

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2012-13 Supplementary Estimates Hearings

Outcome Number: 7

Question No: 464

Topic: Rebates

Hansard Page: Written

Senator Scullion asked:

What do Outback Stores understand by the term rebate in relation to prices paid to suppliers for products to be sold in Outback Stores?

Does Outback Stores participate in this practice? If so how?

If Outback Stores is involved in such practices does it pass on the rebate to customers?

If it does not pass it on, for what purpose are the funds used?

Answer:

A rebate is a percentage discount on the total purchases made from a supplier and is a standard part of the preferred supplier negotiation process. A rebate is not added to the normal list price of the supplier's product.

Outback Stores has a list of preferred suppliers which are all leaders within the industry. New suppliers are only selected if the offer provides value for money on ranges not currently seen in stores. Outback Stores is continually reviewing preferred supplier offers, service levels and pricing to ensure our stores and customers are receiving the best product, at the best price with the best service. Rebates are a standard business practice but not a prerequisite to gain preferred supplier status with Outback Stores.

Rebate income is not given back to stores directly. The income is taken into Outback Stores and used to offset the operational costs of running the business. This reduces the operating cost in stores in the form of reduced management fees.