

ANUSA Commercial Ventures Update

as at 15 September 2023

ANUSA has been actively exploring several possible options for commercial ventures. This report provides an update on this work and an opportunity to provide feedback.

There have been two key projects explored:

1. A commercial food and beverage venture in Kambri;
2. Vending machine operation on campus.

Both projects are substantially advanced but cannot be implemented until they are financially viable and have the support of the University.

Purpose of commercial activity

ANUSA's commercial activity should be clearly purposeful. ANUSA is already a capable service delivery vehicle. If below-cost food offering is the key priority, this can be serviced within ANUSA's existing operational footprint, for instance through the BKSS or through expansions of the Universal Lunch Hour program. If high quality employment for students is the key priority, this can be achieved through expansion of existing ANUSA student employment or through partnerships with other organisations. This objective does not require ANUSA to operate a commercial venture. Ultimately, the reason for ANUSA to have commercial activities is revenue generation. The objective of revenue generation can be to a significant extent sustained concurrently with objectives of good employment conditions, relative affordability and social benefit, however unless we recognise revenue generation as the salient objective, we cannot justify exploring commercial ventures as opposed to consolidation of these objectives under our existing operational model.

Commercial venture

The University approached ANUSA this year regarding a tenancy in Kambri that was to become vacant. ANUSA presented a business plan to the University for food and beverage operations in this space. The plan received a sympathetic reception but the University advised that they needed more confidence that the proposed venture was commercially viable. ANUSA has since engaged commercial advisors who have assisted us to refine the concept for the venture. In the course of recent discussions with ANU representatives, it has become clear that the tenancy previously discussed may lack some fundamental technical specifications to support the venture. Accordingly, ANUSA has raised with ANU the prospect of ANUSA presenting a plan for an alternative vacant tenancy in Kambri. We have completed a site inspection of this space but it remains unclear at this point whether the University will be willing to provide this space to ANUSA and importantly, the terms on which they might be willing to provide it. In order to sustain affordable service offering, it will be necessary for ANU to offer a space at less than market rent.

The concept as proposed now combines a cafe-style food and beverage offering with high-end automated vending to provide hot food like pizza. This will allow affordable hot food to be offered late into the evening without full-service F&B labour costs making this concept unviable.

Vending

Through 2022 and into early 2023, ANUSA worked with ANU representatives to develop a proposal for ANUSA to operate vending machines on campus. This would create a revenue stream while also allowing ANUSA to consult actively with students to ensure that vending machine offerings matched students tastes. In particular, we received feedback from students that vending on campus primarily catered to western tastes. We presented our proposal in early 2023 and were advised that the University's representatives were supportive. Since then, the proposal has stalled as the relevant team in the University has advised they do not have capacity to advance it at present.

What do you think?

We are eager to hear student feedback!

Please send any questions or thoughts to Ben Yates at sa.president@anu.edu.au.