

29 March 2022

**R&CA Submission**  
**Proposal to waive outdoor dining and busking fees**  
**City of Melbourne**



## About R&CA

Restaurant & Catering Australia (R&CA) is the national industry association representing the interests of more than 55,000 restaurants, cafés and catering businesses across Australia, including the 16,061 venues in Victoria. The café, restaurant and catering sector is vitally important to the national economy, generating over \$37 billion in retail turnover each year as well as employing 350,000 people.

Over 93 per cent of businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

## Background

The COVID-19 pandemic had a severe and long-lasting impact on Victoria's hospitality sector. As a customer-facing industry, hospitality venues were some of the first to be shut and have subsequently been subjected to a multitude of restrictions since then.

Many of these businesses have experienced incredible financial hardship during this period. According to research company IBISWorld, restaurants, cafes and caterers across Australia have lost \$10 billion in bookings and events since the start of COVID-19.

## Impact of Outdoor Dining

During the pandemic, outdoor dining became incredibly important to hospitality businesses in Victoria. This came down to the fact that density limits for outdoor dining were much more relaxed than indoor dining based on health advice that appropriate ventilation minimised the spread of COVID-19.

During this period, governments across Australia openly encouraged outdoor dining, bringing not only a safety element that boosted consumer confidence, but revealed a way of creating livelier and more vibrant dining experiences and street scenes.

The advent of outdoor dining, coupled with council and state government support in terms of fee waivers and speeding up development applications, allowed many of these businesses, who had been completely devastated by the financial implications of COVID-19, to recoup the loss experienced during this pandemic.

R&CA's 2021 Benchmarking survey, which tracks the progress of Australia's hospitality industry from year to year, found that restaurants had increased their outdoor dining capacity from last year thanks to friendly government and council policies that made outdoor dining easier.

## Ventilation and COVID-19

COVID-19 is an airborne virus that spreads primarily through people breathing in virus containing droplets or aerosols. Advice from the government states that the risk of transmission is far greater in a poorly ventilated or cramped space due to the closeness between people and the inability for the aerosol to disperse.

The natural ventilation that outdoor dining provides is greatly encouraged by the Victorian government and would help to possibly prevent a huge spike in cases should future waves of COVID-19 occur.

This would allow businesses to remain open without having to shut for lack of staff or customers due to either publicly directed isolation orders or through a lack of consumer confidence.

## Conclusion and Recommendation

Outdoor dining has provided Melbourne businesses with a new way to provide great dining experiences to customers. Apart from adding to the vibrance of one of Australia's premiere dining destinations, it has also meant boosted consumer confidence and provided much needed ventilation in the face of COVID-19 and the potential of future variants of the virus.

As previously mentioned, Melbourne's hospitality businesses are under immense financial strain due to the past two years of the COVID-19 pandemic. A removal of the waiver regarding fees associated with the Extended Outdoor Dining Program, would be a huge blow to those who have done it so tough during the recent period.

An increase in the fees would also have the predicted outcome of forcing more people into indoor dining. In Melbourne this could be in cramped space, possibly leading to more cases of COVID-19 and the potential of more staff having to isolate. This would lead to more businesses being closed and staff having to forgo work as per public health orders.

R&CA suggests:

- 1) That Council continues to waive any permit and application fees associated with outdoor dining to stimulate economic growth and to reduce the spread of COVID-19.

- 2) That Council work with industry and seek ways to encourage and foster further outdoor dining initiatives for the benefit of business and visitors to the City of Melbourne.



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