

Senate Select Committee on COVID-19

ANSWERS TO QUESTIONS ON NOTICE

Australian Government's response to the COVID-19 pandemic

Prime Minister and Cabinet Portfolio

Department/Agency: Outback Stores Pty Ltd

Topic: Price gouging at Outback Stores

Senator: Siewart

Question reference number: 0054

Type of question: Hansard, page 10, 2 June 2020

Date set by the committee for the return of answer: Wednesday 17 June 2020

Number of pages: 2

Question:

Mr Borg: Let's be very clear: there's been no price gouging at Outback Stores. We have good processes in place where we manage our pricing all the time. We certainly placed more specific focus on that through COVID-19. In fact, we've seen our gross profits across our stores drop where we've actually brought pricing down. As a couple of examples: we were chasing items that were unavailable nationally, like hand sanitiser. We actually paid a higher price. That doesn't mean Outback Stores is price gouging; it means that we paid a higher cost price. In this example specifically, we sold that product at cost, and the stores that we manage made no profit on those items at all in trying to keep the price down. Outside of a couple of areas where availability was a struggle, we drove prices down significantly across the board to assist in this process.

Senator SIEWERT: How did you check that prices were what you said they should be?

Mr Borg: We get to see our prices regularly in our system and we get to manage weekly our price increases or decreases in our system. I can reflect, take it on notice and provide documentation that shows that we weren't increasing any prices outside of our standard processes through the COVID-19 period.

Answer:

Pricing is controlled centrally from Outback Stores' Support Office dedicated team through a software called group controller which is integrated with store's point of sale system.

There is no manual input on sell prices by unauthorised users in the system on individual lines to adjust pricing outside of the standard mark-up structures in use across all OBS stores other than price reductions on either staple products or price reductions on targeted lines.

Cost prices are applied through weekly information from various suppliers, these costs are then loaded into the pricing system and the sell prices are automatically calculated using the variables such as freight, cost and standard mark-up on each commodity group. Standard mark-ups were increased due to COVID-19 impacts. It should be noted that some cost prices might have increased due to supply demand challenges as witnessed across the country, however these were limited to only few products.

We have further safeguarded our pricing by removing the ability of store managers or store staff to adjust pricing in stores.

This allows us to ensure the prices we see in the Group Controller system at support office align correctly with the prices on display at the stores and no changes can be made by unauthorised users.

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Australian Government's response to the COVID-19 pandemic

Prime Minister and Cabinet Portfolio

Department/Agency: Aboriginal Hostels Limited

Topic: Safeguarding people in hostels run by Aboriginal Hostels Limited

Senator: McCarthy

Question reference number: 0055

Type of question: Hansard, page 18, 2 June 2020

Date set by the committee for the return of answer: Wednesday 17 June 2020

Number of pages: 2

Question:

Senator McCARTHY: I'd like to go to Aboriginal hostels. What plans have been put in place to safeguard people in hostels run by Aboriginal Hostels Limited?

Mr Griggs: I'll take that on notice for AHL to answer. I know they have done a lot of work over the last couple of months, but I don't want to verbal them, so I'll take that on notice, if that's okay.

Answer: (as at 4 June 2020)

- Bed availability reduced to ensure all rooms allow social distancing requirements to be met
- Social distancing markers on floors
- New residents requiring self-isolation not accepted
- Residents dining and socialising with social distancing measures
- Staff provided with Infection Control Training & COVID19 training resources
- Additional cleaning procedures in place
- Reinforcement of good hygiene practices, food safety and social distancing measures including posters displayed in all hostels
- Hand sanitiser readily available at all hostels
- Isolation rooms prepared at each hostel in case of outbreak or suspected outbreak
- Strategies in place to manage small and large numbers of outbreak
- Local Aboriginal Health Services and Public Health Units engaged
- Protocols for Initial Public Health Unit Notification developed
- Staff and residents supported to get flu vaccinations
- National bulk recruitment round initiated to recruit more staff to support our residents

- Regular communications with staff, residents, parents and students including reinforcement of good hygiene practices
- IT Support and student entertainment enhanced at secondary education hostels to support students learning from hostel and recognising out of school activities have been cancelled
- Vulnerable staff identified and supported either within the workplace or through leave arrangements
- Staff and residents encouraged to download COVID19 tracing app.

On 4 May AHL began progressively relaxing restrictions, initially in the Northern Territory where restrictions began easing from 1 May 2020. This easing of restrictions has since followed in other states and territories.