

## Building a culture of compliance in the restaurant sector through partnership between FWO and La Porchetta

6 July 2018

A Compliance Partnership between La Porchetta Franchising Pty Ltd (La Porchetta) and the Fair Work Ombudsman has demonstrated the effectiveness of close engagement with the regulator in promoting a culture of compliance throughout a franchise network.

The outcomes of the three-year partnership are detailed in a report ([www.fairwork.gov.au/reports/la-porchetta-franchising-pty-ltd-compliance-partnership-report/default](http://www.fairwork.gov.au/reports/la-porchetta-franchising-pty-ltd-compliance-partnership-report/default)) released by the Fair Work Ombudsman today and show a marked improvement in workplace compliance across the La Porchetta network.

La Porchetta and the Fair Work Ombudsman entered into the partnership on 1 April 2014 following a number of non-compliance issues identified by the regulator in some La Porchetta franchise stores.

This included two matters which were the subject of [legal proceedings by the FWO \(www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2014-media-releases/june-2014/pizza-and-soft-drink\)](http://www.fairwork.gov.au/about-us/news-and-media-releases/archived-media-releases/2014-media-releases/june-2014/pizza-and-soft-drink), resulting in a franchisee operating two La Porchetta restaurants in Melbourne being fined for underpaying 111 mostly teenage workers over a four year period.

In response, La Porchetta – as the head franchisor – committed to taking proactive measures to improve its franchisees' workplace practices and agreed to enter into the partnership to work with the Fair Work Ombudsman to promote sustained compliance with workplace laws across its network.

Acting Fair Work Ombudsman Kristen Hannah says that La Porchetta's demonstrated commitment to workplace compliance sets a positive example to the hospitality industry and the franchise sector more broadly.

"The restaurant, café and fast food sector is a key focus area for the Fair Work Ombudsman, with experience and data suggesting significant non-compliance exists in the sector," Ms Hannah says.

"That's why I'm pleased that La Porchetta – a prominent restaurant chain with multiple restaurants across Australia and New Zealand – has embraced transparency and accountability by signing a proactive compliance deed, which is publicly available on our website.

"It is important to note that there was and is no legal requirement for La Porchetta to join the FWO in a compliance partnership but, in doing so, La Porchetta made itself accountable for ensuring compliance in its network."

La Porchetta obtained support from legal firm HR Legal to assist with implementing the requirements under the terms of the Proactive Compliance Deed, which included providing new franchisees with induction training on their obligations under Australian workplace laws and providing regular updates to all franchisees relating to annual wage increases and other employment-related matters.

Under the terms of the deed, La Porchetta also conducted a series of audits of randomly-selected franchisees, checking employment records for compliance against wages and record-keeping requirements.

These audits found some compliance issues – including incomplete records, incorrect classification of employees and underpayment of minimum award rates. The issues were rectified by the franchisees with no further action required on the part of the Fair Work Ombudsman.

Over the course of the three-year partnership, the Fair Work Ombudsman also referred six non-serious requests for assistance to La Porchetta, which resolved all issues promptly and reported the outcomes to the regulator. Three requests for assistance involved claims in which no evidence of workplace breaches were found, while the remaining three were resolved by La Porchetta and resulted in a total of \$5,483 being back-paid to workers.

"We are satisfied that the support and systems put in place by La Porchetta has resulted in franchisees better understanding their workplace obligations and the importance of complying with them," Ms Hannah says.

La Porchetta has demonstrated its commitment to sustaining improved levels workplace compliance by signing on to a second [Proactive Compliance Deed \(DOCX 165.2KB\) \(https://www.fairwork.gov.au/ArticleDocuments/762/la-porchetta-franchising-pty-ltd-proactive-compliance-deed-july-2018.docx.aspx\)](https://www.fairwork.gov.au/ArticleDocuments/762/la-porchetta-franchising-pty-ltd-proactive-compliance-deed-july-2018.docx.aspx) (PDF 634.2KB) (<https://www.fairwork.gov.au/ArticleDocuments/762/la-porchetta-fran->

[chising-pty-ltd-proactive-compliance-deed-july-2018.pdf.aspx](#)) with the Fair Work Ombudsman, covering the next three years.

Ms Hannah says that recent law changes have expanded the circumstances in which franchisors can be held responsible if their franchisees do not follow workplace laws.

“These law changes mean it is imperative franchisors are aware of what is going on within their networks and are actively working to promote compliance. I urge franchisors to follow the positive example set here and be proactive in their responsibility to ensure workers in their networks are being treated fairly and lawfully.”

Employers and employees seeking assistance can visit [www.fairwork.gov.au](http://www.fairwork.gov.au) or call the Fair Work Infoline on 13 13 94. An interpreter service is available on 13 14 50.

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Read the [La Porchetta Compliance Partnership Report \(www.fairwork.gov.au/reports/la-porchetta-franchising-pty-ltd-compliance-partnership-report/default\)](http://www.fairwork.gov.au/reports/la-porchetta-franchising-pty-ltd-compliance-partnership-report/default) | (PDF 575KB) (<https://www.fairwork.gov.au/ArticleDocuments/1399/la-porchetta-franchising-pty-ltd-compliance-partnership-report.pdf.aspx>) and the second [La Porchetta Franchising Pty Ltd Proactive Compliance Deed \(DOCX 165.2KB\) \(https://www.fairwork.gov.au/ArticleDocuments/762/la-porchetta-franchising-pty-ltd-proactive-compliance-deed-july-2018.docx.aspx\)](https://www.fairwork.gov.au/ArticleDocuments/762/la-porchetta-franchising-pty-ltd-proactive-compliance-deed-july-2018.docx.aspx) (PDF 634.2KB) (<https://www.fairwork.gov.au/ArticleDocuments/762/la-porchetta-franchising-pty-ltd-proactive-compliance-deed-july-2018.pdf.aspx>)

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