

27 August 2021

**Victorian Restrictions & Re-Opening
Restaurant & Catering Australia Submission**

Background:

Restaurant & Catering Australia (R&CA) is the national industry association representing the interests of more than 47,000 restaurants, cafés and catering businesses across Australia. Prior to Covid-19, the café, restaurant and catering sector generated over \$37 billion in retail turnover each year as well as employing 450,000 people. Over 92 per cent of businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

R&CA delivers tangible outcomes to small businesses within the hospitality industry by influencing the policy decisions and regulations that impact the sector's operating environment. R&CA is committed to ensuring the industry is recognised as one of excellence, professionalism, profitability and sustainability. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the restaurant experience to the public.

Catering & Event Industry in Australia

The Catering Services industry has significantly declined due to COVID-19. The sector is due to shrink by \$2.1 billion from \$ 7.7 billion 2018-19 to \$5.6 billion in 2019-20. The effects of COVID-19 during the latter half of 2019-20 have caused most events that require catering to be cancelled or postponed, stopping demand for industry services. As a result, industry revenue is forecast to decline by 20.2% in the current year. It is expected that the COVID-19 crisis will lead to a total more than 11,000 people across Australia being out of work, with the total catering workforce shrinking from 71,575 at 30 June 2019 to a decade low of 59,715 forecasted by the end of 2020-2021.

The Event Catering Industry, as a subset of the above, was projected to generate \$3.3 billion of economic activity in 2020. The sector is heavily reliant on weddings and household events, with more than 55% of the economic activity in this sector relating to either weddings or private events, where corporate events accounted for approximately 45% of the sector. As at October 2019, nearly 16,000 employees were employed in the sector, most being either seasonal, labour hire or casual staff. Activity in Victoria makes more than 30% of this sector, showing the contribution to the Victorian economy is in excess of \$750 million annually.

The Problem for Catering & Events

COVID-19 has completely changed the nature of function centres and caterers operating in the controlled events industry, rendering venues & kitchens across the country empty, thousands of staff out of work and billions in lost economic activity. Considering the re-opening of business in the hospitality sector across the country, function centres catering for private events like weddings are seeking to chart a sensible path forward to allow them to serve their customers, honour their contracts and get back to work.

These businesses currently fall between the cracks of existing restrictions, with rules relating to indoor/outdoor gatherings, restaurants and hospitality venues, weddings and funerals all intersecting, leading to confusion & uncertainty for businesses and their customers.

Recent restrictions announced by the Victorian Government have been confusing and contradictory in the way they deal with catering and events. R&CA strongly believes that catering and events should be treated as a separate sub-section of the hospitality guidelines, similarly to food and drink and food courts.

This would separate events in private events (weddings, funerals, etc) and businesses events, providing clearer rules and a genuine opportunity for these businesses to begin recovering from lockdown.

Common points of feedback from R&CA Catering Members

- **There is a real lack of clarity in Hospitality restrictions for functions and caterers.**

For example, having outdoor dining and indoor dining separated for functions and events, similar to other categories in the table of restrictions with similar levels of risk, for example Physical Recreation and Sport, Entertainment and Leisure, Creative Studios, Ceremonies & Religious Gatherings, Community Facilities.

- **Ensure business support packages do not let caterers fall through the cracks**

Current support packages completely insufficient as are not tailored to the business size. Catering businesses do not fit into the current one size fits all funding package. This could be resolved if there was a pathway for funding consideration for those that do not fall into the one size fits all, or if there was a way for businesses that applied for catering liquor licenses (temporary license) to be considered in the current Licensed Hospitality Support Fund. This could be solved by including catering liquor license (temporary license) within the current Licensed Hospitality Support Fund.

- **It is not financially viable for many functions and caterers to run events for any less than 150 people**

For many of R&CA members, they have clearly said that functions and catering were not able to begin at all between lockdown 5 and 6. The maximum party size of 10 guests means that businesses cannot hold events for up to weeks after restrictions begin to ease for other businesses. R&CA Members have expressed that a maximum party size of 10 per table, but up to 150 per group would be feasible, and they are prepared to add additional requirements to those events. For example, check in marshal, allocated seating, negative covid test, proof of double vaccination, staggered arrival time.

- **‘Minor’ Rules severely impact events’ abilities to proceed.**

For example, no dancefloor rules mean that many functions do not proceed due to harsh rules. Functions with dancing then cannot proceed, even though the risk should be seen as the same across various event types and interactions. For example, many patrons feel that with the Delta variant, eating and drinking at a table with 10 others poses a similar risk of transmission as dancing. Health orders should not distinguish between weddings and other functions in terms of how minor restriction rules are implemented.

R&CA Recommendations:

1. Utilise 150/300 (indoor/outdoor) like others or even 150/150 across all event types.
2. Expand the Licensed Hospitality Support Fund to include Caterers, or provide opportunity to apply for this fund
3. Remove the ‘group limit ‘of 10
4. Ensure that dancing is not restricted to weddings

An indicative series of restrictions for caterers and events, which could be included in the table of restrictions, is below.

Private events and catering: Open with a maximum patron cap of 150 people indoors and 150 people outdoors. Density quotient of 1 person per 4sqm applies. COVID safe plans must be in place, all guests must receive a negative COVID test within 72 hours of the private event or have proof of double vaccination. This applies regardless of venue (private home or food and drink facility). Dancefloors permitted.

Case Studies:

R&CA has attached 3 case studies below from members across Victoria outlining their experiences:

1. Case Study 1

At the announcement of Lockdown 6 we were desperately trying to get our Blakeaway store open (this has been the essential pivot we have had to do to stay afloat and thankfully has been very successful). We had a promising end of the month booked with events for August, and even a 100 person dinner for Essendon football club. Neredah and I burst into tears as our business Blakes Feast received another nail in the coffin, its starting to feels almost obsolete now. It’s another month of full wages and lots of conversations

trying to get clients to book events wasted, another month of event salaries for no income in return. Not only is it the financial toll and the stress, it's the anxiety and changes we (all the staff) have to make going in and out of each lockdown, we don't get to rest or watch Netflix , spend quality time with our families , we have to work harder for no revenue while telling all our staff it will be ok.

Nacim my operations manager had gone back to finland for 3 weeks to see his sick sister and assured me 5 times he would return as he has lived and breathed events for 10 years here – I sent you the message I received. I totally understood. It said it all – another amazing event professional who will probably leave the industry , he articulated how we feel so well.

Now we are faced with the impossible – there are no events and no event staff. Do we use our last energy to try and find some and get ready for what may be a busy summer? Do we push harder to try and get booking's that may be cancelled again. More conversations and planning about amazing events that will never happen? Or give up on our business we have worked so hard on and are so proud on and focus on the viable new one only? How will we even do both ? we don't have the time to think about it because we are too hard fighting to stay afloat.

After lockdown 6 we will have no clear pathway from the government, weeks more restrictions. No one wants to book events with so much uncertainty, they have lost faith.

2. Case Study 2

I have been thinking and I don't think I'm comfortable to pay \$13k for flight ticket and \$3k for quarantine for coming into a city that lockdowns every 2 weeks. And to be honest I have nothing else in Melbourne than work, and here I have my family, so I think I'm choosing my family. They need me here. And it is nice to be with the family.

Also it is nice to be free even there is here 700 cases a day but they or we have learnt to live with Corona. So sorry to let you know about this like this, but the last lockdown in Melbourne just made me make my final decision. I mean I will come back at some point to Melbourne but I don't think in September or October or even this year... it's just not the right time. And it would be almost third of my salary to come back...

Let me know what you think and what to do. As in I know you will not wait for me till end of year or next year. Would you like me to send a formal resignation letter by email or let me know. Thanks.

3. Case Study 3



Letter - Help.pdf