



7-Eleven and franchisees authorised to co-operate on store opening times

24 April 2020

7-Eleven and its franchisees have been granted conditional interim authorisation to discuss potential temporary store closures or reduced trading hours in light of reduced customer demand because of COVID-19 restrictions.

7-Eleven owns and operates stores in competition with its franchisees in some areas and therefore discussions and agreements between them risk breaching the competition laws.

“We recognise that 7-Eleven and its franchisees are facing difficult trading conditions due to the COVID-19 pandemic, and believe this co-operation could help the network and individual stores to remain viable,” ACCC Chair Rod Sims said.

“Importantly, franchisees are not required to temporarily close or reduce their store hours if they do not wish to. Our decision to grant interim authorisation does not force franchisees to agree to the terms offered by 7-Eleven.”

Franchisees that agree to close temporarily will receive an ex-gratia payment from 7-Eleven to cover certain unavoidable operational costs. For franchisees that agree to reduce their hours, the minimum guaranteed income that the franchisee receives from 7-Eleven would be pro-rata adjusted to reflect the temporary reduction in trading hours.

“Franchisees are strongly encouraged to seek independent legal and financial advice when considering whether to adopt these temporary measures,” Mr Sims said.

Interim authorisation is subject to a condition that requires 7-Eleven to notify the ACCC of arrangements reached with franchisees to provide some ACCC oversight.

“We are going to closely monitor the effect of these arrangements and when it is appropriate for this authorisation to be revoked,” Mr Sims said.

Having granted interim authorisation for the arrangements, the ACCC will seek feedback on 7-Eleven’s application for authorisation.

Details on how to make a submission and more information, including the ACCC’s interim authorisation decision, is available at [7-Eleven Stores Pty Limited](#).

Background

Authorisation provides statutory protection from court action for conduct that might otherwise raise concern under the competition provisions of the Competition and Consumer Act 2010.

The Franchising Code of Conduct will continue to apply to franchisees that operate non-fuel stores and the Oil Code will continue to apply to franchisees that operate fuel stores. Both codes contain a dispute resolution process.

Dispute resolution services are provided by the Australian Small Business and Family Enterprise Ombudsman (ASBFEO). More about [resolving franchising disputes](#) and [oil code dispute resolution](#) is available on the ACCC website.

Section 91 of the Act allows the ACCC to grant interim authorisation when it considers it is appropriate. This allows the parties to engage in the proposed conduct while the ACCC is considering the merits of the substantive application.

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