



9th July 2020

Australian Competition & Consumer Commission
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Canberra ACT 2601
adjudication@acc.gov.au

AACS SUBMISSION: AA1000500 – 7-Eleven Stores Pty Limited – submission

To whom it may concern,

As the peak body for the convenience industry in Australia, the Australasian Association of Convenience Stores (AACCS) supports the ACCC's draft determination which proposes to grant conditional authorisation to enable 7-Eleven Stores Pty Limited to approach certain stores in its network and enter into arrangements which will provide for the temporary closure or reduced trading hours of those stores.

The AACCS acknowledges that 7-Eleven Stores Pty Limited is a member organisation.

We also acknowledge that many convenience stores, along with businesses of all sizes and across all sectors, are facing unprecedented challenges in the wake of the COVID-19 pandemic.

The authorisation is about the franchisor and franchisees having the flexibility to adjust their operations as needed in order to navigate these challenges.

This is an appropriate time to enable the Proposed Conduct in order to support 7-Eleven businesses through the pandemic.

We note that, under the authorisation sought, the Proposed Conduct is voluntary and that franchisees that elect not to participate will continue to receive the minimum gross income they are entitled to under their franchise agreement.

Franchisees have the choice to remain operate in a business-as-usual manner or work with 7-Eleven to implement a new, temporary arrangement. As such, we believe the authorisation sought is in the best interests of all parties.

While we understand the concerns about the potential impact of store closures or reduced trading hours in some areas, given that convenience stores provide an essential service', we don't believe it

is reasonable to force small businesses to remain open and trading if it is detrimental to the long-term health and viability of the business and its owners.

Thank you for your consideration of our submission. Don't hesitate to contact me should you require further information.

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About the AACS

Established in 1990, the Australasian Association of Convenience Stores (AACS) is the peak body for the convenience industry in Australia.

Nationally, our industry employs over 40,000 people in approximately 7,000 stores. The majority of these stores operate as family run businesses, often under licence or franchise agreement, or independent ownership. They regularly employ family members and people from the local communities in which they operate.

The AACS represents the interests of these small businesses; their owners, staff, suppliers and customers.

The convenience industry in Australia was valued at approximately \$8.8 billion in merchandise sales in 2019 excluding petrol, according to companies contributing to the 2019 AACS Annual State of the Industry Report. Petrol accounted for approximately \$35 billion in sales in 2019.

The AACS State of the Industry Report contains the most comprehensive information available on the convenience industry in Australia. We have also recently commissioned research on how consumers have used the convenience channel over the course of the COVID-19 pandemic and we would be pleased to provide copies of both the AACS State of the Industry Report and the research, should these assist any decisions or actions be taken.

Finally, as an Association we enjoy strong ties with our international counterparts including the convenience stores associations in the US, Canada, the UK and New Zealand. We also visit similar stores in South East Asia to keep abreast of changing and emerging trends.