

FAIR WORK COMMISSION

Matter No.: AM2024/24

Re Application by: Shop, Distributive and Allied Employees' Association

Submissions by Franchise Council of Australia

1. The Franchise Council of Australia (FCA) represents a broad range of franchise businesses across the Australian economy and franchising operates in a wide range of industry verticals many of which are included across the awards in question by this application.
2. The FCA provides this submission in support of the **opposition** of the application made by the Shop, Distributive and Allied Employees' Association (SDA).
3. Franchising across Australia represents some 73,000¹ small businesses. These small businesses are in the most part made up of husbands and wives, small family units, relatives and others who support the franchisee in operations of the business. However, a large part of this eco-system and relationship fosters the important opportunity for young Australians to find a pathway to their first job.
4. The franchising model lends itself to create these opportunities and have structured and complex training systems in place to enable small business to enable these jobs which might otherwise be difficult for a small business due to the pressure of and cost of training a young person in a new role. Some of these roles have safety risks, hygiene risks, performance requirements and technical skills which can all be trained on the job but done so in a way to enable the young person to launch their careers.
5. These young people may in fact go on to be supervisors or managers and, in some cases, (which is common in franchising) become a franchisee in their own right, an entree to entrepreneurship. Of course, in other cases the entry level role is just that and the young person may go onto study in a completely different field in a trade, certificate course or university. If you ask many people in modern society, "*where did you get your start in work life*" the response in many cases will connect to a franchise business. It's a formidable "*right of passage*" that franchising has embraced and endorsed for decades.
6. Junior rates of pay are a structural imperative to enable small business owners in franchising with the ability to afford to employ a young person, while allocating the time, effort, energy and enthusiasm needed to train them into the role and supervise them in such a way that they can thrive over those first three to four years as a casual or part-time employee. The removal of the junior rate classification will result in an entire re-configuration of the approach franchisees take to junior employment and disrupt the model that has worked so well and enabled thousands of young Australians to get their first job which they otherwise would not have been considered for, if the choice was based on age as a comparative to the rate of pay.

¹Schaper Review Franchising Code of Conduct 2024

Lodged by: Franchise Council of Australia

Address for Service: Level 3, 21 Victoria Street, Melbourne VIC
3000

Telephone: 03 9508 0888

Email: info@franchise.org.au

7. It is also not reasonable to suggest that a new teenager starting out in their first job is capable or prepared to do the same job as a person who might be 4 to 6 years older. Teenage years are informative years, and the young person is likely to be still at school, studying, playing sport, developing interpersonal relationships and finding their way in life. Aspects of maturity, shift availability, flexibility, anxiety, self-belief and tenacity are all factors either still being developed by a teenager or flexibilities applied by the franchisee. In so many cases the franchisee becomes a sounding board for this employed young person to gain these skills while at work and helps to support them as they develop.
8. Franchising is well known as an industry which embraces young Australians and has done so for many decades. This entry level workforce has, and it is hoped will continue to be an important source of employees in an ever more complicated and currently reduced work force. Junior rates of pay enable small business to deploy recruitment strategies to continue to seek employees to carry out the job functions necessary to operate their business.
9. Young people on junior rates perform different job formats across different verticals within franchising. The roles in which juniors fill are very entry level and often carry the simplest repetitive tasks in order to maximise the output, enable the young person to thrive and learn while contributing to the team effort within the business.
10. The FCA strongly contends that a structural change to the rates of pay or the removal of the junior rates construct will have a material impact of how franchising seeks to support young Australians wanting to enter the workforce and learn lifelong skills provided in such settings.
11. The FCA has consulted our membership widely in preparing this submission and confirm that members and in particular small business members are reluctant to give evidence under their own name or brand for fear of reprisal or negative media stories relating to the matter. As such the FCA has provided this submission under the name of the association.
12. For the reasons outlined and detail provided the FCA opposes the application being made by the SDA in this matter **AM2024/24**.

The FCA thanks the commission for this opportunity to contribute to this application.

Kind regards



Jay Westbury
CEO
4 July 2025