

Supplementary Budget Estimates Opening Statement – Wednesday 08/10/2025

Chair and Senators, thank you for the opportunity to appear before the Committee and provide an opening statement ahead of the Supplementary Budget Estimates program on Wednesday, 08 October.

I would like to begin by acknowledging the Traditional Owners of the Ngunnawal land on which we are meeting today. We pay our respects to Elders past, present and emerging.

We welcome the opportunity to provide an overview of the challenges and achievements of Outback Stores whilst also recognising the significant work our business undertakes to support remote communities under Outback Stores management, across Australia.

As the Committee may be aware, Outback Stores is a wholly owned Commonwealth company that has been operating for 19 years. Throughout this journey, we have remained committed to assisting remote community stores in ensuring food security and improving the affordability of essential items.

Since our last appearance in February 2025, Outback Stores has expanded their support to one additional community store, bringing the total number of stores under management to 57. Over our short history, we have been able to halt the closure of 19 stores, manage 13 out of administration, 4 through liquidation, reopen 2 previously closed stores and assisted a further 17 stores through significant financial hardship.

To provide further information on our operating context, Outback Stores operates as a service provider only and ensures that all profits made by stores are retained by the store's owners. Where stores are not financially viable due to their population or the challenge of their geographical location, Outback Stores provides operating funds to these stores to ensure continued access to fresh, healthy, affordable food and basic staple products. In the last financial year alone, we provided over \$2.6 million in support to stores to ensure food security was maintained. Our ongoing efforts to support communities in need see us continue to receive requests from community leaders for our services and support, most commonly when the stores they represent are experiencing significant financial hardship.

Over our journey, Outback Stores has remained focused on making essential items more affordable for remote communities. We are proud to be a key delivery partner in the Australian Government's Low-Cost Essentials Subsidy Scheme (the Scheme), an initiative that aims to reduce the cost of essential items to prices comparable to those found in urban areas.

Since its launch on 1 July 2025, we have invested significant resources to ensure the scheme operates efficiently, driving meaningful price reductions across participating stores. To date, 100 stores have signed up to participate in the scheme, with customers reporting savings of 30-50% on selected essential items, offering much-needed cost-of-living relief for families in remote communities.

In addition to maintaining food security and improving affordability, we continue to contribute towards positive health and nutrition outcomes in these remote locations.

One of the key nutritional objectives we use to measure these outcomes is through the reduction in proportion of sugary drinks sold, which in the last financial year declined by 2.74% to 46.53%. Reflecting on our effort in reducing the proportions year on year, sugary drinks have gone from 76.50% to 46.53% since 2012, demonstrating that a consistent and innovative approach is required to achieve long term positive outcomes.

Each year, we aim to improve access to nutritious and affordable food which we measure through the consumer purchase of fresh fruit and vegetables. We are proud to report that in the last financial year, customers purchased a total of 768 tonne of fresh fruit and vegetables, which is the highest ever volume of fresh fruit and vegetables sold in our 19-year history, strongly reflecting our ongoing commitment to improving access to affordable, healthy and nutritious food.

Providing meaningful employment pathways to local staff in communities continues to remain a key focus for the business. At the end of the financial year, a total of 339 Aboriginal and Torres Strait Islander team members were employed across our community stores, equating to 85% of all store staff. Over the past year, our Registered Training Organisation (RTO) has delivered 33 nationally accredited qualifications across Certificate II, III, and IV in Retail. This is an outstanding achievement that highlights the importance of creating stronger career pathways and employment opportunities within the remote communities we are engaged with.

Outback Stores acknowledges the critical role it plays in ensuring food security for the communities it serves and recognises the ongoing challenges of operating in a complex and evolving environment. While the service delivery landscape continues to change, many persistent challenges remain, including rising cost-of-living pressures, community unrest, weather-related impacts, and an unstable employment market.

Despite these challenges, Outback Stores is committed and remains focused on playing a meaningful role in advancing the Closing the Gap implementation plan—particularly in the areas of food security and affordability.

We look forward to delivering sustainable, positive social and economic outcomes for the communities we serve. Through close collaboration with community leaders and key industry stakeholders, we will continue to enhance our efforts in making nutritious food and essential items more affordable and accessible. This will be achieved through capacity building, all while maintaining food security for remote communities.

Thank you again for the opportunity to provide an opening statement. I welcome any questions from the Committee.

Michael Borg
Chief Executive Officer | Outback Stores