

Independent panel to review 7-Eleven staff payments, company proposes exit option to franchisees who want out

7-Eleven Stores Pty Ltd will establish an independent panel, chaired by an eminent and qualified Australian, to receive and examine claims including underpayment of staff by franchisees, and franchise agreement terms.

“The key factor here is that the panel will receive, review, and process any claim of underpayment, and authorise repayment where this is appropriate,” said Chief Executive Officer, Warren Wilmot.

“The viability of the 7-Eleven system is in no way, never has been and never will be, dependent on franchisees underpaying their staff,” he said.

“This doesn’t let off the hook any franchisees doing the wrong thing, because we will pursue them to repay any money owed to former or present staff.

“We are seeking the co-operation of the Fair Work Ombudsman (FWO), and today reached out to them, inviting them to assist in establishing the terms of reference of the independent panel and its mode of working.

“This is in addition to our continuing co-operation with FWO to weed out franchisees in our network, who are not doing the right thing by their staff, and further tightening our audit and monitoring systems and processes in collaboration with FWO.”

Mr Wilmot said 7-Eleven Stores Pty Ltd was Australia’s most successful franchisor, with a national network of 620 stores based on a business model of mutuality, and built over nearly four decades.

“While we dispute there is insufficient financial viability in a system that delivers on average net profit of \$165,000 per store, and year-on-year growth of more than nine per cent, the company has committed that any existing franchisee, who no longer wants to participate in the system, 7-Eleven Stores Pty Ltd will refund the franchise fee paid, and help to sell any store where a goodwill payment has been made,” he said.

“What has happened, has happened on our watch, and we are a company with a proud heritage and a strong reputation, we cannot allow the few to taint the achievements of the many.”