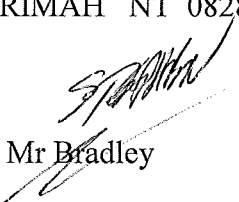




MINISTER FOR INDIGENOUS AFFAIRS

Reference: B14/233

Mr Stephen Bradley
Chairman
Outback Stores Pty Ltd
GPO Box 1953
BERRIMAH NT 0828


Dear Mr Bradley

I am pleased to provide the attached Statement of Expectations regarding the role and responsibilities of Outback Stores Pty Ltd (Outback Stores).

Statements of Expectations are issued to portfolio bodies and statutory office holders taking into account statutory independence and relevant legislative frameworks. Portfolio bodies and statutory office holders are asked to provide a Statement of Intent in response. These documents contribute to clear relationships between the bodies and the responsible Minister.

The Australian Government's key priorities in Indigenous affairs are ensuring children go to school, adults are in work and people live in safe communities where the ordinary law of the land is observed. All agencies and organisations receiving Australian Government funding for Indigenous programmes and services are expected to actively contribute to achieving these and other Government outcomes more broadly including the Government's commitment to reducing unnecessary and burdensome red tape on individuals, businesses and community organisations.

As Minister for Indigenous Affairs, I am looking to Outback Stores for improved outcomes in health, nutrition and Indigenous employment. The Statement of Expectations builds on the role of Outback Stores in managing remote stores on behalf of Indigenous communities so they are viable and contribute to the health and nutritional needs of the community. It also sets out my expectation that Outback Stores will maintain an effective working relationship with the Department of the Prime Minister and Cabinet as well as complying with all relevant legislation and Government policies and guidelines. I also ask for early notification of any event or issue that is likely to impact on the reputation of the Board, Outback Stores or the Australian Government.

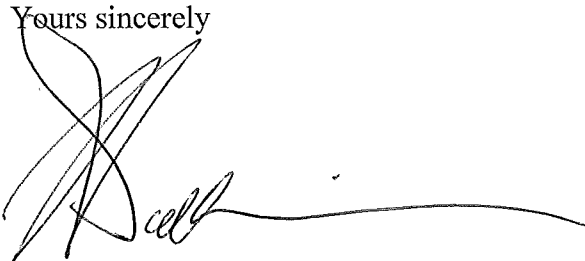
Please provide me with a Statement of Intent within two months that addresses how you will implement each of the points in my Statement of Expectations. As a recipient of Government

funding your performance will be assessed against these two documents. The Department of Prime Minister and Cabinet is available to work with your organisation to develop appropriate performance measures and a suitable framework.

Once finalised both Statements should be published on the Outback Stores website, in the interests of transparency and accountability. The Statement of Expectations will continue to apply until replaced, however it will be reviewed in 12 months.

If you have any questions regarding the Statement of Expectations, please contact Michelle Kinnane, Assistant Secretary, Indigenous Portfolio Bodies Branch, on (02) 6146 0094 or email Michelle.Kinnane@network.pmc.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nigel Scullion', with a long horizontal flourish extending to the right.

NIGEL SCULLION

MS April 2014

Outback Stores Pty Ltd

Statement of Expectations

Outback Stores is funded by the Australian Government to improve access to affordable, healthy food for Indigenous communities, particularly in remote areas, through providing food supply and store management and support services. These services must improve the quality, affordability and availability of food, a key component of the Government's food security policy.

As the Minister for Indigenous Affairs I expect Outback Stores to contribute to all Government priorities including the Government's key priorities in Indigenous Affairs: ensuring children go to school; adults are in work; and people live in safe communities where the ordinary law of the land observed.

Outback Stores has a positive contribution to make in achieving those priorities including in improving health, nutrition and Indigenous employment. I also expect organisations it funds to have high standards of corporate governance and use public monies effectively and efficiently.

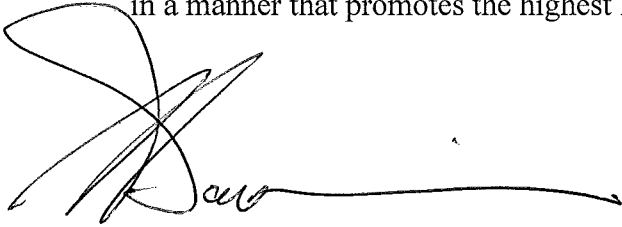
In order to achieve these outcomes, I expect Outback Stores will:

- continue to expand its network of stores across Australia to provide access to reasonably-priced, good quality healthy food;
- develop and maintain a strong relationship with the network of offices of the Department of Prime Minister and Cabinet across the country in order to provide advice and support as appropriate to address food security needs in Indigenous communities;
- manage and provide financial support for stores in remote communities that are not commercially viable where there are sustainable benefits for food security and the community;
- pursue commercial opportunities, including through viable stores, to improve the long term financial sustainability of its operations;
- broaden the range of goods and services that are available from community stores;
- create local jobs and career paths for Aboriginal staff and actively promote to Indigenous communities the benefits of combining community ownership with professional retail management;
- keep me informed regularly of its operations and expenditure, including by providing six monthly reports; and
- as required, provide me with timely advice of emerging issues and possible risks to the performance of Outback Stores and the delivery of its objectives.

In performing its role and pursuing the priorities outlined above, I expect that Outback Stores will continue to operate in accordance with all relevant legislation including the *Corporations Act 2001*, the *Auditor-General Act 1997* and the *Commonwealth Authorities and Companies Act 1997* (the CAC Act) and its successor *Public Governance, Performance and Accountability Act 2013* (PGPA Act) [which replaces the CAC Act and introduces a new Commonwealth financial framework from 1 July 2014] and the PGPA Rules.

These responsibilities include to:

- have regard to the Australian National Audit Office's *Better Practice Guides*;
- ensure Board members remain aware of their roles and responsibilities and discharge their duties impartially with a high degree of diligence, care and skill and at all times act in a manner that promotes the highest level of corporate governance in Board operations.

A handwritten signature in black ink, appearing to read 'Nigel Scullion', with a long horizontal flourish extending to the right.

NIGEL SCULLION