

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: Essential Food Items

Senator: Dodson, Patrick

Question reference number: 148

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Number of pages: 2

Question:

On average, how much higher are the prices of essential food items (such as bread, milk and fruit and veg) in Outback Stores compared to supermarkets in capital cities and regional centres?

Answer:

The Northern Territory Market Basket Survey results for 2015 (Figure 1) showed the cost of a healthy food basket was an average of 32% more expensive in Outback Stores than Darwin supermarkets, compared to the average for all remote stores which was 41% more expensive than Darwin supermarkets. Outback Stores had consistently lower prices than the average remote store, privately run stores, and community run stores. Outback Stores fruit was 14% cheaper and vegetables 19.5% cheaper than the average for remote stores. Essential items, such as fresh produce, bread and milk have lower mark-up to make them more affordable.

Additional costs are associated with freight (including air freight in the wet season), power and refrigeration, repairs and maintenance (including travel costs to and from major centres) and the cost of goods which we cannot buy from our distributors at the cost that the major retailers sell at. Outback Stores' turnover for 35 community stores across NT, SA and WA is about the same as two city supermarkets.

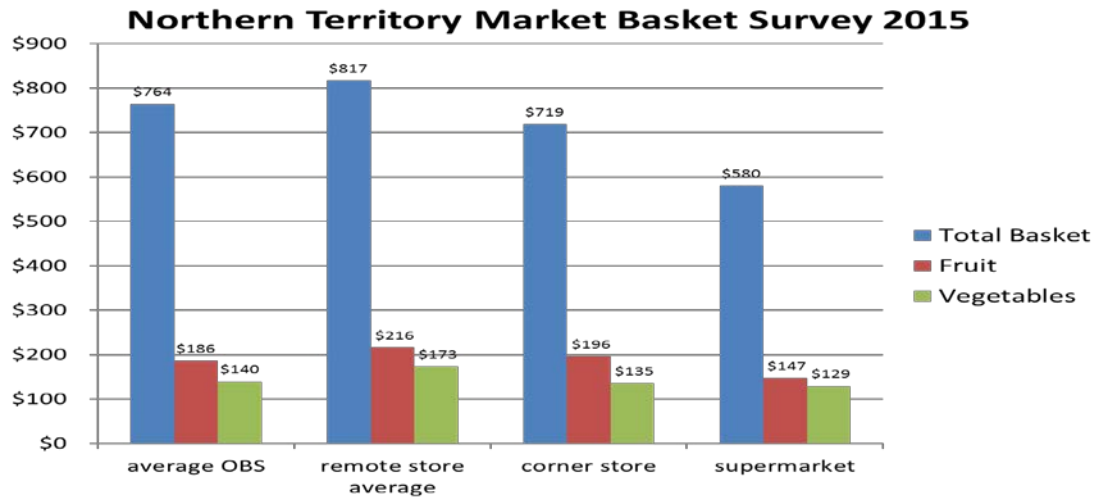


Figure 1 Northern Territory Market Basket Survey Results (2015)