

## Senate Estimates Opening Statement – Friday 18/02/2022

Chair and Senators, thank you for the opportunity to provide an opening statement in advance of the Additional Estimates program.

The last time Outback Stores presented to this Committee was four months ago, so this statement allows me, as the CEO of Outback Stores, an opportunity to provide a brief business update that includes an overview of some additional challenges experienced recently.

To provide you with some context, Outback Stores is a wholly owned Commonwealth company and a not-for-profit organisation that is governed by an independent Board of Directors, with a core objective of supporting remote community stores to maintain food security. We provide retail store management and support services to Indigenous-owned community stores across 48 remote locations within Australia. We work with Aboriginal and Torres Strait Islander people in a holistic way to improve health, nutrition, employment, training and economic outcomes in remote communities.

Outback Stores is a service provider only, and all profits for stores are retained by their owners. We continue to financially support a number of stores that we manage on behalf of communities, which are not financially viable due to small populations and geographical challenges. Last financial year we provided \$999,000 of operating funds to support 13 stores to ensure continuous access to a fresh, healthy and affordable food supply. An additional \$495,000 was invested on capital improvements for stores that were also unable to support themselves commercially.

It should be noted that Outback Stores does not receive ongoing funding from the Commonwealth and has not received any substantial allocations since the last of its original start-up funding allocated in 2009.

Our ongoing aim is to achieve a self-funded Outback Stores that delivers improved social outcomes and provides ongoing support to remote communities. The measure of this target is shown by our adjusted cash outflows each year, with last year's outflows totaling only \$297,000, which is an excellent result in our short 15-year history.

Each year Outback Stores continues to make positive improvements to the health and nutrition outcomes in remote communities. The proportion of sugary drinks sold last year declined by 2.70%; this equates to eight tonnes less sugar consumed. Total tobacco sales decreased by 9.00%, as this continues to be a focus for Outback Stores and the communities in which we work.

Improving access to nutritious and affordable food continues to be a key component in the Outback Stores Nutrition Policy. In the last financial year, customers bought a total of 508 tonnes of fresh fruit and vegetables, which truly reflects that our ongoing commitment to improve access to nutritious food is making significant progress. As an example, the quantity of fresh fruit and vegetables sold last year is four times greater than the average amount sold per store in 2011.

Providing meaningful employment pathways to local staff in communities remains a priority. Across community stores, 272 Aboriginal and Torres Strait Islander people are employed, which equates to 88% of all store staff. Twenty-eight of these Indigenous team members are currently engaged in completing a nationally accredited retail qualification.

The COVID-19 pandemic continues to present challenges to ensure food security in remote communities. In the second half of last year, our business as many others, worked hard with its team to ensure that all our Outback Stores and local store team members were fully vaccinated, to protect ourselves and our stakeholders. Our current challenge as this pandemic evolves, is managing stores in remote communities where the virus has spread through the local population. At present, eighteen of the forty-eight stores that we manage are under increased pressure due to active COVID-19 cases within the community.

Navigating through the latest health regulations requires a constant state of response, and I am very proud of the continuous efforts made by our entire team, who work tirelessly to see that food security needs are met. I would like to especially acknowledge the hard work and commitment of our Store Managers, whilst being situated far from their own family networks, they continue to provide a high-level of essential services to communities through these challenging circumstances.

Outback Stores has recently experienced logistical challenges in maintaining food supply to several remote Indigenous communities, due to the flooding of the Stuart Highway and localised flooding across Central Australia.

It was seen that many local retailers, including Outback Stores, were affected by the freight interruptions between Adelaide and Alice Springs, as well as freight routes from Western Australia and Queensland. In addition to this, there was the added difficulty of accessing remote communities due to flooded roads and airstrips. Of the seventeen communities in which we work across throughout Central Australia, all but four were inaccessible due to localised flooding.

Through this time, we are happy to report that communities maintained a moderate range of essential items, with only five stores requiring air freight, to ensure a range of fresh fruit and vegetables were available for community members.

Whilst it has been a challenging start to the calendar year, Outback Stores as always is committed to the communities we support and continue to be available to assist other communities in need of our help.

Once again, I thank you for the opportunity to provide this brief opening statement and look forward to taking questions from the Committee.

Michael Borg  
Chief Executive Officer | Outback Stores