

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates 2016 to 2017

Prime Minister and Cabinet Portfolio

Department/Agency: Outback Stores Pty Ltd
Outcome/Program: Outcome 2; Indigenous
Topic: Healthy Food

Senator: Dodson, Patrick

Question reference number: 147

Type of question: Written, Monday 31 October 2016

Date set by the committee for the return of answer: 2 December 2016

Number of pages: 3

Question:

1. Does Outback Stores have a strategy for the delivery of healthy food?
 - a. Can you please provide details on its effectiveness and the data and KPI's you use to review the program?
 - b. Has Outback Stores consulted with local community owners on high levels of sugar consumption?
 - c. What strategies, if any, has Outback Stores implemented to tackle high levels of sugar consumption in communities?
 - d. What strategies has Outback Stores implemented to ensure that healthy takeaway food options are made available in community stores?

Answer:

1. Outback Stores has a comprehensive Health and Nutrition Policy (refer QoN 91).

The objectives of the Policy are to:

 - 1) ensure a wide range of nutritious, safe, quality food, drink and grocery items are consistently available,
 - 2) to create supportive environments where healthy food and drink choices are easier choices while still maintaining choice,
 - 3) increase awareness and understanding among customers, store staff and Store Boards of food and health choices
 - 4) ensure all Outback Stores staff understand best practice to support and encourage healthy choices.
- a. The KPI's for health and nutrition outlined in the Corporate Plan 2016-2019 are to increase fruit and vegetables tonnage in comparable stores by 2% per annum and reduce full sugar soft drink sales as a percentage of total drink sales by 0.1% based on sales data.

Since 2015 the volume of fruit and vegetables has increased 5% in comparable communities and soft drink has decreased as a proportion of total drink sales by 0.5% and water has increased.

- b. Yes. Every quarter the store results, including sugary drinks levels, are reported to the store owners. Over the last 12 months this has resulted in an increased dialogue and action on reducing sugary drinks by a number of communities.
- c. Outback Stores Health and Nutrition Policy sets out specific strategies that are implemented across all stores to tackle high levels of sugar consumption.

Outback Stores does not restrict customer choice, focusing on making healthy choices easier through a range of strategies including product, placement, pricing, promotion, education and supporting other initiatives. Where there are further restrictions on access to full sugar drinks, these have been driven by the local community. Without this support the community would not support Outback Stores management of their store.

Outback Stores stocks a range of drinks to allow customers' choice including water, diet drinks, low sugar drinks and full sugar soft drinks. With limited exceptions (road houses) Outback Stores do not stock energy drinks. The sizes of the drinks are limited to 1.25 litres and below, so there are no 1.5 or 2.0 litre bottles.

The water fridge is located at the front of the store in prime retail position, while the other drinks are located towards the back of the store. At least half of the refrigerated drinks display space is water and diet drinks. These drinks also have eye level placement on some doors. Stores do not display full sugar soft drinks in promotional areas.

Outback Stores has negotiated a differential price for healthier drinks. Mt Franklin 600ml water retails for \$1.00. Diet drinks are more expensive than water, but 25% cheaper than the full sugar varieties.

The Health and Nutrition Policy prohibits promotion or discounting of full sugar soft drinks. There are promotions on water and diet drinks.

Outback Stores works with local public health nutritionists visiting remote communities to increase awareness of the impact of sugary drinks on health. Many stores display education posters on the amount of sugar in drinks.

Outback Stores provides education and training to all store managers on induction to the company and follow up at nutrition site visits and through area managers on the Health and Nutrition Policy and specific strategies and initiatives.

Outback Stores has been working with individual communities to reduce the amount of sugary drinks being consumed. This has involved extensive collaboration with a range of partners to identify, develop and trial community led strategies. Early results in a number of communities are promising and showed a marked decrease in the sale of sugary drinks. Strategies included: education, social marketing, product changes and reduced availability.

Different communities have adopted different strategies that are relevant and feasible. What works in a small community six hours' drive from a regional centre is different to what works in a large community close to competition or a regional centre. The common theme for strategies with promising results is support of the whole community and community leaders to drive the strategy.

- d. Outback Stores Health and Nutrition Policy sets out specific strategies to ensure healthy options are available in takeaways. A range of nutritious ready to eat food and drink choices are consistently offered and promoted. Healthier foods and cooking methods are used where possible in the preparation of ready to eat meals and snacks. Most stores have combi-ovens (combination steam bake commercial ovens) and do not use deep fryers. These are a significant capital investment that have replaced other cooking methods so that even fish and chips are oven baked. Healthier options have a lower mark-up to ensure they are an affordable choice. More could be done in this area but is limited by current resources.