

Senate Estimates Opening Statement – Friday 29/10/2021

Chair and Senators, thank you for the opportunity to make this opening statement to you today, as the CEO of Outback Stores.

I would like to acknowledge the Traditional Owners of the land from where we sit today. We are dialling in from Darwin this morning, which is the land of the Larrakia people, and I pay my respect to the elders past and present.

The last time Outback Stores presented to this committee was 24 months ago. Today allows me an opportunity to provide a brief update of our journey through this COVID-19 pandemic, which is and continues to be, a challenge for us all.

I note that Outback Stores is a wholly owned Commonwealth company, governed by an independent board of directors, and we are currently managing forty-four retail stores across three states and the Northern Territory.

Outback Stores is a service provider only and all profits for stores are retained by their owners. For non-profitable stores, Outback Stores utilises its income and residual cash holdings to financially support these stores to ensure food security is maintained in some of the most remote locations in Australia. In the past three years Outback Stores has supported stores with financial underpinning worth \$5.4 million.

It should also be noted that Outback Stores does not receive ongoing funding from the Commonwealth and hasn't received any substantial allocations since the last of its original start-up funding allocated in 2009. We continue to remain focused on being financially independent into the future.

Throughout the COVID-19 pandemic, Outback Stores has been challenged on many fronts, and as I have led this business, I must say that I'm extremely proud of our team from our Support Office through to our most important Store Managers and the store staff that live and work in remote communities. Our team has been working tirelessly to ensure food security needs are met, despite the logistics and supply challenges endured through this pandemic.

Over the last three months, we have worked with our front-line team members with a focus on being fully vaccinated by the end of October in order to protect our customers and staff. I am happy to share with you, that on the 14th of October we were able to confirm with our key stakeholders, that all team members and managers employed by Outback Stores visiting or residing in remote communities are fully vaccinated. This highlighted our 109 frontline team members commitment to the communities we support.

In the middle of 2020, Outback Stores as well as all remote retailers, worked with industry leaders through an Inquiry into retail affordability in remote retail stores. Whilst Outback Stores gained additional scrutiny as the only Commonwealth owned retail service provider, we were very happy to provide a great level of insight to the Standing Committee for this important topic.

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Over the past 5 years, Outback Stores has led the way on improving affordability on staple lines in the remote retail industry and we strongly believe that we provide the right mix of profitability and affordability for our store owners. It has and remains to be a significant financial challenge to provide goods and services to some of the most remote locations in this country. We continue to believe that our submission and recommendations submitted to the Inquiry is an accurate representation of this complicated industry.

Recently Outback Stores formed a relationship with the corporate retailer Woolworths and are currently working with one of their divisions to improve pricing affordability in the remote retail industry. As a trial, we have just recently supplied stores we manage with their third delivery of goods; pressure testing our capability of expansion into the area of source and supply. This important work of improving affordability, is a direct outcome of the COVID-19 Remote Food Security Working Group which is being led by the National Indigenous Australians Agency (NIAA).

In relation to our social commitments to the community members we work for, Outback Stores has continued to drive positive outcomes. More specifically, we have further improved affordability and the quality of the fresh produce we offer. Community members are consistently able to buy specific key products at the same retail price as you would from any supermarket in Australia. Further sugar consumption reduction strategies have been agreed on within specific communities and across collective stores. We have seen a considerable reduction of sugar consumption by 2.46% in FY21, highlighting eight (8) tonnes less sugar consumed through the purchase of sugary soft drinks.

In addition to this, Outback Stores commitment to community member's personal development through employment opportunities has been unwavering, with 283 Indigenous team members working within the stores under management. In the past twelve months, 24 of these individuals have graduated in certified retail training programmes administered by our business as a Registered Training Organisation (RTO).

Once again, I thank you for the opportunity to provide this brief opening statement. Both the Board of Directors and the Executive Team at Outback are committed in delivering its strategic direction and keep expanding its offer to support remote communities into the near future and beyond.

Jayveer and I are happy to take any questions from the Committee.

Michael Borg
CEO – Outback Stores