

Fact Sheet

Protecting Vulnerable Workers

May 2021

On 14 September 2017, the *Fair Work Amendment (Protecting Vulnerable Workers) Bill 2017* received royal assent and became 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**”).

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

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 conduct relating to one or more others 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 all this mean?

Franchisors can be held liable for contraventions if one of a Franchisees 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 including; 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

Need help?

Contact us to discuss how we can support your networks HR matters. We focus on compliance and best practice initiatives to avoid possible contraventions while creating a market leading brand.