



ANNUAL REPORT

2022-2023

OUTBACK
Stores
Working With Communities

560

TONNES
FRESH FRUIT &
VEGETABLES SOLD
IN COMMUNITIES

50

STORES ACROSS
NT, WA,
SA & NSW

88%

OF ALL TEAM MEMBERS
EMPLOYED IN STORES
ARE ABORIGINAL
& TORRES STRAIT
ISLANDER

6.9

TONNES REDUCTION
OF SUGAR CONSUMED
THROUGH SUGARY
DRINKS

352

LOCAL STAFF
EMPLOYED

**Outback Stores
Working with
Communities**



Our Purpose

To be a sustainable business that makes a positive difference in the health, employment and economy of remote Indigenous communities by improving food affordability and availability, nutrition and community services.





Boab tree at Yungngora (WA) by Tyler Sandercock

Contents

Letter of Transmittal	9
Message from the Chairperson	10
Message from the CEO	12
Health and Nutrition	14
Aboriginal and Torres Strait Islander Employment & Training	22
Aboriginal and Torres Strait Islander Team Members	24
Store Manager Spotlight	28
Good Governance and Sustainable Stores	30
Work Health and Safety	36
Store Locations	38
Organisation Structure	40
Our Organisation	42
Outback Stores' Performance	44
Government Priorities	46
Corporate Governance	47
Other Information	52
Index of Annual Report Requirements	54
Independent Auditors Report	58
Directors' Report	62
Directors' Declaration	69
Auditor's Independence Declaration	71
Statement of Comprehensive Income	72
Statement of Financial Position	74
Statement of Changes in Equity	76
Statement of Cash Flows	76



Letter of Transmittal

1 September 2023

The Honourable Linda Burney AM
The Minister for Indigenous Australians
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister,

In accordance with Section 97 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, I submit the Annual Report of Outback Stores Pty Ltd for the year ended June 2023.

Under section 97 of the PGPA Act, the Directors of Outback Stores are responsible for producing an Annual Report that includes a Financial Report, Directors' Report and Auditor's Report that is required by the Corporations Act 2001, and other additional information or report required by the Minister for Finance orders under the PGPA Act.

All reports and Audited Financial Statements contained in this Annual Report were made in accordance with a resolution of Outback Stores Directors on the 31st August 2023.

Yours sincerely,



Dr Susan Gordon AM
Chairperson, Board of Directors

Message from the Chairperson



On behalf of the board of Outback Stores, I am pleased to report our performance for the 2022-2023 financial year.

During this reporting period, Outback Stores welcomed four new stores from the communities of Haasts Bluff, Peppimenarti, Amanbidji and Laramba. With these new partnerships, the company now provides retail management services to 50 stores across Western Australia, South Australia, New South Wales, and the Northern Territory (NT).

We remain committed to delivering our purpose of being a sustainable business that makes a positive difference in the health, employment, and economy of remote Indigenous communities by improving the affordability, availability, nutrition and community services in some of the most isolated areas of the country.

We deliver on this commitment with strategies and programs that encourage the consumption of fresh fruit and vegetables in remote communities. This year our consumers purchased 560 tonnes of fresh fruit and vegetables.

This was made possible by maintaining comparable prices to major metropolitan retailers and providing a consistent range across all stores.

We have delivered on our sugar reduction targets, one of Outback Stores' key nutritional objectives. Our sugar reduction initiatives led to a 2.51% decrease in the proportion of sugary drinks sold compared with the previous year, which equates to 6.9 tonnes less sugar consumed. This outcome was achieved by Outback Stores employees and local community store directors collaborating on health promotion campaigns tailored to suit the needs and context of each community.

At Outback Stores, we prioritise employees' professional development by building skills that benefit both individuals and the communities they serve. This year, we congratulate one of our training team leaders, Ms Dotty Repu, who was named 'Aboriginal and Torres Strait Islander (ATSI) Student of the Year' at the NT Training Awards in September. Originally from Maningrida in West Arnhem, Ms Repu has worked at the

Darwin Support Office since 2020 under the excellent mentorship of Training Manager Alma Ngalmi.

Providing meaningful employment pathways to local staff continues to be a key focus for the business. This financial year we employed 352 Aboriginal and Torres Strait Islander team members across our community stores, which equates to 88% of all store staff. In our capacity as a Registered Training Organisation (RTO), 25 trainees completed a nationally accredited retail qualification in the past 12 months, which is an excellent outcome.

I applaud the ingenuity of the Outback Stores leadership team in maintaining food security during another challenging year. Wet season flooding turned roads into quagmires, washed away bridges and saw some of our communities evacuated for weeks. The energy and determination of our store managers knew no bounds and we continued to deliver on our mandate to support some of Australia's most remote stores.

The composition of the Board remained stable this financial year. I thank my fellow directors for their commitment and the unique skill set each of them brings to the business. In a challenging environment, we are confident that the Executive and extended team are well-equipped to deliver on the strategic direction and purpose of the company.

On behalf of the Board and myself, I extend our thanks to all stakeholders, including our Indigenous Advisory Group (IAG). I thank our local store directors, who serve as leaders in their communities, and who share our vision to continually improve the social and health outcomes of their communities. Outback Stores looks forward to supporting each of you in the year ahead and well into the future.

Dr Susan Gordon AM
Chairperson

Message from the CEO



The challenges of the past year have reinforced the critical role played by Outback Stores in ensuring food security in remote communities, as we extend our services to 50 remote community retail sites across the country.

Our continued success is entirely due to the dedication and support of extraordinary people: from community leaders and local staff to the senior leadership team and support staff.

The goals of Outback Stores are to put fresh food and vegetables on the shelves, keep prices down, operate quality retail services and distribute profits on behalf of the 50 community-owned stores we serve. However we don't rest on our laurels, and each year set new industry benchmarks to raise our retail and service standards.

As part of our broader mandate to maintain food security, Outback Stores supports several stores which are not commercially viable due to small populations and geographical challenges. This year the business provided \$1.55 million of operating funds to support

15 stores, ensuring reliable access to a fresh, healthy and affordable food supply. A further \$252,000 was invested in capital improvements for stores otherwise unable to access other funds to support themselves commercially.

Outback Stores has made considerable progress over the past year towards its key objective of financial self-sustainability to ensure that the business can continue to deliver its purpose and charitable objectives well into the future. We have achieved operational efficiencies and invested in emerging technologies.

Given our extensive geographical reach and recent new partnerships with communities in the past year, ensuring a dependable quality of service throughout these locations remains at the forefront of our key priorities. Our executive and senior leadership teams have

grown accordingly to further assist and support these business requirements and strengthening core competencies to deliver consistent services. I am confident that with the new appointments over the past year, Outback Stores will be able to continue to provide a high standard of retail services throughout this period of business growth.

I further extend my appreciation to our store managers for their integral contribution in leading stores, ensuring that uninterrupted access to healthy and affordable food is available to the remote communities we are partnered with. It is their hard work, commitment and dedication which helps us in delivering our purpose in the most challenging of environments. Many spend long periods away from their extended families, work long hours, build strong relationships and exemplify Outback Stores' ethos of quality service.

Lastly, I thank those store directors and owners in each community for whom we work. They entrust to us the most important right of any community; access to reliable, affordable, nutritious food. We don't take this trust for granted and will continue to strive on their behalf and deliver well-governed and operated community stores in the year-ahead.

Michael Borg
Chief Executive Officer

Health and Nutrition

Outback Stores' Nutrition Strategy outlines how we prioritise healthier environments in remote community stores.



With local store owners and communities, we promote strategies that result in improved social outcomes. This financial year's results demonstrate the firm commitment of Outback Stores to continue to improve health and nutrition outcomes for remote communities. Additionally, we have seen positive outcomes from the ongoing collaboration with key external stakeholders who share aligned visions for the communities we operate in.

Fruit and vegetables

With affordability and accessibility front of mind, Outback Stores prioritises delivering high-quality, fresh fruit and vegetables all year round.

This financial year we sold a volume of 560 tonnes, reaffirming our commitment to fostering healthier remote community stores. However, this year was not without its challenges, inflationary pressures challenged the affordability of remote stores whilst at the same time adverse weather events disrupted supply chains as a result of an unusually severe wet season. Despite this, Outback Stores successfully overcame these obstacles

to maintain food security needs and continued to provide value to customers.

We saw great success in delivering a value strategy through the execution of 5 key fresh produce lines: bananas, carrots, onions, oranges and potatoes. The sell prices of these lines were matched against mainstream retail supermarkets in metropolitan areas. All other fresh fruit and vegetable lines were maintained within 25% against mainstream retailers. Freight costs continued to be a challenge for remote community stores, despite this, sell pricing on fresh produce lines focused

on providing value and maximising affordability to promote healthier options for remote communities.

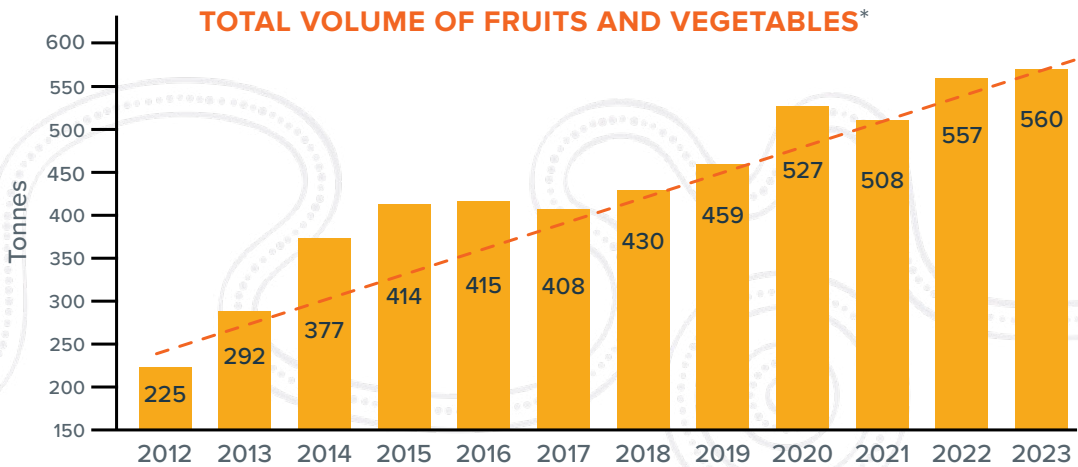
Stores focused on strong retail presentation standards and key promotional activity to support the continual progression of fruit and vegetable volume across remote communities. Additionally, we installed new fruit and vegetable fridges and display bunks to enhance the placement of healthier foods in stores.

Lastly, we take this opportunity to thank our fruit and vegetable suppliers for continuing to proactively support and assist stores during another eventful year. We are proud of the work and commitment that Store Managers, staff and the wider Outback Stores

team display to ensure a competitive, affordable, and consistent supply of fresh produce for the communities and stores we support.



Staff at Mirnirri Store (Ali Curung, NT)



*Headline results

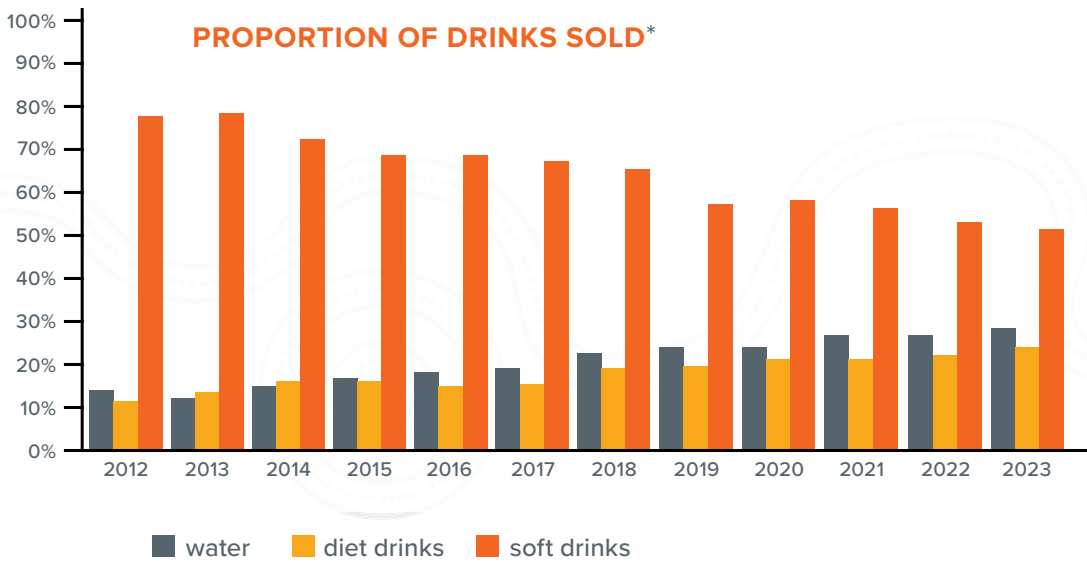
Sugar

Reducing sugar continues to be a priority for store community leaders with sugary drinks being one of the top contributors to sugar sold in-store. Store leaders know that “too much sugar is no good” and that influencing purchasing behaviour will in turn positively influence health outcomes for their communities. Every quarter we report back to the store directors regarding key health and nutrition outcomes including full-sugar soft drinks. This financial year we have continued to support store directors wanting to make a difference. Pack size reduction with full sugar soft drinks continues to be the most widely driven and implemented strategy across community stores. This strategy continues to provide strong results influencing purchasing behaviour while promoting choice.

Our strategic goal this financial year was to achieve a 2.5% reduction in the proportion of full sugar soft drinks. In FY23 we are proud to report a 2.51% reduction in the proportion of full sugar soft drinks sold compared to last year. This is equal to a reduction of 6.9 tonnes of sugar.



Store poster, created in partnership with Uncle Jimmy Thumbs Up! and the Arnhem Land Progress Aboriginal Corporation



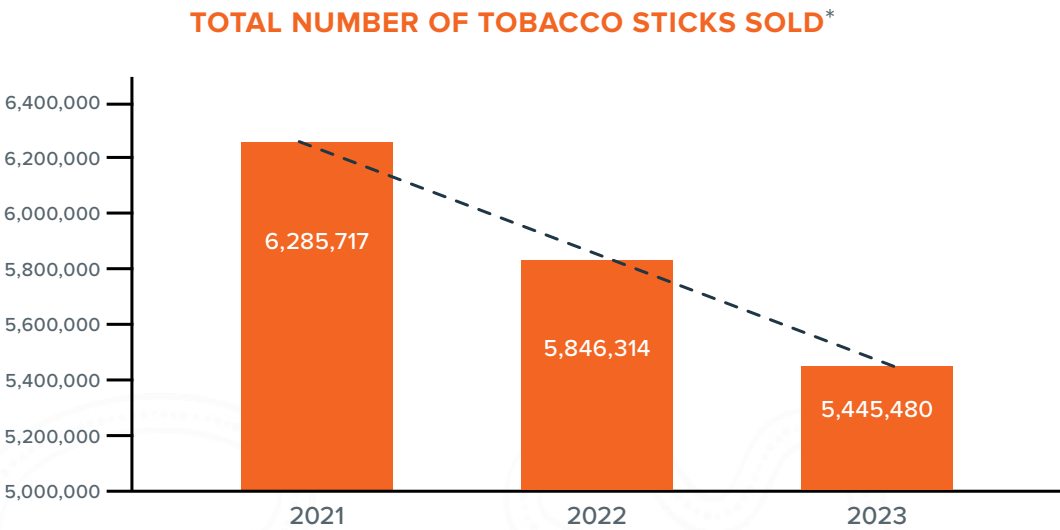
*Full Year Comparative Stores

Tobacco

Outback Stores continues to remain consistent with supporting communities in reducing tobacco.

This financial year the reduction of tobacco sticks sold equated to a 6.86% decrease in comparable Outback Stores managed locations. Store-specific results are presented to store directors every quarter to inform and engage communities in discussions and support positive health outcomes.

Outback Stores' Tobacco Policy outlines specific tobacco reduction strategies and state-based legislation that must be fully implemented. Collaboration with community store directors and community based health services has been key in implementing smoke free areas within the vicinity of stores, to protect their communities and ensure smoke free areas are encouraged.



*Full Year Comparative Stores



Griffith University students in Bulman

Key Projects: Nutrition and Dietetic Students

We continue to collaborate with key external stakeholders as part of our strategic goal for health and nutrition at Outback Stores. These external partnerships bring value and new opportunities for Outback Stores and continue to support the health and wellbeing of the communities we operate in.

This year we hosted two groups of students completing their Nutrition and Dietetic university studies. In November 2022, a group from Griffith University (Munpreet, Natascha and Sunny) completed a project focused on sugar reduction and full sugar soft drinks. These students spent time out in community stores to deliver nutrition education sessions with local primary school students in the classroom and store.

Similarly, in April 2023, Sarah and Emma from Flinders University completed their placement with Outback Stores. Their project was focused on evaluating the fruit and vegetable offer in stores, promotional activity and in-store health and nutrition material.

Emma and Sarah also delivered a healthy snacks presentation to staff in the Darwin Support Office highlighting healthy options in the workplace.

These placements continue to focus on real-time internal data allowing students to provide feedback to the business on topics that encompass our strong social values. Outback Stores takes pride in offering a unique placement experience, where students work with First Nations peoples in a remote retail setting to improve health outcomes in remote communities. We look forward to continuing these placements and helping future generations to understand the powerful impact that retail environments have on population health across remote communities.



Partnerships

The benchmarking study led by Monash University has helped several of Outback Stores' managed locations assess their performance against other remote community stores in the Northern Territory.

Performance is measured in various ways, including key health metrics such as sugar, fruit and vegetables and overall healthy sales. Over the past year, we supported feedback and action planning to implement additional strategies that enhance store environments and social outcomes. It has been encouraging to witness the Store Directors' ongoing

commitment to improving the health and well-being of their communities through the retail store environment. This project will continue into the next financial year, providing further opportunities to implement evidence-based strategies for better outcomes. We look forward to the ongoing collaboration with Monash University on this project.

School Nutrition Program

Outback Stores continues to support the Australian government's commitment to providing nutritious meals to school children within the Northern Territory.

This program also encourages continued engagement between the local schools and community stores, supports employment opportunities for local staff and gives the opportunity to provide nutrition education and training to meet the Northern Territory Department of Education's School Nutrition and Healthy Eating Policy. Currently, we assist ten stores that provide meals to eleven schools within their region.

Over the past financial year, Outback Stores has provided 50,458 meals to schools that are part of the School Nutrition Program. We look forward to continuing our involvement with this program and strengthening our relationships with external stakeholders to support the health and well-being of school students in remote communities.

Images Left: Top left: Label reading activity at Gulin Gulin Store. Top right: Flinders University students at Daly River. Bottom: School Nutrition Program provided by Tilmouth Well Roadhouse



ABORIGINAL AND
TORRES STRAIT ISLANDER

Employment and Training

Outback Stores remains committed to providing meaningful employment, career pathways, and an opportunity to complete nationally accredited training for local employees while remaining on country.

Alma Ngalmi and Dotty Repu at the National Training Awards (Adelaide).

Dotty Repu representing the NT at the National Training Awards



The year ended with 88% of local staff identifying as Aboriginal and Torres Strait Islanders (ATSI). This corresponds to over 352 people in remote communities engaged in real jobs.

We continue to see young aspiring retailers progress through our retail management pathway with over 25 trainees who have successfully completed either a Certificate II, III or IV in the retail qualifications. This highlights a positive trend of engaged and committed ATSI staff in remote communities creating a career pathway through on-the-job learning and vocational education and training (VET). Students who have completed the highest qualification are now taking more responsibility in stores and providing mentor programs and support for new team members.

This year Outback Stores is working with the Ngurratjuta/Pmara Ntjarra Aboriginal Corporation as part of an employment and training trial in the Alice Springs region. The six-month trial began in January 2023 and the communities included are Papunya, Mt Liebig, Nyirripi, and Haasts Bluff. We have had an outstanding response from the four community stores. This provides positive employment and training outcomes for the communities.

The training department continues to build a rapport with external stakeholders in the Department of Education, the Department of Industry, Tourism and Trade, and Western Australia Department of Training and Workforce Development. Outback Stores is now working towards further accredited courses, such as Certificate II and III in Hospitality. This will open a career pathway through hospitality for school students and local store staff in remote communities.

Our focus over the next 12 months is to increase our permanent employees and the total number of hours worked by local team members in stores. Identifying and supporting aspiring leaders to build capacity within the VET career pathway in retail management remains a core objective.

ABORIGINAL AND
TORRES STRAIT ISLANDER

Team Members

Outback Stores strives to provide
clear and attainable career pathways
for aspiring staff.

One Arm Point (WA) by Tyler Sandercock

Darren Green

Darren Green works at Bardi
Ardyaloon Store in One Arm Point,
a small community of around
300 people on the Dampier
Peninsula, in the Kimberley region
of Western Australia.



Originally from the inland community
of Looma, Darren enjoyed school. His
favourite subjects were science and
social science. As well as excellent
spoken English, he also speaks Mangala,
Nyinka, Walimjarri.

Darren had been working at the store
for ten years when Outback Stores
started assisting the community in
2018. Soon he saw positive changes
at the store, such as a greater variety
of products and cheaper prices on
household items. As a registered training
organisation (RTO), Outback Stores was
also able to offer Darren the opportunity
for certified training.

He appreciates the opportunity to study
while also working full-time at the store.
Darren is in the process of completing
his Certificate IV in Retail Management,
the highest certificate provided by
Outback Stores.

“Working at the shop gives me a lot of
intel into how to run a business,” says
Darren. Soon the store will include a
takeaway kitchen, which Darren is
keen to help manage using the skills
he has learned during his Retail
Management certificate.

One day he intends to run his own
takeaway shop and says he will
combine all the best practices from
the different managers he’s worked
with over the years.

“Darren has a patient, happy nature
and is willing to help other staff
members. His years of experience and
knowledge of the store is often helpful
when trying to problem-solve and fix
store issues,” says Francine Sneath,
manager of Bardi Store.

Darren says that that he enjoys “pretty
much everything” about his job, but adds
that “interacting with the community is
what I enjoy most about the work, and
helping people.”

In his spare time Darren enjoys fishing,
listening to his favourite band ‘Scrap
Metal’ and spending time with family.
He’s looking forward to seeing his
daughter finish her postgraduate studies
in Medicine at the University of Western
Australia, and hopes his grandchildren
enjoy school and go on to find work that
interests them.

Kantilla sisters

Stella, Katherine, and Julie Kantilla work at the Nguui Club on Bathurst Island, 80 kilometres north of Darwin, on the Tiwi Islands.



Image: The Kantilla sisters with Training Officer Dotty Repu

Outback Stores began working alongside the community to manage the club in 2015. Stella joined soon afterwards. Nguui Club is next to the community football oval, in a community of about 1,500 people who speak both Tiwi and English.

Stella is the eldest sister and her enthusiasm persuaded two of her sisters and two brothers to join her.

“We live together and that’s why I wanted them to work alongside me because we’re very close. We crack jokes and make each other laugh,” says Stella.

Since starting work at the club, the sisters have steadily worked their way through the accredited training certificates offered by Outback Stores.

In July 2023, the Kantilla sisters proudly received their Certificate IV in Retail Management. Friends and family celebrated the occasion with traditional singing and dancing.

“We felt proud to receive our certificates in front of our father and the rest of our family,” says Stella.

“It was enjoyable for me and my sisters to do the training, because we want to become managers in the future, or join the board of directors,” she says.

Stella likes to keep busy. Her favourite tasks at the club are working on the tills, checking identification, and serving at the bar.

The sisters work on the days when the club is open, from 4-8 pm on Tuesdays, Wednesdays, Fridays and Saturdays. This is Stella and Julie’s first job but their sister Katherine also works as a school bus driver.

For Stella’s 30th birthday the sisters pooled their savings and bought a four-wheel drive, which they use to take their family fishing and hunting. They especially enjoy looking for mud mussels, periwinkles and crab.

Katherine is the family’s best chef. Her specialty is steak, or cooking the bream and snapper that her family catch in the waters around Bathurst Island.

Shania Williams

Shania Williams works at the Santa Teresa Community Store, located 85 kilometres from Alice Springs.



Also known as Ltyentye Apurte, the community is home to about 500 people, speaking mostly the Eastern Arrernte language.

Shania has been working at the store for a year, and has progressed rapidly through her Certificate II in Retail Services. She is now studying Certificate III.

“I enjoy learning new things,” says Shania, who especially enjoyed learning how to use the cash registers and helping in the kitchen.

Training officer Emma Skyba has mentored Shania through her studies the past six months. “Shania enjoys helping out wherever it’s needed and serving her community,” Emma says.

Shania works five days a week in the store, as well as evenings with the community night patrol. She and her four-year-old son live with her grandmother, who helps Shania balance the demands of working and child-rearing.

Lisa Ristevski, previous manager of the store says “Shania’s very reliable and shows lots of initiative. She is a pleasure to have at work.”

Current store manager Harika Akula says Shania’s strengths are her attention to detail and willingness to learn and take on new responsibilities. “She has good time management and a positive attitude,” she adds.

Shania is saving up to buy a car and would like to take her son on holiday. The furthest she has travelled is to Sydney, Adelaide and Darwin. Next she would like to visit Brisbane or Melbourne, and take her son to visit the zoo and museums. She hopes to send her son to boarding school.

Shania is looking forward to learning more about the store and managing it herself one day.

Store Manager Spotlight

Frank Lomas was running a grocery store in New Zealand in 2012 when he saw a job advertised with Outback Stores in the local newspaper...

Frank Lomas at Head of Bight (SA); by Rhys Glennon

Fay and Frank (left), taken during their years in Yuendumu



...Frank thought Outback Stores might be a great way to explore Australia while utilising his retail skills, without the pressure of running his own business.

Soon he and his partner, Fay, were working in the Top End community of Ngukurr, where they completed their training and were introduced to Aboriginal culture and remote community life.

"It felt like a big adventure", says Frank. "The life was different yet familiar to us, because I come from a small town in New Zealand and Fay is Māori, so also has a big emphasis on family."

11 years later, Frank has now seen a lot of Australia, working in at least 20 remote community stores, spanning the Northern Territory (NT), Western Australia (WA), South Australia (SA) and most recently in Goodooga, (NSW). No matter the location, his friendly nature and work ethic has always been appreciated by both colleagues and customers.

The length of time spent in each community varied from a few weeks or months, with the longest stretch being four years spent in Yuendumu (NT).

"I've learned more through working with Outback Stores than when I ran my own business", he says, listing his new skills from business administration, to fixing air-conditioners and ATMs, and various training certificates.

Frank says other benefits of the job are "more money, more holidays, and less stress" than when he ran his own business.

At the end of 2021 Frank was called to assist the small regional town of Goodooga (NSW), experiencing food security issues because of the COVID-19 pandemic. He found the community friendly and welcoming and has enjoyed working in the first NSW location to be managed by Outback Stores.

Although Frank says he's not ready to retire yet, he is taking long service leave to spend with family and friends back in New Zealand. He's looking forward to doing a trip of the South Island and supporting his All Blacks rugby team.

"Frank's work ethic, combined with his genuine friendliness, made him many friends amongst his colleagues and customers. We'd like to thank him for all his hard work and dedication and wish him all the best for the future," says Nelson Tavares, Operations Manager.



GOOD GOVERNANCE AND

Sustainable Retail Stores

Outback Stores provides a structured and sustainable approach to improving the local economy of remote communities, often despite many logistical challenges.

Yungngora community (WA) receiving supplies

The past 12 months has seen four new community partnerships, as well as one of the most challenging wet seasons to date.

YUNGNGORA

Wet season in Western Australia

The Kimberley region of Western Australia (WA) saw a one in a hundred year flood in January 2023, when ex-Tropical Cyclone Ellie hit northern Australia.

The Great Northern Highway bridge at Fitzroy Crossing was breached for the first time since its construction in 1974, leaving many towns and communities inaccessible to road transport.

Of the communities serviced by Outback Stores, those affected by the flooding of the Fitzroy River were Noonkanbah, Mulan, Ringer Soak, Kalumburu, Warmun and Amanbidji, across the Northern Territory (NT) border.

Deliveries from both Perth and Darwin were restricted, depending on which side of the Fitzroy River a community was located. Quarantine restrictions placed on fruit and vegetables entering from interstate added an extra level of complexity to the logistical challenges.

Thanks to the expertise of our staff and store managers, as well as help from the Department of Fire and Emergency Services WA, stores across our network



Yungngora from above (top)
Fitzroy Bridge in flood, January 2023 (bottom)

remained stocked with essentials throughout the crisis.

Interruptions to normal deliveries continued until May, when a temporary low-level crossing was installed across the Fitzroy River. A new bridge is currently in construction and expected to be operational by the end of 2024.



BESWICK

Bistro dream come true

Beswick community has celebrated the grand opening of the Beswick Bistro, made possible through the local store's community benefit fund.

"It has always been a dream of the directors to renovate the old store and create a place for families to enjoy. I couldn't wait to show everybody. It's something that will last a long time. We're all proud of it," said Peter Lindsay, chair of the Wuduluk Progress Aboriginal Corporation.

The bistro is a family-friendly dining area, seating 80 people inside and a further 170 people outside. It is an extension of the existing Beswick Club, now refurbished and located on the site of the former store.

The grand opening on Wednesday 17 August 2022 included a barbeque and jumping castles, a bunggal (traditional dance ceremony), and a ribbon-cutting by traditional owners Rayleen Bulumbara and 'Tango' Frankie Lane.

Peter Lindsay showing a before photo, while standing in his updated bistro

In a speech on the day Mr Lindsay outlined in Kriol Beswick store's journey from voluntary administration to working with Outback Stores and then making a profit.

"We saw changes straight away, with fresh produce and grocery shelves full. The store was making a profit, paying the bills, paying the local staff and banking some money," said Mr Lindsay. He went on to thank the current store managers Ross and Sandra McDermott for their role in reaching the profit target needed to build the bistro.

Outback Stores started providing retail services to Beswick in 2008, when the store was recording losses. The past 15 years saw the store rise out of administration and build up its financial position to allow for annual distributions to the community, as well as \$850,000 for the construction of the Beswick Bistro.

The region's police believe that this locally-owned licensed venue provides a good service to the community.

"It reduces the number of people needing to travel for alcohol, which can



Beswick Bistro on opening day

lead to drink driving, and risks everyone on the road. It also employs people, locally. I think it works really well, and that Ross and Sandra do a great job" said Daniel Leighton, previous Remote Sergeant Officer in charge of Maranboy Police Station.

The new hours of operation for the Beswick Club and Bistro are Tuesday, Wednesday, Friday and Saturday, between the hours of 4:30 pm – 7:30 pm. The club serves low-alcohol beer only and takeaway food from Tuesday to Saturday.



PIGEON HOLE

Nitjpurru Store back in business

Pigeon Hole's only store was fully stocked and ready to welcome repatriated residents in July, after the remote community was evacuated in March 2023 due to severe flooding.

Outback Stores was one of the first services to return to Pigeon Hole, setting up a temporary store to service tradespeople cleaning and restoring the community.

In July 2023, the first busloads of residents returned home.



Store manager, Raghavendra 'Raghu' Bodanapati, was one of the last people out and one of the first to return. In March, Raghu helped residents evacuate before being airlifted out himself. He then returned to set up the temporary store.

"It's great to see everyone returning and they think the store looks good. Even though it's temporary it's well-arranged and well-stocked," said Raghu.

Returning residents were happy to see Raghu with plenty of stock to help them get back on track.

"It feels good to be home. Today we went shopping and bought clothes, sheets and blankets. The store looks good," said store director Mildred Hector.

The temporary store is inside two shipping containers on the community basketball courts. A month's worth of stock is stored in another three shipping containers. A full range of fresh food and groceries is on sale, with a special emphasis on kitchen items and appliances, such as plates, cutlery, toasters and kettles.

Opening hours are Monday to Friday, 8:30 am - 4:30 pm (closed for lunch 12:30 pm - 1:30 pm) and Saturday 9 am - 12 pm.

Images; Left: Raymond Hector, chair of Nitjpurru Store's board of directors. Right top: Flood level in March. Right middle (from left to right): Raghu Bodanapati, Mildred Hector, Peter Anzac and Michael Borg. Right bottom: Raghu Bodanapati returning to the community.



Work, Health and Safety

Outback Stores promotes and sustains a safe and healthy workplace, through workforce collaboration and consultation.

Corey Johnston, Mimili (SA)

Outback Stores continued its commitment to promoting and sustaining a safe and healthy workplace, through workforce collaboration and consultation.

Our team throughout the year continued to strengthen the Outback Stores safety framework, ensuring the review and continuous improvement of all Safe Work Practices (SWPs), internal processes, policies and procedures.

Remote travel and journey management risk mitigation was a key focus across the business. During the year our SafeTraveller platform was strengthened, with additional checks to ensure team members were suitably trained and equipped for a safe journey.

The well-being of our store managers and support team continues to remain our focus. The Employee Assistance Program (EAP) was relaunched, with both remote and direct sessions delivered by our EAP consultants. All sessions were well attended and provided additional support mechanisms for our resilient and capable workforce.

Outback Stores continues to explore ways to enhance and improve our food safety program and practices in all stores. The team continues to monitor compliance in collaboration with our registered training organisation to deliver SIRFSA001 Food Safety to our in-store teams.

Within the reporting period, there were no notifiable incidents and no lost time injuries.



Stocking the freezers in Santa Teresa

Store Locations

50 LOCATIONS SERVICED BY OUTBACK STORES

NORTHERN TERRITORY

32 Stores

Ali Curung	32
Amanbidji	49
Aputula	28
Beswick	10
Beswick Club	48
Bulman	7
Canteen Creek	31
Daly River	13
Engawala	33
Epenarra	30
Haasts Bluff	39
Hermannsburg	43
Imanpa	36
Jilkminggan	12
Laramba	50
Maningrida	5
Maningrida Wild Foods	6
Mt Liebig	26
Ngukurr	9
Nyirripi	25
Milyakburra (Bickerton Island)	8
Papunya	27
Peppimenarti	47
Pigeon Hole	22
Santa Teresa	34
Tilmouth Well	42
Titjikala	35
Urapunga	11
Willowra	23
Wurrumiyanga (Club)	4
Yuelamu	29
Yuendumu	24

WESTERN AUSTRALIA

14 Stores

Beagle Bay	1
Jigalong	18
Kalumburu	3
Kiwirrkurra	41
Kunawarritji	20
Mulan	19
Noonkanbah	17
One Arm Point	2
Ringer Soak	21
Tjuntjuntjara	40
Warmun Roadhouse	14
Wiluna	44
Wungkul	15
Yiyili	16

SOUTH AUSTRALIA

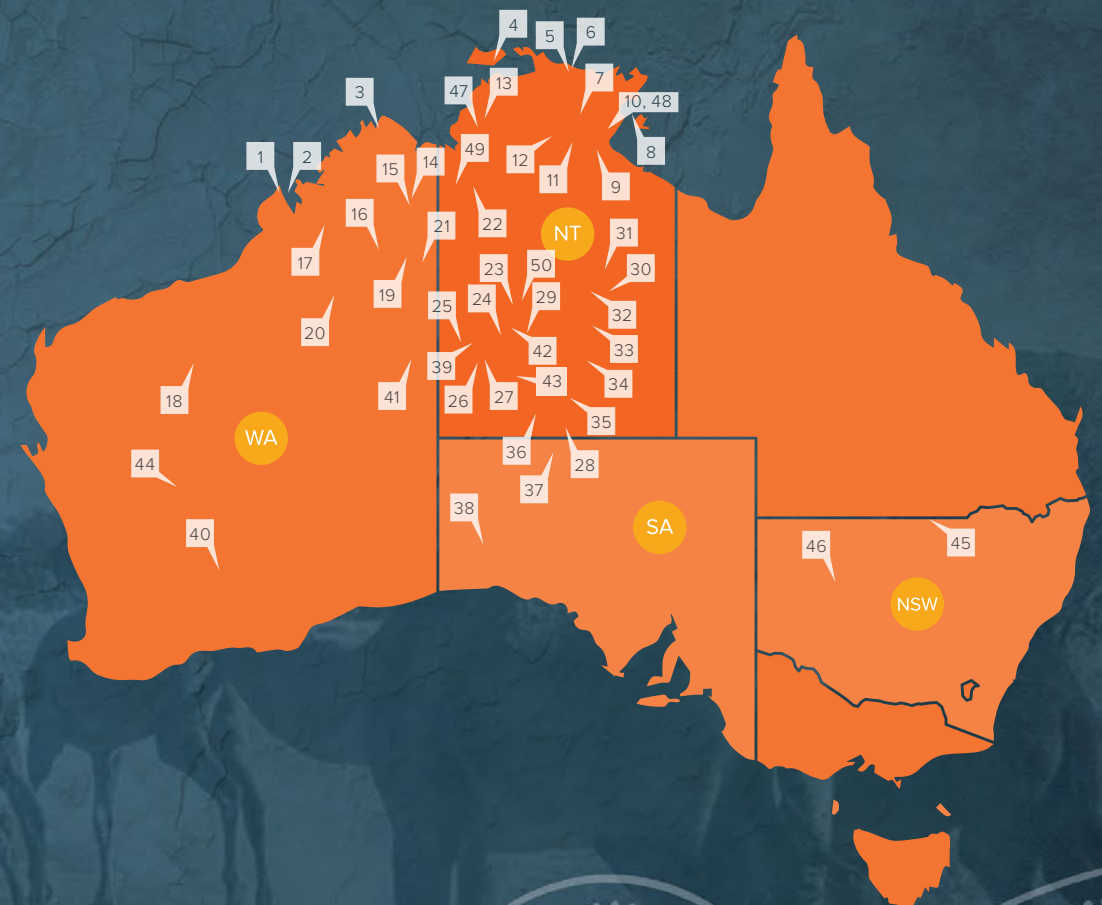
2 Stores

Mimili	37
Oak Valley	38

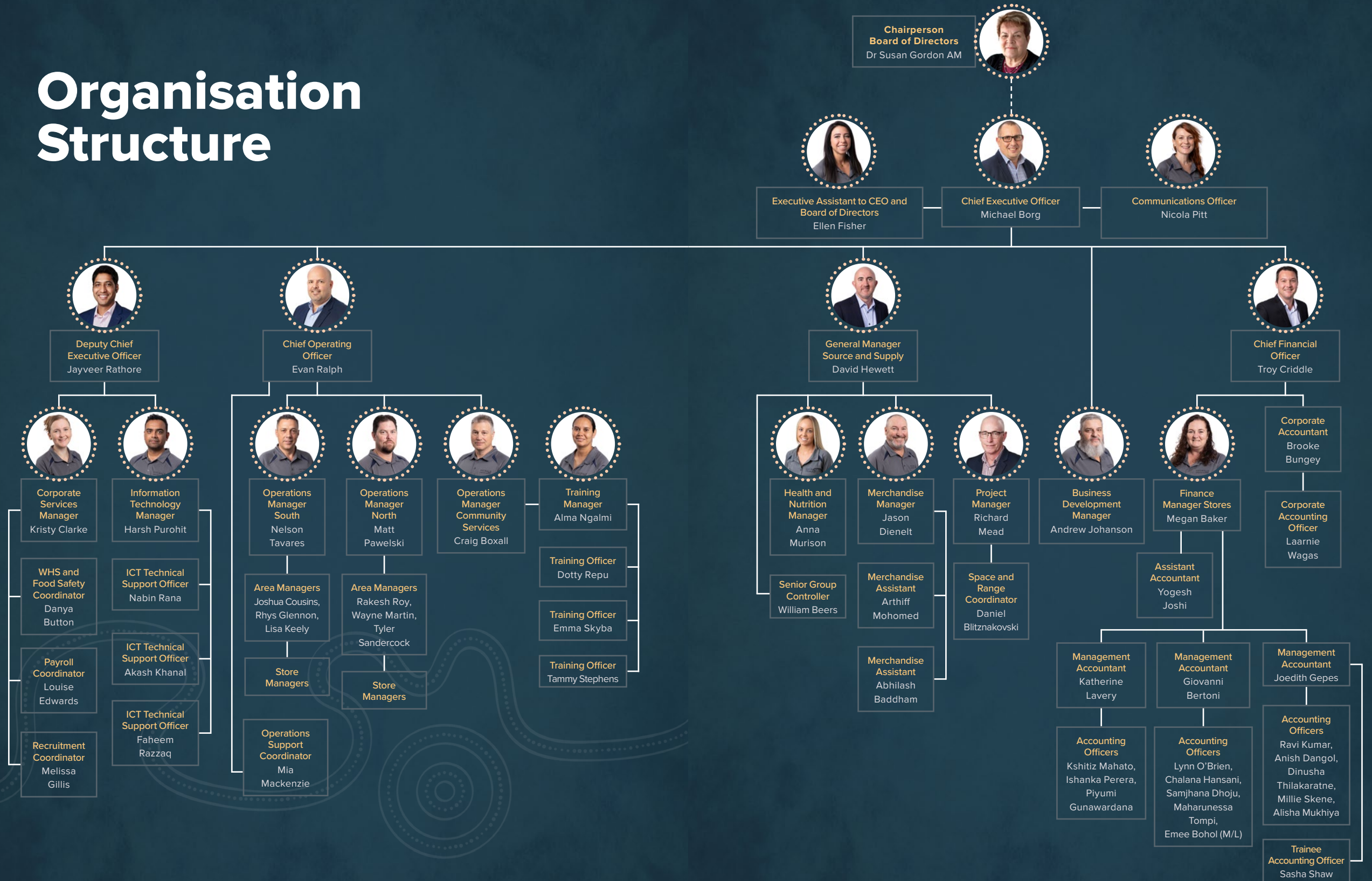
NEW SOUTH WALES

2 Stores

Goodooga	45
Wilcannia	46



Organisation Structure



Our Organisation

PURPOSE

To be a sustainable business that makes a positive difference in the health, employment and economy of remote Indigenous communities by improving food affordability and availability, nutrition and community services.

LOCATION

Outback Stores Darwin Support Office
67 Pruen Rd, Berrimah NT 0828

WORKPLACE PROFILE - SUPPORT OFFICE AND STORE MANAGERS

All Ongoing Employees Current Report Period (2022-23)

OUTBACK STORES EMPLOYEES

	Male			Female			Total
	Full Time	Part Time	Casual	Full Time	Part Time	Casual	
NT	65	-	-	61	5	-	131
WA	11	-	-	9	-	-	20
SA	4	-	-	-	-	-	4
NSW	2	-	-	1	-	-	3
QLD	-	-	-	-	-	-	0
Total	82	0	0	71	5	0	158

*As of 30 June 2023 Outback Stores did not employ any non-ongoing team members

Workplace Profile – Employees in 50 community stores managed by Outback Stores (2022-23)

STORE EMPLOYEES - TOTAL

	Male			Female			Total
	Full Time	Part Time	Casual	Full Time	Part Time	Casual	
NT	15	51	55	3	73	70	267
WA	4	5	45	4	22	37	117
SA	-	-	4	1	1	7	13
NSW	2	1	-	-	-	1	4
Total	21	57	104	8	96	115	401

88% of team members employed in stores identified as Aboriginal or Torres Strait Islander

STORE EMPLOYEES - INDIGENOUS

	Male			Female			Total
	Full Time	Part Time	Casual	Full Time	Part Time	Casual	
NT	-	49	48	1	71	66	235
WA	1	4	39	-	22	34	100
SA	-	-	4	1	1	7	13
NSW	2	1	-	-	-	1	4
Total	3	54	91	2	94	108	352

STORE EMPLOYEES - NON-INDIGENOUS

	Male			Female			Total
	Full Time	Part Time	Casual	Full Time	Part Time	Casual	
NT	15	2	7	2	2	4	32
WA	3	1	6	4	0	3	17
SA	-	-	-	-	-	-	-
NSW	-	-	-	-	-	-	-
Total	18	3	13	6	2	7	49

SENIOR LEADERSHIP TEAM

The Senior Leadership Team (SLT) is led by the Chief Executive Officer. The group is responsible for leading the strategic direction of the business and ensuring key objectives are delivered. The team meets weekly to discuss progress and review performance. Further details of the SLT can be found on the organisational chart on pages 40-41.

LEARNING AND DEVELOPMENT

Outback Stores is a Registered Training Organisation (RTO) offering nationally recognised qualifications in retail services. We offer Certificate II, III and IV in Retail to all eligible store staff and store managers.

SUBSIDIARIES

Outback Stores no longer has any subsidiaries.

Outback Stores' Performance

PERFORMANCE SUMMARY

The company has been working towards achieving the following strategic priorities over the past financial year.

1. Strive to provide **best practice** in remote retail management
2. Focus on improving the **health and nutrition** outcomes for Indigenous Australians
3. Deliver positive **economic results** for remote communities
4. Deliver **employment, training and personal development** opportunities for local community members
5. Always work with **commercial principles** to support the longevity of the Outback Stores business

CORPORATE PERFORMANCE INDICATORS

In line with the organisation's Corporate Plan, our corporate performance indicators (CPIs) and measures of success relate to our broader strategic priorities and provide a clear way to remain focused on our strategy and track outcomes.

STRATEGIC PRIORITIES	OBJECTIVES	SOCIAL	CULTURAL	COMMERCIAL	CORPORATE PERFORMANCE INDICATORS	MEASURES
1. BEST PRACTICE	Continue to develop effective pricing strategies to ensure we lead the remote retail industry in affordability				Engage and assist new remote communities in retail management	3 new store partnerships annually
	Provide a safe and secure work environment for both Outback Stores and non Outback Stores' employees, as well as external stakeholders					
	Develop a culturally connected workforce within our organisation that resonates with the retail stores we support and manage				Lead pricing affordability in remote community stores	Relevant Basket check

STRATEGIC PRIORITIES	OBJECTIVES	SOCIAL	CULTURAL	COMMERCIAL	CORPORATE PERFORMANCE INDICATORS	MEASURES
2. HEALTH AND NUTRITION	Ensure continuous monitoring and improvement of our existing Health and Nutrition Policy				Reduce the comparative purchase of full sugar soft drinks in community stores	2.5% reduction annually
	Increase communication of key social benefits to all stakeholders, regarding health and nutrition outcomes					
	Partner with industry stakeholders to increase our contribution in assisting with broader health outcomes in remote communities				Reduce the comparative amount of tobacco sticks being purchased in community stores	5% reduction annually
3. ECONOMIC RESULTS	Work with supported and managed stores to reinvest profits from their organisations back into their businesses, in line with their objectives				Deliver financial outcomes as agreed and approved by store board/directors in community stores	85% stores
	Develop and offer financial services tailored for remote community organisations to assist with record-keeping and governance					
4. EMPLOYMENT, TRAINING AND PERSONAL DEVELOPMENT	Maintain "RTO" status with the view to expand our qualifications on scope and jurisdiction				Employment of local Indigenous team members in remote retail stores in communities	85% of the total staffing
	Continue to provide store employees with career development opportunities, to foster leadership potential within remote communities				Permanent Indigenous employees enrolled in accredited training programmes	60%
5. COMMERCIAL PRINCIPLES	Seek financial investment opportunities that will maximise commercial benefits for the business				Deliver budgeted outcomes	Exceed or meet operating profit/loss number
	Continually improve business processes with a further view of being more efficient to reduce operating costs					

Government Priorities

OUTBACK STORES' CONTRIBUTION

Outback Stores works towards improving the health and employment of Indigenous Australians. This directly relates to three of the Australian Government's Closing the Gap targets. These are:

► Close the gap in life expectancy within a generation.

Outback Stores is committed to providing access to good quality food at an affordable price, leading to better health outcomes for current and future generations. Having access to a broad range of fresh fruit and vegetables not only improves quality of life, but studies consistently show that diets plentiful in fruits and vegetables help people maintain a healthy weight and protect against cardiovascular disease. This would directly impact closing the gap in life expectancy within a generation.

► Halve the gap in mortality rates for Indigenous children under five within a decade.

We work with a number of stores, communities, schools, health care providers and non-government organisations to promote healthy food and drink choices at a young age. We assist in providing education to help increase community awareness and knowledge about health and nutrition, specifically to make healthy choices easier. Stores have a healthy food policy in place with the goals of reducing the sales of sugary drinks, increasing the sales of fruit and vegetables and increasing healthy takeaway options. Investing in such activities supports community members to make good informed decisions for their young families and helps young children understand healthier options in life.

► Halve the gap in employment outcomes between Indigenous and non-Indigenous Australians.

Our focus on providing employment opportunities for Indigenous Australians since 2006 has been one of our cornerstone objectives. At 30th of June 2023, we had 352 Indigenous staff employed in Outback Stores managed locations. Outback Stores is a Registered Training Organisation (RTO), offering nationally recognised qualifications in retail services. This opportunity allows Indigenous Australians to gain accredited qualifications and opens doors for a range of new employment opportunities.

Corporate Governance

INTRODUCTION

Outback Stores is a wholly owned Commonwealth company and is part of the Department of Prime Minister and Cabinet's portfolio. The Minister responsible for the 2022-23 reporting period the Hon Linda Burney MP, Minister for Indigenous Australians. Outback Stores was required to fulfil the requirements of the *Corporations Act 2001 and Public Governance, Performance and Accountability Act 2013 (PGPA Act)* for the full financial year.

CORPORATE GOVERNANCE STATEMENT

Unless otherwise disclosed below, the company has followed the best practice guide on corporate governance principles, as published by the Australian National Audit Office, for the entire financial year ended 30th June 2023.

BOARD COMPOSITION

The skills, experience and expertise relevant to the position of each director who is in office at the date of the Annual Report and their term of office are detailed in the director's report on page 62.

Outback Stores directors are appointed by the Minister for Indigenous Australians. All directors are non-executive.

ETHICAL STANDARDS

The board acknowledges and emphasises the importance of directors and employees maintaining the highest standard of corporate governance practice and ethical conduct.

BOARD DEVELOPMENT AND REVIEW

New board members undertake a formal induction into their role, including a meeting with the Chair and other Directors. They are given an induction pack that includes the Board Governance Charter. Directors are required to pursue their own development and continuously update their knowledge to attain and maintain the levels of competence demanded of them. Directors are expected to undertake ongoing professional development that is relevant, required and commensurate with Outback Stores' requirements.

REMUNERATION

Outback Stores directors are entitled to remuneration and allowances in accordance with Remuneration Tribunal determinations. Details of directors' remuneration and interests are set out in the financial statements.

Public Governance, Performance and Accountability Amendment (Reporting Executive Remuneration) Rules 2019, Schedule 3—Information about executive remuneration.

It is a requirement to agree any remuneration package and wage contract of senior management with the chairperson. Board approval is required to change the remuneration package of the Chief Executive Officer.

Non-executive remuneration is in accordance with the applicable Part Time Office Bearer determination from the Remuneration Tribunal.

For the purposes of subsections 17CA(3) and 28EA(3), information about remuneration for key management personnel is provided.

Name	Position Title		Base Salary	Bonuses	Benefits & allowances	annuation Contributions	Service Leave	Other long-term benefits		
Mr. M. Borg	CEO		\$303,789	-	\$34,321	\$32,467	\$7,830	-	-	\$378,408
Mr. J. Rathore	CFO		\$230,677	-	\$20,952	\$24,018	\$6,688	-	-	\$282,335
Mr. E. Ralph	COO		\$204,373	-	\$12,992	\$22,783	\$3,845	-	-	\$243,994
Mr. R. Mead	General Manager - Source & Supply		\$197,336	-	\$720	\$20,699	\$3,295	-	-	\$222,050
Mr. D. Hewett	General Manager - Source & Supply		\$8,935		\$0	\$848	\$51			\$9,834
Dr. S Gordon	Chairperson (non-executive)		\$79,760	-	\$0	\$8,375	\$0	-	-	\$88,135
Mr. G. Cook	Director (non-executive)		\$39,880	-	\$0	\$4,187	\$0	-	-	\$44,067
Ms. S. Cleveland	Director (non-executive)		\$39,880	-	\$0	\$4,187	\$0	-	-	\$44,067
Mr. S. Bate	Director (non-executive)		\$39,880	-	\$0	\$4,187	\$0	-	-	\$44,067
Ms. S . Eades	Director (non-executive)		\$39,880	-	\$0	\$4,187	\$0	-	-	\$44,067
Ms. B. Price	Director (non-executive)		\$39,880	-	\$0	\$4,187	\$0	-	-	\$44,067
Mr. D. Evans	Director (non-executive)		\$39,880	-	\$0	\$4,187	\$0	-	-	\$44,067
Mr. D. Bouchier	Director (non-executive)		\$39,880	-	\$0	\$4,187	\$0	-	-	\$44,067
Ms. L. Nelson	Director (non-executive)		\$39,880	-	\$0	\$4,187	\$0	-	-	\$44,067
Total			\$1,343,910	-	\$68,986	\$142,690	\$21,709	-	-	\$1,577,294

Outback Stores indemnifies current and former directors and staff members against any liability or costs incurred in connection with any claim brought against them as a result of, or in connection with, their appointment to

reviewed its insurance coverage in 2022-23 financial year to ensure it remained appropriate for its operations. The cost of directors' and officers' indemnity insurance for 2022-23 financial year was \$32,082.78.

The board of directors meet quarterly or as required, this includes any emergency meetings that may be necessary. Further details on director's meetings can be found on page 66.

PERFORMANCE EVALUATION

The performance evaluation of the board of directors is conducted yearly. The chairperson discusses with relevant parties whether they feel the board are performing well and if any feedback is required. The chairperson then discusses the outcomes at the next board meeting to identify appropriate action to remedy any identified shortcomings, to continue to perform effectively.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was established in 2007 and meets quarterly or as required. The Company is required to have an Audit Committee under section 45 of PGPA Act.

The committee charter is to consider any matter relating to the financial reporting, internal control structure (Including director reimbursement), internal risk management systems and external audit function of Outback Stores and any of its controlled entities.

The functions of the committee include:

- a. Helping the company and its directors to comply with obligations under the *Public Governance, Performance and Accountability Act 2013* and the *Corporations Act 2001*.
- b. Providing a forum for communication between the directors, the senior management, and the external auditors of the company.

The performance evaluation of the committee is conducted yearly and follows the same process as the board evaluation.

Committee members for the reporting period:

- ▶ David Evans 01/07/2022 - 30/06/2023
- ▶ Sophie Cleveland 01/07/2022 - 30/06/2023
- ▶ Stephen Bate 01/07/2022 - 30/06/2023
- ▶ Lesley Nelson 01/07/2022 - 30/06/2023

Information detailing the qualifications, skills or experience of the committee members can be found in the director's report on page 62.

There was no remuneration provided to the Audit and Risk Committee for service during the reporting period.

Further details of the Audit and Risk Committee Charter can be found on <https://outbackstores.com.au/wp-content/uploads/2023/09/OBS-Audit-Risk.pdf>

SOCIAL OUTCOMES COMMITTEE

The board established the Social Outcomes Committee in 2013 and meetings are held quarterly or as required. Its charter is to consider any matter relating to social outcomes in individual Indigenous communities, including nutrition, employment, community engagement and economic development.

The functions of the committee include:

- a. Developing strategies with management on:
 - i. Health and nutrition
 - ii. Indigenous employment
 - iii. Community engagement
 - iv. Economic development in communities
- b. Monitor and review progress against approved strategies.

- c. Review and approve formal working partnerships with other agencies in nutrition, Indigenous employment, community engagement and economic development.

STORE ASSESSMENT COMMITTEE

The Store Assessment Committee continued with the responsibilities delegated last financial year. The board established the Store Assessment Committee in 2007 and meetings are held monthly or as required. Its charter is to consider any matter relating to store management in individual Indigenous communities, including strategy, agreements, termination, expenditure, capital loans and underpinning.

The functions of the committee include:

- a. Consider management agreement proposal for new partnerships.
- b. Consider management proposals to discontinue management services.
- c. To authorise requested operational underpinning by management for supported stores.
- d. To authorise requested capital underpinning by management for supported stores.
- e. To authorise commercial loans to stores under company management.
- f. To ensure robust procedures are implemented and followed for the use of public funds to support remote stores under company management.

INDIGENOUS ADVISORY GROUP

In 2020 the board established a new, independent advisory group to assist Outback Stores with achieving its purpose and strategic priorities.

The Indigenous Advisory Group is classified as a non-statutory, independent, skills-based group that provides advice to Outback Stores chairperson and CEO. The group is a non-decision-making body that is not governed by legislation.

The functions of the group include:

- a. Development and maintenance of Outback Stores brand reputation and perception.
- b. Feedback mechanism to measure stakeholder satisfaction.
- c. Developing relationships with key stakeholders including community leaders and land councils.

MEETING ATTENDANCE

Further details on committee meeting attendance can be found on page 66.

Other Information

ENVIRONMENTAL PERFORMANCE AND ECOLOGICALLY SUSTAINABLE DEVELOPMENT

Section 516A of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) requires Australian Government organisations including authorities such as Outback Stores to include in its Annual Report a section detailing its environmental performance and contribution to Ecologically Sustainable Development (ESD). In doing this, Outback Stores is committed to the principles of ESD as detailed in section 3A of the EPBC Act.

The following table details Outback Stores’ ESD activities in accordance with section 516A(6) of the EPBC Act 1999.

Activity	How it accords with the principles	How it furthers or advances ESD principles
Recycling plan	Integrating both long and short-term economic, environmental considerations.	Implementing and maintaining a recycling plan in the national office to reduce waste.
Store refrigeration	Recognising and considering the environmental impacts of actions and policies.	Refrigeration in stores is upgraded accordingly to reduce power consumption and swapping to more efficient refrigerant gas in new equipment.
Lighting for stores and housing	Recognising and considering the environmental impacts of actions and policies.	Remote stores and manager housing is fitted with energy-efficient lighting, where possible, to reduce power consumption.
Hot water for stores and housing	Recognising and considering the environmental impacts of actions and policies.	Solar hot water systems are installed in stores and housing, where possible.
Sale of white goods	Maintaining company competitiveness in an environmentally sound manner.	Considering all environmental impacts when purchasing all new equipment.
Purchasing new equipment	Integrating both long and short-term economic, environmental considerations.	Considering all environmental impacts when purchasing all new equipment.
Capital improvement programs	Integrating both long and short-term economic, environmental considerations.	Considering all environmental impacts as part of the process of identifying capital improvement programs.
Upgrading computers	Recognising and considering the environmental impacts of actions and policies.	Computers are upgraded accordingly.

OUTBACK STORES’ APPROACH TO IMPLEMENTING ESD PRINCIPLES

Outback Stores was established to improve access to affordable healthy food in remote Indigenous communities. Our primary focus is on economic and social outcomes, rather than environmental outcomes.

We have continued our efforts to reduce Outback Stores’ carbon footprint through various measures such as implementing more sustainable energy practices, water management and waste management.

We are continuing the development of programs at our national office and remote stores to reduce environmental impacts and although we are yet to develop metrics to monitor our carbon footprint, we are committed to continual improvement in environmental performance management.

RISK MANAGEMENT

Outback Stores’ risk management process, following the ISO 31000:2018 Risk Management Guidelines, is a structured approach to the management of risk, ensuring we establish systems to monitor and review business risks.

This process also ensures that Outback Stores’ approach to risk management is centred on continuous improvement in the risk management systems and processes the organisation adopts.

Our risk register is reviewed quarterly by the Senior Leadership Team and the Audit and Risk Committee, who provide support in the assurance process to the board.

SIGNIFICANT ACTIVITIES AND CHANGES AFFECTING THE COMPANY

There were no significant activities and changes affecting the company in the 2022-2023 financial year.

DISCLOSURE REQUIREMENTS FOR GOVERNMENT BUSINESS ENTERPRISES

Outback Stores is not currently a government business enterprise, hence has no reporting requirement for this annual report relating to changes in financial conditions and community service obligations or information that is commercially prejudicial.

MINISTERIAL DIRECTIONS AND GENERAL POLICY ORDERS

There have been no Ministerial Directions, General Policies or General Policy Orders issued to Outback Stores.

JUDICIAL DECISIONS AND REVIEWS BY OUTSIDE BODIES

No judicial decisions or decisions of administrative tribunals had a significant effect on Outback Stores’ operations during 2022-23. The Commonwealth Ombudsman received no complaints regarding Outback Stores.

Index

The below table is a requirement for Commonwealth companies' annual reports under *Schedule 2B of the PGPA Rule. Section 28E(p).*

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT
28E	Contents of annual report		
28E(a)	Page 42	The purposes of the company as included in the company's corporate plan for the reporting period	Mandatory
28E(b)	Page 47	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
28E(c)	Page 53	Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period	If applicable, mandatory
28E(d)	Page 53	Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(e)	NA	Particulars of non-compliance with: a. a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or b. a government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(f)	Page 62	Information on each director of the company during the reporting period	Mandatory
28E(g)	Page 40	An outline of the organisational structure of the company (including any subsidiaries of the company)	Mandatory
28E(ga)	Page 42	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: a. statistics on full-time employees; b. statistics on part-time employees; c. statistics on gender; d. statistics on staff location	Mandatory
28E(h)	Page 38	An outline of the location (whether or not in Australia) of major activities or facilities of the company	Mandatory
28E(i)	Page 47	Information in relation to the main corporate governance practices used by the company during the reporting period	Mandatory

28E(j), 28E(k)	NA	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): a. the decision-making process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and b. the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
28E(l)	Page 53	Any significant activities or changes that affected the operations or structure of the company during the reporting period	If applicable, mandatory
28E(m)	NA	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company	If applicable, mandatory
28E(n)	NA	Particulars of any reports on the company given by: a. the Auditor-General, or b. a Parliamentary Committee, or c. the Commonwealth Ombudsman; or d. the Office of the Australian Information Commissioner; or e. the Australian Securities and Investments Commission	If applicable, mandatory
28E(o)	NA	An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report	If applicable, mandatory
28E(oa)	Pages 48-49	Information about executive remuneration	Mandatory
28F	Disclosure requirements for government business enterprises		
28F(1)(a)(i)	NA	An assessment of significant changes in the company's overall financial structure and financial conditions	If applicable, mandatory
28F(1)(a)(ii)	Pages 109-111	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial condition	If applicable, mandatory
28F(1)(b)	NA	Information on dividends paid or recommended	If applicable, mandatory
28F(1)(c)	NA	Details of any community service obligations the government business enterprise has including: a. an outline of actions taken to fulfil those obligations; and b. an assessment of the cost of fulfilling those obligations	If applicable, mandatory
28F(2)	NA	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory

Financial Statements

© Commonwealth of Australia 2023

ISSN: 2204-0692 (Print)

ISSN: 2204-0706 (Online)

With the exception of the Coat of Arms, this publication is licensed under a Creative Commons Attribution 3.0 Australia Licence.



With the exception of the Commonwealth Coat of Arms and where otherwise noted, all material presented in this document is provided under a Creative Commons licence. The details of the relevant licence conditions are available on the Creative Commons website at creativecommons.org/licenses/by/3.0/au/legalcode and creativecommons.org/licenses/by/3.0/au

This document must be attributed as the Outback Stores Pty Ltd Annual Report 2022-2023.

OUTBACK
Stores
Working With Communities

OUTBACK STORES PTY LTD

ABN: 63 120 661 234

**GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



INDEPENDENT AUDITOR'S REPORT

To the members of Outback Stores Pty Ltd

Opinion

In my opinion, the financial report of Outback Stores Pty Ltd (the Company) for the year ended 30 June 2023 is in accordance with the *Corporations Act 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures, the Corporations Regulations 2001 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The financial report of the Company, which I have audited, comprises the following as at 30 June 2023 and for the year then ended:

- Directors' Report;
- Statement of Profit and Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures, the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Australian National Audit Office

Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

31 August 2023

Outback Stores Pty Ltd

Table of Contents

Directors' Report62

Directors' Declaration..... 69

Auditor's Independence Declaration 71

Annual Financial Statements

 Statement of Profit and Loss and Other Comprehensive Income 72

 Statement of Financial Position 74

 Statement of Changes in Equity76

 Statement of Cash Flows76

Notes to and forming part of the financial statements - Index.....78-79

Note 1: General information 80

Note 2: Application of new and revised account standards..... 80

Note 3: Revenue 90

Note 4: Expenses92

Note 5: Income tax expense 96

Note 6: Assets 98

Note 7: Non-financial assets100

Note 8: Liabilities 104

Note 9: Issued capital106

Note 10: Related party disclosures106

Note 11: Key management personnel remuneration 107

Note 12: Financial instruments108

Note 13: Contingent liabilities and contingent assets113

Note 14: Subsequent events113

Note 15: Aggregate assets and liabilities113

Outback Stores Pty Ltd

Directors' Report

The directors of Outback Stores Ply Ltd (the Company or Outback Stores) submit herewith the annual financial statements of Outback Stores for the year ended 30 June 2023.

Information about the directors

The names and particulars of the directors of the Company during or since the end of the financial year are:

Name	Particulars
Mr. G. Cook AAM	Joined the Board on 16 September 2015 in a non-executive capacity. Mr. Cook AAM has a strong background in retail, enterprise development, consultancy, training and tourism. Mr Cook AAM has worked with both mainstream and Indigenous enterprises.
Ms. S. Cleveland	Joined the Board on 1 September 2016 in a non-executive capacity. Ms. Cleveland is the partner in charge of the commercial disputes resolution team in the Darwin office of a national law firm, she is an experienced and pragmatic litigator specialising in the areas of construction, employment, and aboriginal land disputes.
Mr. S. Bate	Joined the Board on 1 September 2016 in a non-executive capacity. Mr Bate has extensive experience in retail, having worked for Woolworths for 37 years. Mr. Bate was part of the Woolworths Senior Management Team, and has experience in both buying and operations at senior executive level.
Prof. S. Eades	Joined the Board on 1 September 2016 in a non-executive capacity. Professor Eades completed her medical degree in 1990 and after working as a general practitioner began her career in health research at the Telethon Institute for Child Health Research where her focus was on the epidemiology of Indigenous child health in Australia.
Ms. B. Price	Joined the Board on 30 November 2017. Ms. Price has worked in education and training, public administration, the media, community development, interpreting, translating language, teaching and has experience in small business management. In 2008 the Northern Territory Labor Government appointed Ms. Price as Chairperson of its Indigenous Affairs Advisory Council (IAAC). She was elected as a Country Liberal Party member of the Northern Territory Legislative Assembly from 2012 to 2016, and was appointed Minister for Housing, Community Services, Parks and Wildlife, Local Government, Statehood and Women's Policy in the Northern Territory Government. Ms. Price currently works in cross-cultural awareness training, community liaison and Warlpiri language services.
Dr. S. Gordon AM	Joined the Board on 26 October 2018. Dr Gordon AM is a Ngoonooru Wadjari woman from the Yamatji people. A retired magistrate who served for 20 years on the bench of the Children's Court of Western Australia, Dr Gordon AM has had a long and distinguished career, with extensive senior leadership experience. She has worked in the area of Indigenous employment, was a member of the first board of the Aboriginal and Torres Strait Islander Commission, chaired the National Indigenous Council, and led the Gordon Inquiry and the Northern Territory Emergency Response Taskforce. She has a Bachelor of Laws Degree from the University of Western Australia (UWA), an Honorary Degree of Doctor of Letters from UWA, Order of Australia – Australia Medal, Centenary Medal, Defence Service Medal, and was named Senior Woman Lawyer of the Year 2014 by the Women's Lawyers of WA Inc.

cont.

Outback Stores Pty Ltd

Directors' Report

Mr. D. Bouchier	Joined the Board on 16 March 2019. Mr. Bouchier is a multi-award winning multi-platform journalist. He has reported across the country and around the world for close to 20 years. Mr. Bouchier has worked as a newspaper reporter, video journalist, foreign correspondent, political reporter, and social commentator. Mr. Bouchier grew up in the remote Northern Territory town of Tennant Creek, where he was mentored by elders from around the region, while coming to understand his own Indigenous heritage from his mother's side of the family in coastal and inland parts of Victoria.
Mr. D. Evans	Joined the Board on 24 September 2019. Mr Evans has over 30 years' experience in banking and finance in Australia and the Asia-Pacific and is also a consultant and facilitator for the Australian Institute of Company Directors. Mr Evans contributes in various governance roles in the public and private sectors. He is also a recipient of the Centenary Medal for his services to the health industry through the National Heart Foundation.
Ms. L. Nelson	Joined the board on 1 March 2021. Ms. Nelson is a proud Noongar woman from the Ballardong and Whadjuk clans who holds over 25 years' experience in various executive leadership roles within the Aboriginal health sector, the most recent being her current role as CEO of the South West Aboriginal Medical Service. Ms. Nelson brings a wealth of strategic governance experience to several Board director positions. Ms. Nelson bias for innovation and action is further strengthened with post graduate qualifications in Business and Epidemiology.

The above named directors held office during the whole of the financial year.

Shares options granted to directors and senior management

No share options were granted or authorised to directors and senior management.

Company secretary

Dr B. Orme continued to hold the position of company secretary of the Company.

Principal activities

The Company's principal activities are management services provided to remote Indigenous community stores across Australia and commercial loans and other financial support to unviable remote community stores through the support of the National Indigenous Australians Agency

Changes in state of affairs

There was no significant change in the state of affairs for the company during the financial year.

Outback Stores Pty Ltd

Directors' Report

Review of operations

Outback Stores managed 50 stores at the end of the financial year. Combined store turnover for the financial year was over \$110.5 million.

Outback Stores maintains its lead on the affordability of staple products and fresh produce, furthering the promotion of healthy food choices.

The business of managing retail stores in remote communities continues to be challenging, due to the ongoing high operating costs for both the stores and for the Company. Outback Stores continues to work to reduce costs to the consumer and become more efficient in the way we manage them. The Company still manages a large number of stores that are not viable due to small populations and geographical difficulties.

	2023	2022
	\$	\$
(Deficit)/surplus for the year from operations	4,180,688	(4,927,145)
Add back: Income tax (benefit)/expense*	-	(664,637)
(Deficit)/surplus before income tax from operations	4,180,688	(4,262,508)

Less: Adjustments for non-operating surplus		
Revenue from government grants	1,803,779	1,767,136
Net gain/(loss) on disposal of assets	88,660	111,483
Store grant expenditure (underpinning)	(1,802,779)	(1,766,136)
Other grant expenditure	(1,000)	(1,000)
Total non-operating surplus	88,660	111,483

Total operating (loss)/profit	4,092,028	(4,373,991)
-------------------------------	-----------	-------------

*Outback Stores is exempt from income tax under item 1.1 of subdivision 50-5 of the Income Tax Assessment Act 1997. The endorsed date of effect being 1 July 2021. The income tax expense noted above relates the finalisation of the 30 June 2021 tax return.

Outback Stores Pty Ltd

Directors' Report

Subsequent events

Subsequent to the year end, Mr. J. Rathore was appointed to the role of Deputy Chief Executive Officer and Mr. T. Criddle was appointed to the role of Chief Financial Officer. There has been no other matter or circumstance occurring subsequent to the year end that has significantly affected, or may significantly affect, the operations of Outback Stores, the results of its operations, or the state of affairs of the Company.

Future developments

Outback Stores will continue to grow through expanding their services to other Indigenous community stores across Australia.

Indemnification of officers

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above) and all executive officers of the Company against a potential liability incurred as such a director or executive officer.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company against a potential liability incurred as such an officer or auditor.

Auditor's independence declaration

The auditor's independence declaration is included on page 71.

Remuneration report

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the Company's directors and its senior management for the financial year ended 30 June 2023. The prescribed details for each person covered by this report are detailed below under the following headings:

- ▶ Director and senior management details
- ▶ Directors' meetings
- ▶ Remuneration policy
- ▶ Remuneration of directors and senior management
- ▶ Key terms of employment contracts

cont.

Outback Stores Pty Ltd

Directors' Report

Director and senior management details

The following persons acted as directors of the company during or since the end of the financial year:

Non-executive Directors

- ▶ Dr. S. Gordon AM (Chairperson)
- ▶ Mr. G. Cook AAM
- ▶ Mr. D. Bourchier
- ▶ Ms. S. Cleveland
- ▶ Mr. S. Bate
- ▶ Ms. L. Nelson
- ▶ Prof. S. Eades
- ▶ Ms. B. Price
- ▶ Mr. D. Evans

Executive Officers

- ▶ Mr. M. Borg (Chief Executive Officer)
- ▶ Mr. J. Rathore (Deputy Chief Executive Officer)
- ▶ Mr. T. Criddle (Chief Financial Officer)
- ▶ Mr. E. Ralph (Chief Operating Officer)
- ▶ Mr. R. Mead (General Manager Source and Supply)
- ▶ Mr. D. Hewett (General Manager Source and Supply)

The term 'senior management' is used in this remuneration report to refer to the following persons that have the authority and responsibility for planning, directing and controlling the activities of the company. Except as noted below, the named persons held their current position for the whole of the financial year and since the end of the financial year.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 4 board meetings, 8 store assessment committee meetings, 4 audit and risk committee meetings, and 4 investment committee meetings were held.

Directors	Board of directors		Store assessment		Audit and risk committee		Investment committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr. G. Cook AAM	4	4	8	8				
Ms. S. Cleveland	4	4			4	1		
Mr. S. Bate	4	4	8	8	4	4	4	4
Ms. L. Nelson	4	4			4	3		
Prof. S. Eades	4	3						
Ms. B. Price	4	4						
Dr. S. Gordon AM	4	4						
Mr. D. Bourchier	4	4	8	7			4	3
Mr. D. Evans	4	4			4	4	4	4

Outback Stores Pty Ltd

Directors' Report

Remuneration policy

It is a requirement to agree any remuneration package and wage contract of senior management with the Chairperson. Board approval is required to change the remuneration package of the Chief Executive Officer.

Remuneration for employees is based on employment contracts that are linked to the individual's and Company performance.

The Company's earnings are reported under the Statement of profit or loss and other comprehensive income.

Remuneration of directors and senior management

	2023	2022
	\$	\$

Non-executive

Remuneration has been paid to non-executive directors during the financial year.

Short term	398,800	378,398
Post-employment	41,874	37,840
Total remuneration:	440,674	416,238

Executive officers

Short term	1,014,095	1,066,355
Long term employment	21,709	9,884
Post-employment	100,816	88,756
Total remuneration:	1,136,620	1,164,995

Outback Stores Pty Ltd

Directors' Report

Bonuses and share-based payments granted as compensation for the current financial year

Bonuses

Bonuses to senior management are provided for based on their individual employee contracts and are based on Company performance and at the Board's discretion. No bonuses were paid during the financial year.

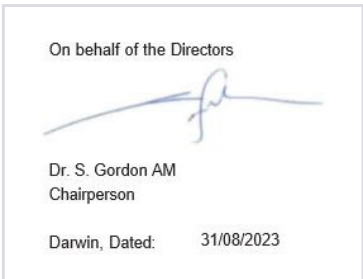
Employee share option plan

None.

Key terms of employment contracts

Employment contracts are negotiated on a per person basis and include the following details. Unless noted otherwise, the termination notice required to terminate the contract is three months.

- ▶ Mr. M. Borg (Chief Executive Officer) - Position commencing 24 October 2016.
- ▶ Mr. J. Rathore (Deputy Chief Executive Officer) - Position commencing 1 July 2023.
- ▶ Mr. T. Criddle (Chief Financial Officer) - Position commencing 1 July 2023.
- ▶ Mr. E. Ralph (Chief Operating Officer) - Position commencing 19 December 2016.
- ▶ Mr. R. Mead (General Manager Source and Supply) - Position ceased 16 June 2023.
- ▶ Mr. D. Hewett (General Manager Source and Supply) - Position commencing 19 June 2023.



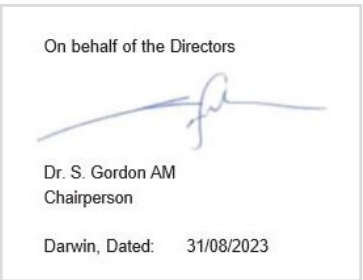
Outback Stores Pty Ltd

Directors' Declaration

In the opinion of the Directors of Outback Stores Pty Ltd:

- The financial statements and notes of Outback Stores Pty Ltd are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, including:
 - Giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
 - Complying with Australian Accounting Standards and *Australian Charities and Not for Profits Commission Regulation 2013*; and
- There are reasonable grounds to believe that Outback Stores Pty Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:





OFFICIAL: Sensitive



Dr Susan Gordon
Chair of the Board
Outback Stores Pty Ltd
PO Box 1953
Berrimah NT 0828

OUTBACK STORES PTY LTD FINANCIAL REPORT 2022–23
AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of Outback Stores Pty Ltd for the year ended 30 June 2023, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*;
and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Peter Kerr
Executive Director
Delegate of the Auditor-General

Canberra
31 August 2023

OFFICIAL: Sensitive

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Outback Stores Pty Ltd

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 June 2023

	Notes	Consolidated	
		2023	2022
		\$	\$
Revenue			
Revenue from government grants	3.1	1,803,779	1,767,136
Rendering of services	3.2	4,833,746	4,357,980
Interest income	3.3	50,739	61,308
Investment income	3.4	1,613,711	1,098,347
Store recoveries and charges	3.5	10,243,014	8,976,963
Supplier income	3.6	2,147,057	2,276,906
Other revenue	3.7	3,024,894	1,471,616
Gain on disposal of assets		88,660	111,483
Fair value gain on financial instruments at fair value through profit and loss	3.8	1,092,064	-
Total Revenue		24,897,664	20,121,739
Expenses			
Consulting expenditure	4.1	218,332	174,930
Depreciation and amortisation	4.2	720,602	802,477
Employee benefits expense	4.3	14,902,652	14,294,275
Store grant expenditure (underpinning)	4.4	1,802,779	1,766,136
Administrative expenditure	4.5	2,969,259	3,528,363
Other grant expenditure	4.6	1,000	1,000
Finance costs	4.7	102,352	105,098
Fair value loss on financial instruments at fair value through profit and loss	4.8	-	3,711,968
Total Expenses		20,716,976	24,384,247
Surplus/(Deficit) before income tax from continuing operations		4,180,688	(4,262,508)
Income tax benefit/(expense)	5.1	-	(664,637)
Surplus/(Deficit) before income tax from continuing operations		4,180,688	(4,927,145)

cont.

Outback Stores Pty Ltd

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME, CONT.

	Notes	Consolidated	
		2023	2022
		\$	\$
Total comprehensive income		4,180,688	(4,927,145)
Surplus/(Deficit) for the year attributable to:			
Owners of the Company		4,180,688	(4,927,145)
Total comprehensive income for the year attributable to:			
Owners of the Company		4,180,688	(4,927,145)

The above statement should be read in conjunction with the accompanying notes.

Outback Stores Pty Ltd

STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

		Consolidated	
		2023	2022
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	6.1	4,297,944	5,927,750
Trade and other receivables	6.2	3,520,027	2,361,324
Financial assets	6.3	37,440,374	33,508,158
Other current assets	6.4	65,304	137,174
Total current assets		45,323,649	41,934,406
Non-current assets			
Housing	7.1	22,424	47,238
Furniture and fittings	7.1	82,432	83,672
Leasehold improvements	7.1	13,071	14,275
Motor vehicle and components	7.1	391,226	416,449
IT equipment	7.1	82,551	222,050
IT software	7.1	151,925	123,613
Right-of-use assets	7.3	1,857,259	1,955,901
Financial assets	6.3	374,242	511,944
Total non-current assets		2,975,130	3,375,142
Total Assets		48,298,779	45,309,548

LIABILITIES			
Current liabilities			
Trade and other payables	8.1	1,853,304	1,022,309
Deferred revenue - Government Grants	8.2	2,529,009	4,298,118
Lease liabilities	8.3	203,590	183,035
Employee provisions	8.4	1,378,590	1,593,404
Total current liabilities		5,964,493	7,096,866

cont.

Outback Stores Pty Ltd

STATEMENT OF FINANCIAL POSITION, CONT.

		Consolidated	
		2023	2022
	Notes	\$	\$
Non-current liabilities			
Lease liabilities	8.3	1,814,019	1,888,913
Employee provisions	8.4	359,551	343,741
Total non-current liabilities		2,173,570	2,232,654
Total Liabilities		8,138,063	9,329,520
Net Assets		40,160,716	35,980,028
EQUITY			
Issued capital	9	40,000,001	40,000,001
Retained surplus/(Accumulated deficit)		160,715	(4,019,973)
Total Equity		40,160,716	35,980,028

The above statement should be read in conjunction with the accompanying notes.

Outback Stores Pty Ltd

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2023

	Issued Capital \$	Retained Surplus / (Accumulated Deficit) \$	Total Equity \$
Balance at 1 July 2021	40,000,001	907,172	40,907,173
Deficit for the year	-	(4,927,145)	(4,927,145)
Total comprehensive income for the year	-	(4,927,145)	(4,927,145)
Balance at 30 June 2022	40,000,001	(4,019,973)	35,980,028
Balance at 1 July 2022	40,000,001	(4,019,973)	35,980,028
Surplus for the year	-	4,180,688	4,180,688
Total comprehensive income for the year	-	4,180,688	4,180,688
Balance at 30 June 2023	40,000,001	160,715	40,160,716

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		20,488,876	18,017,728
Total cash received		20,488,876	18,017,728
Cash used			
Payments to suppliers and employees		(18,750,580)	(19,545,844)
Interest payments on lease liabilities		(102,352)	(105,098)
Total cash used		(18,852,932)	(19,650,942)
Net cash used in operating activities	10.1	1,635,944	(1,633,214)

cont.

Outback Stores Pty Ltd

STATEMENT OF CASH FLOWS, CONT.

	Notes	2023 \$	2022 \$
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		89,091	133,178
Amounts received from stores under commercial loans		129,896	164,583
Distributions and income received from managed investments		1,613,711	1,098,347
Interest received		50,739	74,383
Total cash received		1,883,437	1,470,491
Cash used			
Payments for property, plant and equipment		(324,537)	(363,227)
Investment in managed funds		(2,832,346)	(1,327,129)
Underpinning payments for stores and other grants		(1,803,779)	(1,767,136)
Total cash used		(4,960,662)	(3,457,492)
Net cash used in investing activities		(3,077,225)	(1,987,001)

FINANCING ACTIVITIES			
Cash used			
Principal payments of lease liabilities		(188,525)	(170,093)
Total cash used		(188,525)	(170,093)
Net cash used in financing activities		(188,525)	(170,093)

Net decrease in cash and cash equivalents		(1,629,806)	(3,790,308)
--	--	-------------	-------------

Cash and cash equivalents at the beginning of the year		5,927,750	9,718,058
Cash and cash equivalents at the end of the year	6.1	4,297,944	5,927,750

The accompanying notes form part of these financial statements.

Outback Stores Pty Ltd

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

1.	General information.....	80
2.	Application of new and revised accounting standards	80
2.1	Amendments to AASBs and the new interpretations that are mandatorily effective for the current year.....	80
2.2	Significant accounting policies.....	81
2.3	Critical accounting judgements and key sources of estimation uncertainty.....	88
3.	Revenue	90
3.1	Revenue from government grants	90
3.2	Rendering of services.....	90
3.3	Interest income.....	90
3.4	Investment income	90
3.5	Store recoveries and charges	91
3.6	Supplier income	91
3.7	Other revenue.....	91
3.8	Fair value gain on financial instruments at fair value through profit and loss	91
4.	Expenses	92
4.1	Consulting expenditure	92
4.2	Depreciation and amortisation.....	92
4.3	Employee benefits expense	92
4.4	Store grant expenditure (underpinning)	93
4.5	Administrative expenditure.....	94
4.6	Other grant expenditure.....	95
4.7	Finance costs	95
4.8	Fair value loss on financial instruments at fair value through profit or loss	95
4.9	Auditors' remuneration	95
5.	Income tax expense	96
5.1	Income tax recognised in profit or loss.....	96
5.2	Franking credits.....	96
6.	Assets.....	98
6.1	Cash and cash equivalents.....	98
6.2	Trade receivables	98
6.3	Financial assets	99
6.4	Other current assets	99
7.	Non-financial assets	100
7.1	Reconciliation of property, plant and equipment and intangibles for 2023.....	100
7.2	Reconciliation of property, plant and equipment and intangibles for 2022.....	102
7.3	Reconciliation of property, plant and equipment that are subject to leases.....	103

Outback Stores Pty Ltd

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS, CONT.

8.	Liabilities.....	104
8.1	Trade and other payables.....	104
8.2	Deferred revenue - Government grants.....	104
8.3	Lease liabilities.....	105
8.4	Employee provisions	106
9.	Issued Capital	106
10.	Related Party Disclosures.....	106
11.	Key Management Personnel Remuneration	107
12.	Financial Instruments	108
12.1	Categories of financial instruments.....	108
12.2	Financial risk management objectives.....	109
12.3	Fair value of financial instruments.....	112
13.	Contingent liabilities and contingent assets.....	113
14.	Subsequent events.....	113
15.	Aggregate assets and liabilities	113

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 1: General information

1. General information

Outback Stores Pty Ltd (Outback Stores or the Company) is a corporate Commonwealth entity and not-for-profit proprietary company limited by shares, incorporated and domiciled in Australia. The Company's principal activities are to provide retail management and support services to remote Indigenous community stores across Australia and provide financial support to unviable remote community stores to maintain the food security.

Outback Stores registered as a not-for-profit organisation with the *Australian Charities and Not-for-profits Commission* and changed its status effective 1 July 2021.

The Company's registered office and principal place of business are as follows:

67 Pruen Road
Berrimah
Darwin NT 0828

Note 2: Application of new and revised accounting standards

2.1 Amendments to AASBs and the new interpretation that are mandatorily effective for the current year

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2022.

The following standards became effective from 1 July 2022:

Standard / Interpretation	Nature of standard and impact on the Company
AASB 2020-3 Amendments to Australian Accounting Standards – <i>Annual Improvements 2028-2020 and other Amendments</i>	<p>This Standard amends the existing accounting standards, particularly in relation to:</p> <ul style="list-style-type: none">AASB 1 First-time Adoption of Australian Accounting Standards - simplifies the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.AASB 3 Business Combinations - to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.AASB 9 Financial Instruments - to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.AASB 116 Property, Plant and Equipment - to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset.AASB 137 Provisions, Contingent Liabilities and Contingent Assets - to specify the costs that an entity includes when assessing whether a contract will be loss-making.AASB 141 Agriculture - to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards. <p>This Standard applies to annual periods beginning on or after 1 January 2022 and had no impact on the Company</p>

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 2: Application of new and revised accounting standards (cont)

Standard / Interpretation	Nature of standard and impact on the Company
AASB 2021-7 a, b and c Amendments to Australian Accounting Standards – <i>Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (AASB 2021-7)</i>	<p>This Standard defers the mandatory application date of amendments to AASB 10 Consolidated Financial Statements (AASB 10) and AASB 128 Investments in Associates and Joint Ventures that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual periods beginning on or after 1 January 2025 instead of 1 January 2022.</p> <p>This Standard also makes editorial corrections to various AASs, including Interpretations, and other pronouncements. Some of the editorial corrections apply to annual periods beginning on or after 1 January 2023.</p> <p>This Standard did not have any impact on the Company.</p>
AASB 2022-3 Amendments to Australian Accounting Standards – <i>Illustrative Examples for Not-for-Profit Entities accompanying AASB</i>	<p>The amendments provide an illustrative example for not-for-profit (NFP) entities of how AASB 15 Revenue Contracts with Customers applies to the recognition and measurement of up-front fees charged to its customers or members.</p> <p>The amendments do not change the requirements of AASB 15.</p> <p>This standard applies to annual periods beginning on or after 1 July 2022 and had no impact on the Company.</p>

2.2 Significant accounting policies

Outback Stores is a not-for-profit entity for the purposes of preparing the financial statements.

The financial statements for the year ended 30 June 2023 were approved and authorised for issue by the Board of Directors on 31 August 2023.

(a) Basis of preparation

The financial statements are required by Section 42 of the Public Governance, Performance and Accountability Act 2013.

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements have been prepared in accordance with:

- a. Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR);
- b. Australian Charities and Not-for-profits Commission Regulation 2013;
- c. Australian Accounting Standards – Simplified Disclosures for Tier 2 Entities under AASB1060 issued by the Australian Accounting Standards Board (AASB);
- d. Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB); and
- e. Other requirements of the law.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

The principal accounting policies adopted are set out below.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 2: Application of new and revised accounting standards (cont)

(b) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(c) Cash and cash equivalents

Cash comprises cash on hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. The Company did not have an overdraft during the financial period.

(d) Employee benefits

Short-term and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits expected within 12 months of the end of the reporting period, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Termination benefit

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out at termination.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 2: Application of new and revised accounting standards (cont)

(e) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST, the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flow on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. The Company recognises government grants in accordance with AASB 15 principles and where applicable AASB 1058.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss as the asset is constructed or when purchased.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government assistance which does not have conditions attached specifically relating to the operating activities of the entity is recognised in accordance with the accounting policies above.

(h) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 2: Application of new and revised accounting standards (cont)

reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

(i) Intangible assets

IT software

IT software is recorded at cost less accumulated amortisation and impairment. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Estimated useful lives are:

Class of intangible assets	2023	2022
IT software	3 years	3 years

(j) Taxation

Commencing 1 July 2021 Outback Stores is a registered not-for-profit entity and is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST). Revenues, expenses and assets are recognised net of the amount of the GST except:

- a. where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- b. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 2: Application of new and revised accounting standards (cont)

(k) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones).

For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

- The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
 - The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
 - A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and initial direct costs less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 2: Application of new and revised accounting standards (cont)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in non-current assets in the statement of financial position.

The Company applies AASB 136 'Impairment of Assets' to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2(h).

(l) Property, plant and equipment

Property represents land, portable housing and fixtures in remote communities and are stated at cost less accumulated depreciation and accounting impairment losses. Land is not depreciated and recorded at cost.

Depreciation on buildings is charged to profit or loss.

Furniture and fittings, containers, leasehold improvements, motor vehicles and components and equipment under finance lease are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

Leasehold improvements and equipment under finance lease are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. Assets acquired under \$1,000 are written off immediately for financial accounting purposes.

The following depreciation rates were used for each class of asset:

Class of Property, Plant and Equipment	Consolidated	
	2023	2022
Containers	20%	20%
Furniture and Fittings	20%	20%
Housing	10%	10%
IT Equipment	25% - 66.67%	25% - 66.67%
Leasehold improvements	2.50%	2.50%
Motor vehicles and components	20% - 33.33%	20% - 33.33%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

No changes were made in estimates for the Company.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 2: Application of new and revised accounting standards (cont)

(m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(n) Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue which it transfers control of a product or service to a customer. Revenue was recognised in accordance with AABS 15 or the relevant accounting standard. Outback Stores shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Company applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Company shall consider whether AASB 1058 applies.

In terms of AASB 1058, the Company recognises volunteer services at fair value if those services would have been purchased if not provided voluntarily, and the fair value of those services can be measured reliably. When revenue is classified in accordance with AASB 1058, this revenue is recognised immediately in the profit or loss.

Revenue from the sale of goods is recognised when the control has been transferred to the buyer, being at the time when the customer purchases the goods at the store.

The following is a description of principal activities from which the Company generates its revenue:

Rendering of services

Revenue from a contract to provide services is recognised as performance obligation is satisfied over time.

Rental income

The Company's policy for recognition from operating leases is described in note 2(l).

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 2: Application of new and revised accounting standards (cont)

Government grants

Government grants are recognised in accordance with the accounting policy outlined in note 2(h).

Dividends received

Dividends received on investments are recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Dividends are included in the 'distributions received' line in the Statement of profit or loss and other comprehensive income.

Supplier income

Supplier income from suppliers is recognised when it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Store recoveries and charges

Store recoveries and charges are recognised in accordance with AASB 15 over time as the performance obligations have been satisfied.

The transaction price is the total amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

2.3 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above and below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 2: Application of new and revised accounting standards (cont)

Critical judgements in applying accounting policies

The following are the critical judgements that have the most significant effect on the amounts recognised in the financial statements.

Useful lives of property, plant and equipment

As described in note 2(l), the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. No changes were made to the useful lives for existing assets.

Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave:

- future increases in wage and salaries;
- future on cost rates; and
- experience of employee departures and period of service

The potential effect of a change in these assumptions is not expected to be material.

Intangible assets

Useful lives for trademarks are based on contractual life for trademark registrations. In determining the estimated useful lives for IT Software, management relies on guidance provided by the Australian Taxation Office. The potential effect of a change in these estimates is not expected to be material.

Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Lease term

When determining the lease term of the operating lease recognised in the Statement of Financial Position and set out in note 8.3, management made the judgement that the Company would be likely to renew the lease for a further 5 years ending 31 December 2033.

Incremental borrowing rate

The operating lease recognised in the Statement of Financial Position was initially measured using the incremental borrowing rate of 5.04%. This was determined based on the Commonwealth Bank variable base rate other than the residential security as the rate implicit in the lease cannot be readily determined.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 3: Revenue

	Consolidated	
	2023	2022
	\$	\$

Note 3.1: Revenue from government grants

Grants from Australian Government entities:		
Department of Social Services - Food grant	1,046,537	759,380
Department of Social Services - Food security	757,242	1,007,756
Total revenue from government grants	1,803,779	1,767,136

Timing of transfer of goods and services:

Over time	-	-
Point in time	1,803,779	1,767,136
	1,803,779	1,767,136

Note 3.2: Rendering of services

Management fees	2,475,791	2,276,186
Accounting fees	2,357,955	2,081,794
Total rendering of services	4,833,746	4,357,980

Timing of transfer of goods and services:

Over time	4,833,746	4,357,980
Point in time	-	-
	4,833,746	4,357,980

Note 3.3: Interest income

Loans to stores	27,604	45,417
Term deposits	23,135	15,891
Total interest income	50,739	61,308

Revenue from notes 3.3, 3.4, 3.8 and 3.9 are recognised in accordance with their respective accounting standard and not AASB 15.

Note 3.4: Investment income

Investment income	1,613,711	1,098,347
Total investment income	1,613,711	1,098,347

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 3: Revenue (cont)

	Consolidated	
	2023	2022
	\$	\$

Note 3.5: Store recoveries and charges

Managers services on-charged	9,211,716	7,964,111
Recoveries from managed stores	1,031,298	1,012,852
Total store recoveries and charges	10,243,014	8,976,963

Store recoveries and charges are recognised over time in accordance with AASB 15.

Note 3.6: Supplier income

Supplier income	2,147,057	2,276,906
Total supplier income	2,147,057	2,276,906

Supplier income is recognised over time in accordance with AASB 15.

Note 3.7: Other revenue

Consultancy fees	431,419	491,691
Sundry income*	2,057,456	527,272
Training government subsidy	536,019	452,653
Total other revenue	3,024,894	1,471,616

*Sundry income includes payroll tax remission of \$1,464,159 from 2021 and 2022.

Note 3.8: Fair value gain on financial instruments at fair value through profit and loss

Change in fair value through profit or loss on investments	1,092,064	-
Total fair value gain on financial instruments	1,092,064	-

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 4: Expenses

	Consolidated	
	2023	2022
	\$	\$

Note 4.1: Consulting expenditure

Consultancy fees	203,315	133,546
Legal fees	15,017	41,384
Total consulting expenditure	218,332	174,930

Note 4.2: Depreciation and amortisation

Amortisation on intangibles	8,896	8,566
Depreciation of property, plant and equipment	478,878	580,337
	487,774	588,903
Depreciation on right-of-use assets	232,828	213,574
Total depreciation and amortisation	720,602	802,477

Note 4.3: Employee benefits expense

Wages and salaries	13,524,843	12,739,364
Travel and other allowances	148,599	125,836
Superannuation contributions - defined contribution plans	1,351,309	1,198,094
Staff incentive provision	73,010	13,112
Leave and other entitlements*	(195,109)	217,869
Total employee benefit expense	14,902,652	14,294,275

*Leave and other entitlements value in 2023 caused by a reduction in employee leave liability throughout the year.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 4: Expenses (cont)

Underpinning is funding provided by the Company to support working capital and essential infrastructure upgrades for stores when required. Stores are not considered related parties to the Company, therefore are not disclosed in note 11.

	Consolidated	
	2023	2022
	\$	\$

Note 4.4: Store grant expenditure (underpinning)

The Trustee for Jigalong Community Unit Trust t/as Illawarra Store	-	7,500
Canteen Creek Store Charitable Trust t/as Canteen Creek Community Store	99,000	31,816
Ntjaminya General Store Aboriginal Corporation t/as Engawala Store	-	27,609
Wetenngerr Aboriginal Corporation t/as Wetenngerr Store	125,000	62,034
Imanpa General Store Anangu Aboriginal Corporation t/as Imanpa General Store	199,564	157,256
Dungalan Aboriginal Corporation t/as Dungalan Store	27,845	1,265
Lagulalya Aboriginal Corporation t/as Lagulalya Store	102,211	185,264
Pinanyi Store Aboriginal Corporation t/as Mulan Community Store	164,429	229,323
Nitjpurru Aboriginal Corporation t/a Nitjpurru Community Store	114,684	55,093
Oak Valley (Maralinga) Aboriginal Corporation t/as Oak Valley Community Store	20,000	50,000
Kundat Djaru Community Store Aboriginal Corporation t/as Kundat Djaru Community Store	-	38,147
Kunawarritji Aboriginal Corporation t/as Kunawarritji Community	-	54,350
Titjikala Community Store Aboriginal Corporation t/as Titjikala Store	121,438	87,097
Paupiyala Tjarutja Aboriginal Corporation t/as Tjuntjuntjara Community Store	20,000	209,953
Yiyili Store Indigenous Corporation t/as Yiyili Community Store	52,120	9,090
Urapunga Aboriginal Corporation t/as Urapunga Store	-	157,079
Tilmouth Well Nominees Pty Ltd as trustee for Tilmouth Well Investment Trust trading as Tilmouth Well Roadhouse	-	53,222
Hermannsburg Region Aboriginal Charitable Trust trading as Ntaria Supermarket	-	64,960
Mantjiljarra Pty Ltd trading as Mantjiljarra Store	-	115,793
North West Land Corporation as Trustee for the North West Land Trust t/as Goodooga Store	346,898	27,434
Parnngurr Aboriginal Corporation t/as Parnngurr Community	31,216	141,851
Nagurunguru Community Store Aboriginal Corporation t/as Amanbidji Store	265,775	-
Kanparrka Store Aboriginal Corporation t/as Kanparrka Store	78,378	-
Peppimenarti Store Indigenous Corporation t/as Peppimenarti Store	34,221	-
Total store grant expenditure (underpinning)	1,802,779	1,766,136

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 4: Expenses (cont)

	Consolidated	
	2023	2022
	\$	\$
Note 4.5: Administrative expenditure		
Travel and accommodation	329,222	400,690
Information technology	282,430	288,467
Recruitment costs	10,298	22,794
Insurance	587,875	469,880
Accountancy fees	23,516	31,798
Audit fees	54,850	54,850
Management fees	107,724	111,483
Motor vehicle	281,553	225,668
Fringe benefit and payroll tax	75,208	757,729
Training	328,900	317,540
Communication	43,619	34,127
Board expenses	461,785	432,361
Outsourced payroll fees	66,795	58,861
Electricity	46,817	48,057
Other expenses	268,667	274,058
Total administrative expenditure	2,969,259	3,528,363

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 4: Expenses (cont)

	Consolidated	
	2023	2022
	\$	\$
Note 4.6: Other grant expenditure		
Expenditure of grants received from Australian Government entities:		
Department of Social Services - Food security	1,000	1,000
Total other grant expenditure	1,000	1,000

Note 4.7: Finance costs

Interest on lease liabilities	102,352	105,098
Total finance costs	102,352	105,098

Note 4.8: Fair value loss on financial instruments at fair value through profit or loss

Fair value loss on financial instrument at fair value through profit and loss	-	3,711,968
Total fair value loss on financial instruments at fair value through profit and loss	-	3,711,968

Note 4.9: Auditors' remuneration

Amounts paid or payable in respect of the audit or review of the financial statements:		
Australian National Audit Office	54,850	54,850
Total auditors' remuneration	54,850	54,850

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 5: Income tax expense

Outback Stores is exempt from income tax under item 1.1 of subdivision 50-5 of the Income Tax Assessment Act 1997. The endorsed date of effect being 1 July 2021. The income tax expense presented below relates to 2021-22 and the balances recorded in 2021-22 relate to the finalisation of the 30 June 2021 tax return.

	Consolidated	
	2023	2022
	\$	\$

Note 5.1: Income tax recognised in surplus or loss

Tax expense comprises		
Current tax expense/(benefit) in respect of the current year - continuing operations	-	16,810
Current tax	-	16,810
Deferred tax (benefit)/expense relating to the origination and reversal of temporary differences - continuing operations	-	647,827
Total income tax expense	-	664,637

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense / (benefit) in the financial statements as follows:

(Loss)/surplus before income tax	4,180,688	(4,262,508)
Income tax (benefit)/expense calculated at 30% (2022: 30%)	-	(1,278,752)
Derecognition of net deferred tax asset	-	647,827
Unrecognised tax loss	-	1,278,752
Prior year adjustment	-	16,810
Income tax expense in statement of comprehensive income	-	664,637

Note 5.2: Franking Credits

Opening balance	-	2,638,940
Credits offset*	-	(2,638,940)
Closing balance	-	-

*Existing franking credits are no longer applicable due to the change in tax status of the Company. In future years the Company will continue to claim its share of franking credits from franked dividends as they become available.



Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 6: Assets

	Consolidated	
	2023	2022
	\$	\$

Note 6.1: Cash and cash equivalents

Cash on hand	3,047,944	3,927,750
Short term deposits	1,250,000	2,000,000
Total cash and cash equivalents	4,297,944	5,927,750

The effective interest rate on short term deposits was 2.96% (2022: 1.47%).

Note 6.2: Trade receivables

Trade and other receivables		
Goods and services receivables	3,498,224	2,275,431
Total trade and other receivables	3,498,224	2,275,431

Other receivables		
Bonds	18,453	18,453
Sundry receivables	5,710	69,800
Total other receivables	24,163	88,253
Total trade and other receivables (gross)	3,522,387	2,363,684
Less expected credit loss allowance*	(2,360)	(2,360)
Total trade and other receivables (net)	3,520,027	2,361,324

<u>Trade and other receivables (net) expected to be recovered</u>		
Not overdue	175,624	109,604
Overdue:		
30 to 60 days	3,268,599	2,248,237
60 to 90 days	25,692	3,483
More than 90 days	50,112	-
Total trade and other receivables (net)	3,520,027	2,361,324

<u>Reconciliation of the expected credit loss allowance account movements in relation to Goods and services</u>		
Opening balance	2,360	4,501
Provision decrease recognised in net surplus	-	(2,141)
Closing balance	2,360	2,360

*Credit terms for goods and services were within 7 days from invoice date (2022: 7 days). No interest is charged on outstanding debtor balances. An allowance has been made for irrecoverable amounts determined from liquidity review of individuals stores and management views. Debtor days is not viewed as an accurate measurement of impairment of receivables.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 6: Assets (cont)

	Consolidated	
	2023	2022
	\$	\$

Note 6.3: Financial assets

Current		
Loans to other entities *	556,521	686,417
Investment in managed funds **	37,258,095	33,333,685
Total financial assets	37,814,616	34,020,102

<u>Financial assets expected to be recovered</u>		
No more than 12 months	37,440,374	33,508,158
More than 12 months	374,242	511,944
Total financial assets	37,814,616	34,020,102

* Loans to other entities measured at amortised cost represents unsecured commercial loans to community stores, repayable over the loan agreement period, being between 1 to 15 years. Interest is charged between 5 - 7%.

** Investment in managed funds represents the investment in Macquarie Investment's custodial accounts. The Company's investment in various funds is held at fair value through profit or loss.

Note 6.4: Other current assets

Prepayments	65,304	137,174
Total other current assets	65,304	137,174

<u>Other non-financial assets expected to be recovered</u>		
No more than 12 months	65,304	137,174
More than 12 months	-	-
Total other non-financial assets	65,304	137,174

No indicators of impairment were found for other non-financial assets.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 7: Non-financial assets

Note 7.1: Reconciliation of property, plant and equipment and intangibles for 2023.

	Housing	Containers	Furniture and fittings	Leasehold Improve-ments	Motor Vehicle and components	IT Equipment	Trademarks		IT Software	Total
	\$	\$	\$	\$	\$	\$	\$		\$	\$
As at 1 July 2022										
Gross book value	662,142	57,429	156,333	98,209	2,033,225	856,082	16,177		745,324	4,624,921
Accumulated depreciation, amortisation and impairment	(614,904)	(57,429)	(72,661)	(83,934)	(1,616,776)	(634,032)	(16,177)		(621,711)	(3,717,624)
Net book value 1 July 2022	47,238	-	83,672	14,275	416,449	222,050	-		123,613	907,297
Additions	-	-	23,828	4,598	216,618	42,285	-		37,208	324,537
Depreciation and amortisation	(24,814)	-	(25,068)	(5,802)	(241,841)	(181,353)	-		(8,896)	(487,774)
Disposals	-	-	-	-	-	(431)	-		-	(431)
Net book value 30 June 2023	22,424	-	82,432	13,071	391,226	82,551	-		151,925	743,629

Net book value at 30 June 2023 represented by:

Gross book value	662,142	57,429	180,161	102,807	2,127,505	896,690	16,177		782,532	4,825,443
Accumulated depreciation, amortisation and impairment	(639,718)	(57,429)	(97,729)	(89,736)	(1,736,279)	(814,139)	(16,177)		(630,607)	(4,081,814)
Total as at 30 June 2023	22,424	-	82,432	13,071	391,226	82,551	-		151,925	743,629

Right-of-use assets are separately disclosed in note 7.3.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 7: Non-financial assets (cont)

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 7: Non-financial assets (cont)

Note 7.2: Reconciliation of property, plant and equipment and intangibles for 2022

	Housing	Containers	Furniture and fittings	Leasehold Improve-ments	Motor Vehicle and components	IT Equipment	Trademarks		IT Software	Total
	\$	\$	\$	\$	\$	\$	\$		\$	\$
As at 1 July 2021										
Gross book value	784,556	73,024	224,924	176,330	2,789,875	2,954,917	16,177		727,324	7,747,127
Accumulated depreciation, amortisation and impairment	(713,767)	(73,024)	(197,229)	(161,912)	(2,273,530)	(2,543,675)	(16,177)		(613,145)	(6,592,459)
Net book value 1 July 2021	70,789	-	27,695	14,418	516,345	411,242	-		114,179	1,154,668
Additions	-	-	79,470	4,100	144,011	117,646	-		18,000	363,227
Depreciation and amortisation	-	-	-	-	-	-	-		-	-
Disposals	-	-	-	-	(20,884)	(811)	-		-	(21,695)
Net book value 30 June 2022	47,238	-	83,672	14,275	416,449	222,050	-		123,613	907,297

Net book value at 30 June 2022 represented by:

Gross book value	662,142	57,429	156,333	98,209	2,033,225	856,082	16,177		745,324	4,624,921
Accumulated depreciation, amortisation and impairment	(614,904)	(57,429)	(72,661)	(83,934)	(1,616,776)	(634,032)	(16,177)		(621,711)	(3,717,624)
Total as at 30 June 2022	47,238	-	83,672	14,275	416,449	222,050	-		123,613	907,297

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 7: Non-financial assets (cont)

Note 7.3: Reconciliation of property, plant and equipment that are subject to leases

	Consolidated	
	2023	2022
		\$
Opening Balance		
Gross book value	2,538,361	2,422,319
Accumulated depreciation, amortisation and impairment	(582,460)	(368,886)
Net book value 1 July	1,955,901	2,053,433
Additions	134,186	116,042
Depreciation on right-of-use assets	(232,828)	(213,574)
Net book value 30 June	1,857,259	1,955,901

Net book value at 30 June represented by:

Gross book value	2,672,547	2,538,361
Accumulated depreciation, amortisation and impairment	(815,288)	(582,460)
Total as at 30 June	1,857,259	1,955,901

Carrying amount of right-of-use assets	1,857,259	1,955,901
---	------------------	------------------

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 8: Liabilities

	Consolidated	
	2023	2022
	\$	\$

Note 8.1: Trade and other payables

Trade payables	1,014,228	435,540
Goods and services tax payable	401,118	408,240
Accrued expenses	83,913	97,597
PAYG withholding tax	101,148	-
Superannuation	183,357	-
Audit fees	34,850	54,850
Fringe benefit and payroll taxes	34,690	26,082
Total trade and other payables	1,853,304	1,022,309

Trade and other payables expected to be settled		
No more than 12 months	1,853,304	1,022,309
Total trade and other payables	1,853,304	1,022,309

The average credit period on purchases of goods is 1 month. No interest is charged on the trade payables for outstanding balances. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Note 8.2: Deferred revenue - Government grants

Unexpended grants		
Indigenous Business Australia - Northern Territory Emergency Relief Funding (NTER)	457,742	504,279
Department of Social Services Food Grant	210,674	1,210,674
Food security funding	1,860,593	2,583,165
Total grants	2,529,009	4,298,118

Grants expected to be settled		
No more than 12 months	2,529,009	4,298,118
Total grants	2,529,009	4,298,118

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 8: Liabilities (cont)

	Consolidated	
	2023	2022
	\$	\$

Note 8.3: Lease liabilities

Operating leases	2,017,609	2,071,948
Total lease liabilities	2,017,609	2,071,948

Maturity analysis - contractual undiscounted cash flows		
Within 1 year	299,360	282,086
Between 1 to 5 years	971,249	970,026
More than 5 years	1,299,303	1,435,210
Total leases	2,569,912	2,687,322

Total cash outflow for leases for the year ended 30 June was \$291,106 (2022: \$275,191).

In December 2020, a new lease for the Darwin office was entered into by Outback Stores for the same property. The lease is for a period of 8 years and contains a renewal option for a further 5 years which management has determined that the Company is likely to exercise. The incremental borrowing rate of 5.04% was used to discount the present value of the lease payments that are not paid and the lease liability was adjusted accordingly.

Disclosure of prior period error

During the 2022 financial year, contractual discounted cash flows were used for lease liabilities maturity analysis, instead of undiscounted cash flows. As this error was made in the prior year and identified and corrected in the current year, the lease maturity analysis as at 30 June 2022 has been corrected by \$615,374 as shown below.

This error relates solely to the information about the lease maturity analysis in 2022 and has no financial impact on the operating result or the statement of financial position and does not impact any other part of the financial statements.

Note 8.3: Lease liabilities	30 June 2022 (pre- adjustment)	30 June 2022 (post- adjustment)	Difference
Operating leases	\$2,071,948	\$2,071,948	-

Maturity analysis - contractual undiscounted cash flows			
Within 1 year	183,035	282,086	99,051
Between 1 to 5 years	662,127	970,026	307,899
More than 5 years	1,226,786	1,435,210	208,424
Total leases	2,071,948	2,687,322	615,374

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 8: Liabilities (cont)

Note 8.4: Employee provisions

Employee benefit - Current	1,378,590	1,593,404
Employee benefit - Non-current	359,551	343,741
Total provisions	1,738,141	1,937,145

Employee provisions expected to be settled		
No more than 12 months	1,378,590	1,593,404
More than 12 months	359,551	343,741
Total provisions	1,738,141	1,937,145

Note 9: Issued capital

Authorised and issued shares:		
40,000,001 fully paid ordinary shares	40,000,001	40,000,001
Total issued capital	40,000,001	40,000,001

Note 10: Related party disclosures

Related party relationships:

The ultimate controlling party of the Company is the Commonwealth of Australia. Other related parties are the Directors and other Key Management Personnel. With the exception of the employee benefits noted below, there were no related party transactions with Directors and Other Key Management Personnel.

The Company did not receive Grant funding during the year from the NIAA.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 11: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	Consolidated	
	2023	2022
	\$	\$
Non-Executive Short Term Employment Benefits	398,800	378,398
Non-Executive Post Employment Benefits	41,874	37,840
Short Term Employment Benefits	1,014,095	1,066,355
Long Term Employment Benefits	21,709	9,884
Post Employment Benefits	100,816	88,756
Total	1,577,294	1,581,233

The total number of key management personnel that are included in the above table are 14 (2022: 13).

Details of key management personnel:

The directors and other members of key management personnel of the Company during the year were:

Mr. M. Borg	Chief Executive Officer (appointed 24 October 2016)
Mr. E. Ralph	Chief Operating Officer (appointed 19 December 2016)
Mr. J. Rathore	Chief Financial Officer (appointed 1 July 2015)
Mr. R. Mead	General Manager Source and Supply (appointed 15 January 2018)
Mr. D. Hewett	General Manager Source and Supply (appointed 19 June 2023)
Dr. S. Gordon AM	Chairperson (appointed on 26 October 2018)
Mr. G. Cook AAM	Director (appointed 16 September 2015)
Ms. S. Cleveland	Director (appointed 1 September 2016)
Mr. S. Bate	Director (appointed 1 September 2016)
Prof. S. Eades	Director (appointed 1 September 2016)
Ms. B. Price	Director (appointed 30 November 2017)
Ms. L. Nelson	Director (appointed 1 March 2021)
Mr. D. Bourchier	Director (appointed 16 March 2019)
Mr. D. Evans	Director (appointed 24 September 2019)

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 12: Financial instruments

	Note	Consolidated	
		2023	2022
		\$	\$

12.1: Categories of financial instruments

Financial assets at amortised cost			
Cash and cash equivalents	6.1	4,297,944	5,927,750
Trade and other receivables	6.2	3,520,027	2,361,324
Other financial assets - loans, bond deposits and fixed term deposits	6.3	556,521	686,417
Total financial assets at amortised cost		8,374,492	8,975,491

Financial assets at fair value through profit or loss			
Financial assets at fair value through profit or loss	6.3	37,258,095	33,333,685
Total financial assets at fair value through profit or loss		37,258,095	33,333,685

Total financial assets		45,632,587	42,309,176
-------------------------------	--	-------------------	------------

Financial Liabilities

Financial liabilities measured at amortised cost			
Trade and other payables		1,132,991	587,987
Deferred Revenue - Government grants		2,529,009	4,298,118
Total financial liabilities measured at amortised cost		3,662,000	4,886,105

Net gains or losses on financial instruments

Financial assets at amortised cost			
Investment income		1,613,711	1,098,347
Interest income		50,739	61,308
Net gains on financial assets at amortised cost		1,664,450	1,159,655
Financial assets at fair value through profit or loss			
Fair value (loss)/gain		-	(3,711,968)
Net gains on financial assets at fair value through profit or loss		-	(3,711,968)

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 12: Financial instruments (cont)

12.2 Financial risk management objectives

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while meeting its social responsibility for food security through the optimisation of debt and grant funding.

The capital structure of the Company consists of issued share capital and retained surplus as disclosed in the statement of changes in equity.

The Company is not subject to externally imposed capital requirements. Operating cash flows are used to operate and expand operations.

The nature of services provided contribute to the high liquidity risk underlying the financial instruments. The Company is dependent on ongoing government support to provide food security and quality stores within remote communities.

The Company has formalised risk management processes in place, in-line with ISO 3100 standards. A risk register is kept updated for all risks identified for the Company. It lends money to stores that it manages on approval from the Stores Assessment Committee, which is a subcommittee of the Board of Directors. Loans are provided at a discounted rate of interest.

The Store Assessment Committee's purpose is to review the viability of new stores proposed for management agreements to evaluate required establishment and support funds. This committee assists in mitigating liquidity risk prior to entering into a new contract. In some instances, the stores are unable to repay the loans and these amounts are then funded from grant income received from the Company's immediate parent and ultimate parent entity, the Australian Government.

The capital structure of the Company consists of debt and unexpended grant funding in note 8.2.

Market Risk

Other price risk

The Company is exposed to equity price risk arising from equity investments. The Company invested in portfolio which are held for trading purpose. The management has considered the impact of the price changes on its investment to be minimal.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company only deals with stores that it manages, related parties, funding bodies or credit worthy counter parties such as Metcash. Metcash supply inventory to Outback Stores. It therefore is in a position to ensure that it minimises its exposure to credit risk. As at 30 June 2023, the Company's maximum exposure to credit risk without taking into account any collateral or other credit enhancements is equivalent to the carrying amount of the respective recognised financial assets as stated in the statement of financial position and maximum amount the entity would have to pay if the financial guarantee is called upon irrespective of the likelihood of the guarantee being exercised.

Foreign currency risk management

The Company has minimum foreign exchange exposure and does not manage any implicit risk.

Interest rate risk

The Company's activities expose it to the financial risks of changes in interest rates. The Company has an investment policy and interest rate risks are managed by investing in short term interest bearing deposits, and lending to stores using varied maturity periods. Periods include up to ten years and are provided to stores at a discounted rate of interest.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 12: Financial instruments (cont)

There has been no change to the Company's exposure to market risks except for the exposure to the price risk related to the investment in financial assets at fair value through profit or loss. The manner in which the risk is measured and managed are detailed below.

Interest rate risk management

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk from term deposits and loans provided to remote community stores. Currently there is a treasury function policy and interest rate risk is managed by investing in short term interest bearing deposits and lending to stores over the period of agreed management contracts. Term deposits and trading accounts are held in pre-approved financial institutions only.

The following table illustrates the maturities for interest bearing financial assets subject to interest rate risk.

	Weighted Average effective interest rate	Less than 1 month	Between 1 to 3 months	Between 3 months to 1 year	Between 1 to 5 years	More than 5 years	Total
	%	\$	\$	\$	\$	\$	\$
2023							
Short term deposits (fixed interest rate)	2.96%	-	1,250,000	-	-	-	1,250,000
Other cash & cash equivalents (variable interest)	2.00%	3,054,111	-	-	-	-	3,054,111
Store loans (fixed interest rate)	5.85%	14,787	29,791	137,702	322,158	-	504,438
		3,068,898	1,279,791	137,702	322,158	-	4,808,549

2022							
Short term deposits (fixed interest rate)	0.34%	-	2,000,000	-	-	-	2,000,000
Other cash & cash equivalents (variable interest)	0.15%	3,927,750	-	-	-	-	3,927,750
Store loans (fixed interest rate)	5.85%	14,154	28,515	131,805	511,943	-	686,417
		3,941,904	2,028,515	131,805	511,943	-	6,614,167

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 12: Financial instruments (cont)

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. Ultimate responsibility for liquidity risk management exists with the Board of Directors.

The Company manages liquidity risk by maintaining adequate reserves and banking facilities (term deposits) to meet forecast cash flows taking into account maturity profiles of financial assets and liabilities.

The following table illustrates the maturities for financial liabilities attributable to liquidity risk. The tables have been drawn based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than 1 month	Between 1-3 months	Between 3 months to 1 year	Between 1 to 5 years	More than 5 years	Total
	\$	\$	\$	\$	\$	\$
2023						
Trade and other payables	-	1,853,305	-	-	-	1,853,305
Deferred revenue	-	-	2,529,009	-	-	2,529,009
	-	1,853,305	2,529,009	-	-	4,382,314
2022						
Trade and other payables	-	1,022,309	-	-	-	1,022,309
Deferred revenue	-	-	4,298,118	-	-	4,298,118
	-	1,022,309	4,298,118	-	-	5,320,427

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 12: Financial instruments (cont)

12.3: Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

The fair value of other financial assets and liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

Unless where otherwise stated, the directors consider the financial assets and financial liability carrying amount to also be its fair value.

Fair value hierarchy as at 30 June 2023

Financial assets	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss				
Investment in managed funds	37,258,095	-	-	37,258,095
Total	37,258,095	-	-	37,258,095

Fair value hierarchy as at 30 June 2022

Financial assets	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss				
Investment in managed funds	33,333,685	-	-	33,333,685
Total	33,333,685	-	-	33,333,685

The categorisation of fair value measurements into the different levels of the fair value hierarchy depends on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. Level 3 inputs are unobservable inputs for the asset and liability.

Outback Stores Pty Ltd

Notes to and forming part of the financial statements for the year ended 30 June 2023

Note 13: Contingent liabilities and contingent assets

There were no contingent liabilities and contingent assets at balance date that required reporting (2022: nil).

Note 14: Subsequent events

Subsequent to the year end, Mr. J. Rathore was appointed to the role of Deputy Chief Executive Officer and Mr. T. Criddle was appointed to the role of Chief Financial Officer. There has been no other matter or circumstance occurring subsequent to the year end that has significantly affected, or may significantly affect, the operations of Outback Stores, the results of its operations, or the state of affairs of the Company.

Note 15: Aggregate assets and liabilities

	Consolidated	
	2023	2022
	\$	\$
Assets expected to be recovered in:		
No more than 12 months	45,323,649	41,934,406
More than 12 months	2,975,130	3,375,142
Total assets	48,298,779	45,309,548
Liabilities expected to be settled in:		
No more than 12 months	5,964,493	7,096,866
More than 12 months	2,173,570	2,232,654
Total liabilities	8,138,063	9,329,520

Notes

A decorative footer consisting of a series of horizontal wavy lines and a spiral pattern, rendered in a light gray color. The wavy lines are composed of small dots, and the spiral is also formed by a series of concentric dots.

Notes

A decorative graphic at the bottom of the page consisting of a wavy line and a series of concentric circles, all rendered in a light gray dotted style.



OUTBACK

Stores
Working With Communities

PO Box 1953
Berrimah NT | 0828

Outback Stores
67 Pruen Road
Berrimah NT 0828

P: (08) 8982 1900
E: info@outbackstores.com.au
Contact Officer: Nicola Pitt

outbackstores.com.au

