

**Senate Finance and Public Administration Legislation Committee
—Additional Estimates Hearing—February 2017**

Answers to Questions on Notice

Parliamentary departments, Department of Parliamentary Services

Topic: **Retail Strategy report**

Question: **55**

Written **Senator Wong**

Date set by the committee for the return of answer: 13 April 2017

Can a copy of the Retail Strategy report produced by the Maytrix Group be provided?

Answer

The Matrix Groups retail strategy report contains commercially sensitive information, such as individual operator's Licence fee amounts, so has not been provided in full. The Executive Summary to this report, which outlines recommendations and key findings, is attached.

AUSTRALIAN PARLIAMENT HOUSE RETAIL STRATEGY

14 January 2015





1 EXECUTIVE SUMMARY

1.1 Recommendations in Brief

The following summarises key recommendations for the Retail Strategy

1. Create 3 distinct retail zones; public and private retail and health and wellbeing through relocating tenancies.
2. Expansion of tenancy footprint, product range or services and provide dedicated support areas for retail staff:
 - Gift Shop
 - Physiotherapist
 - Hairdresser
 - Aussies Cafe

Relocation of bank to support tenancy footprint changes.

3. Formalise a service/ supply arrangement with pharmacy to provide prescription and medical supplies through the gym or medical centre.
4. Extend or realign the range of products and services which can be provided to respond to changing market demand and improve viability.
5. Investment in new fitouts to provide minimum facilities, improved profile and service. Provide tenure through 3-5 year agreements to achieve some investment by operators.
6. Contract Aussies Café with other commercial food service operations to improve efficiencies and menu offer through improved access to kitchen and services. Note some investment by operator.
7. Develop an alternative method of delivering grocery products which also provides a wider range and more competitive pricing.
8. Relocate the postal services to be adjacent to and operated by the gift shop to improve access, provide complementary services and improve operating costs/ return. Reconfigure general visitors exit through the Gift Shop.
9. Develop service standards and measures to more effectively manage and improve performance and gather information to effectively assess future contract and commercial options. Align all retail services contract under standard Licence Agreements and consistent contract conditions.
10. Invest in equipment and improve management of Loading Dock to improve processing and reduce costs of operating in a secure environment and improve food safety.
11. Support retail operators through absorbing some of the increased operating costs associated with operating in a security policy environment.
12. Provide some dedicated retail parking and a retail drop off zone to support staff change overs and management.
13. Improve contract and contract management resources and practices to enable DPS to more effectively manage performance of the contracts to minimum standards.



1.1.1 Retail Services

The following table summarises the retail services currently offered and proposed at APH and the proposed operating model and term for contracting arrangements.

Retail Service	In house contract model	Recommended contract type where out sourced	Term (years)	Model for contracting
Aussies Cafe	Not recommended	Licence Agreement	3-5	Tender with commercial operations (food)
Hairdresser	Not recommended	Licence Agreement	3-5	Renegotiate with current operator or EOI
Physiotherapist	Not recommended	Licence Agreement	3-5	Renegotiate with current operator or EOI
Postal Services	Recommended.	In house	N/A	Negotiate with Aust Post
Gift Shop	Recommended.	In house	N/A	N/A
Bank	Not recommended	Licence Agreement	3	Renegotiate with current operator
ATM	Not recommended	Service Agreement	3	N/A
Travel Services	Not recommended Possible discontinuation of on-site service	Licence Agreement		N/A
Pharmacy/ medical	Not recommended	Supply agreement only	N/A	Negotiate with approach through Pharmacy Guild

1.2 Key Findings

Retail services are contracted by the Department of Parliamentary Services (DPS) which has responsibility for oversight of service areas including retail and food services at Australian Parliament House (APH). Retail services are delivered by a range of providers under licence for defined terms. Current retail services were originally licenced for three or five year terms which have now either expired (and running month-to-month) or remain under licence for short periods. DPS has commissioned a Retail Strategy to inform the range of retail services, location, interdependency of retail services and contract conditions for forward planning. Retail services are provided for visitors (public retail services) and Parliamentarians, staff and visitors in restricted access areas (private retail services).

Retail services impact a wide number of stakeholders and critically must meet the needs of Parliamentarians, Staff and Visitors, as well as providing relevant retail services to enhance and be an attractor for visitors and guests to APH. In order to ensure retail planning is responsive to market demand and needs, the Retail Strategy is informed by stakeholder consultation with representatives across 4 Departments based at APH and other stakeholders across all areas of Parliamentary Services. Consideration was also given to the range of retail services at State Parliaments along with retail (gift) shops within cultural institutions.

The strategic intent for the retail services at APH has been defined as:

Providing value adding, high quality services to visitors, Parliamentarians, Staff and Visitors, enhancing the experience of APH whilst ensuring a commercially viable and effective retail operating environment.

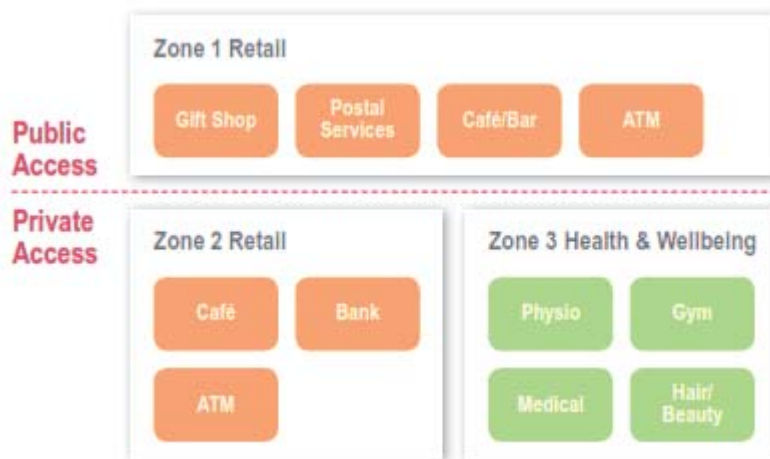
Stakeholder consultation, benchmarking of retail operations in parliamentary environments and assessment of prevailing market conditions and market demand have informed the development of strategic objectives for the Retail Strategy as to provide:

1. A range of high quality, service-driven retail services which enhance the reputation of APH and meets the needs and expectations of current and future public and private markets while maximising area for core business purposes.
2. A sustainable operating environment for retail services to ensure market competitive services.
3. An effective contract framework to support transparent reporting and effective contract management to maximise service quality and delivery.

This Retail Strategy includes recommendations expected to support improved range of services, more efficient services which respond to the needs of Parliamentarians, staff and visitors to APH. The commercial viability of the existing retail services within APH and the ability to attract high quality operators is impacted by the unique operating environment and conditions at APH, which need to be considered in future planning. These factors add complexity and cost to retail service operations at APH and limit the ability of contractors to create contemporary and differentiated retail outlets which maximise sales and a key factor in attracting a range of quality service providers in to the future.

The Retail Strategy proposes the rationalisation of some retail services, particularly where services may be provided without a retail presence at APH, increasing tenancies area of higher performing tenancies and the relocation of some tenancies to cluster retail services for logical and initiative access. It also proposes the development of retail zones and support zones which provide accessible consolidated retail services and staff amenities, and support ease and cost effective delivery of services to assist in reducing the cost implications of operating retail services in a secure and contained environment. The Strategy proposes the co-location of retail services in a deliberate and planned approach to support intuitive, logical and efficient access, creating 3 distinct retail zones:

1. Public Retail Services (Zone 1);
2. Private (secure access) Retail Services (Zone 2); and
3. 'Health and Wellbeing' Services (Zone 3).



Key recommendations detailed in the Retail Strategy are supported by a high level Action Plan with nominated key steps for implementation of the outlined recommendations. A needs analysis identified that most current retail services meet an existing demand; however feedback suggested that a small number of retail services no longer required a physical onsite presence and could be delivered through alternative models. The needs analysis also identified the opportunity for an extension of some retail services currently provided.