

## **Media Release - Review of remote food pricing welcomed**

**18/6/2020**

Outback Stores have appeared this week at the second public hearing for the inquiry into food pricing and food security in remote communities.

Chief Executive Officer Michael Borg provided key information to the committee relating to management and governance of these businesses and how this contributes to a secure supply of affordable and healthy food for remote communities.

“We are excited to be working closely with the committee in the weeks ahead with sharing information that could benefit this review with an aim to seeing successful outcomes for our industry in the future,” Mr Borg said.

The inquiry has a specific focus on access to affordable fresh and healthy food, groceries and other essential supplies and the environment in which remote community retailers operate.

“Our main focus in recent years has been driving prices down on high volume staple products such as fresh fruit and vegetables, flour, fresh milk, bread, powdered milk, UHT milk, eggs, Weetbix, oats, rice, diet soft drink, bottled water and other key items including nappies and baby formula,” said Mr Borg.

“Traditionally, a lot of focus has been placed on freight when discussing pricing and food security in remote community stores and whilst this cost is significant, it’s easy to overlook the inevitable issue of high operating costs.”

“Staffing, housing, travel, insurance, power, repairs, maintenance, accounting, governance, supporting services as well as a high cost of goods are all significant factors that any reliable and professional operator needs to incur whilst managing in remote environments.”

“We know remote community stores require a high level of governance with solid controls and strong processes to achieve consistent positive financial and social outcomes.”

“Outback Stores supports communities that have a small population and or low store turnover. Twenty-six of the forty stores we manage on behalf of store owners are not financially viable. Without our financial support these communities would not have ongoing food security.”

“Across a short 14-year journey our business, has assisted ten stores out of administration, two out of liquidation and a further nine stores through significant financial challenges. We have financially supported stores with \$29.3 million dollars over this period,” Mr Borg said.

Throughout the COVID-19 pandemic, the industry has experienced an increased level of awareness relating to the cost of living and the availability of food and other supplies in remote communities.

# OUTBACK

Stores  
*Working With Communities*

“Retail is one of the only dependencies in a remote community that stands alone without ongoing government support. We believe that areas such as expanded licensing controls, broader infrastructure support, ongoing subsidies to offset essential services, and most importantly a piece of work on cost of goods within the Australian manufacturing sector, could all bring long term benefits for the future.”

“As always, Outback Stores is here to help and remains committed to providing an essential service to remote communities.”

## **About Outback Stores**

Outback Stores provides retail store management and support services on a fee for service basis to forty Indigenous-owned community stores, working with Aboriginal and Torres Strait Islander people in a holistic way to improve health, nutrition, employment, training and economic outcomes for first Australians through good governance.

For more information <https://outbackstores.com.au/>

Michael Borg, CEO & Dr Sue Gordon AM, Chairperson

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