

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

Answers to Questions on Notice

Parliamentary departments, Department of Parliamentary Services

Topic: **Aussie's**
Question: **54**
Written **Senator Wong**

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

1. When was the contract with the current licensee of Aussie's Café, which expired on 31 March 2015, originally signed?
2. What was the specified duration of the original contract?
3. Did the contract have an option for a five year extension from 2015, but the Department of Parliamentary Services did not honour the option?
4. If so, why not?

Answer

1. The current Licence Agreement was executed on 1 June 2010 with a commencement date of 1 April 2010.
2. Five years.
3. There was a five year option available for DPS to exercise at its sole discretion before 31 December 2014 which, if exercised, would have had the effect of extending the term to 31 March 2020.
4. Extending the contract would have perpetuated the concerns raised by the ANAO regarding the absence of market testing of a licence arrangement that had never been offered to market previously. A decision was taken to undertake a review of all food and beverage services and retail services prior to extending any existing Licences. As part of that review a rent assessment was commissioned by DPS from an independent specialist retail valuer which demonstrated that the current Licence Agreement is significantly under rented. A new Licence Agreement adopting the valuer's recommendations has been issued to the owner of Aussies for a new term to 31 December 2019.