

Item 3.3

Outdoor Dining Extension

File No: S051491

Minute by the Lord Mayor

To Council:

Since the start of the pandemic, the City has played a key role in supporting the economy and community by providing \$149 million in funding towards grants, fee waivers, and rent relief. This includes \$52.5 million to support residents and businesses through grants and sponsorship programs, including more than \$3 million in food relief and quick response grants to support vulnerable communities. It also includes \$5.7 million in revenue foregone from waiving fees for outdoor dining permits.

On 17 May 2021, to help hospitality venues recover from the pandemic the City waived fees for outdoor dining permits and introduced a fast-tracked application process. Earlier this year we extended the fee waiver until 30 June 2023.

In accordance with the Outdoor Dining Guidelines, cafes, restaurants, bars and cultural venues can apply for an outdoor dining permit on the footpath or on the road space outside their venue, as long as it doesn't interfere with bus zones, 50km/hr roads, clearways, emergency parking, no stopping zone, cycleways or fire hydrants.

The City has supported over 500 businesses to trade on footpaths and on roadways as part of the alfresco dining program, with over 4,460 square metres in footpath space approved for alfresco dining. Our latest March 2022 survey results show that 91 per cent of participating businesses reported this program is crucial to their business, 74 per cent had employed additional staff, and 39 per cent had experienced up to a 20 per cent increase in turnover.

The fee waiver is due to expire because we no longer have health orders restricting indoor capacities and people are returning to the City. But with the threat of a new Covid wave and ongoing economic uncertainty, there is a continuing need to encourage outdoor dining – to support our businesses and give people another way to socialise and enjoy being out in the city, safely.

The pandemic showed us we can use our public spaces creatively. Outdoor dining supports local businesses, brings life to our high streets and fosters dining and shopping precincts as destinations. We need to continue to support businesses during this time and ensure alfresco dining is embedded in the streets of Sydney. That is why I am proposing Council extend the fee waiver for two more years.

However, our efforts to help businesses should not be seen by others as an opportunity to increase rents or unfairly favour some in the community over others.

We need to balance the needs of everyone who uses our public spaces. The City should review the fee waiver before it expires, to consider the economic circumstances at that time, the City's financial position, and the broader impacts and outcomes of the initiative in consultation with businesses and the community.

On-street dining can continue under State legislation, but only until 30 April 2023. We know demand for on-street parking is high. The City is also taking the opportunity to maximise outdoor dining and other community uses through future public domain upgrades, just as we've done in George Street and Crown Street, where we are proposing to permanently reallocate road space to outdoor dining.

Council is considering the updated Outdoor Dining Policy and Guidelines tonight. We have seen the community enjoy the extension of these spaces at our recent Sydney Streets events and we believe the reclamation of road space for outdoor dining will continue to revive the City this summer.

Recommendation

It is resolved that:

- (A) the Chief Executive Officer be requested to:
- (i) include in the next draft budget to be submitted to Council for endorsement to go on public exhibition an extension of the fee waiver for outdoor dining permits for an additional two years until 30 June 2025 at a cost of approximately \$4 million in revenue foregone;
 - (ii) review the use and implementation of outdoor dining permits prior to the expiry, in consultation with businesses and the community, including options for and cost implications of reintroduction of fees;
 - (iii) investigate locations where the footway can be permanently extended into road space for outdoor dining; and
 - (iv) report back via the CEO update; and
- (B) the Lord Mayor be requested to write to the NSW Premier and Leader of the Opposition to request they commit to supporting on-street dining with the funding and infrastructure needed to enable it to continue.

COUNCILLOR CLOVER MOORE

Lord Mayor