) Act 2017 (Cth)* ("**the Act**"). The Act amends the Fair Work Act 2009 (Cth ("**FW Act**").

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The Act allows:

- Increased civil penalties for 'serious contraventions.' A 'serious contravention' will be found if a person knowingly contravened a provision, and the conduct was part of a systematic pattern of a conduct relating to one or more other persons.
- Increased penalties for offences in relation to payslips and record-keeping.
- Provides the Fair Work Ombudsman with power for compulsory interviews.
- Provides Franchisors with more responsibility for breaches for workplace relations breaches by their Franchisees.
- Employers are required to prove they have remunerated employees appropriately.

What does this all mean?

Franchisors can be held liable for contraventions if a Franchisee contravenes the Act if the Franchisor knew or could have reasonably known to be aware of the contravention.

The Act defines a "responsible franchisor" as a franchisor that has a significant degree of influence or control over the franchisees' affairs.

What should Franchisors do to protect themselves?

- Implement support mechanisms into the franchise system. Examples include: HR Advice, HR Documentation, HR Operations Manual
- Provide regular training opportunities for Franchisees to upskill knowledge
- Conduct regular HR and Payroll Audits on each Franchisee
- Induct Franchisees into the system correctly from the beginning of their journey
- Provide updates on changes in the Fair Work Act, Modern Awards, and Industrial Relations
- Include the appropriate clauses in the Franchise Agreement to ensure Franchisees abide by their obligations as an Employer.