

Councillor Noon - MoN - Outdoor Dining Fee exemption between May & August

Tuesday, 23 April 2024
Council

Council Member
Councillor Carmel Noon

Public

Contact Officer:
Ilia Houridis, Director City Shaping

MOTION ON NOTICE

Councillor Carmel Noon will move a motion and seek a seconder for the matter shown below to facilitate consideration by the Council:

'That Council:

1. Notes a survey of restaurants and cafes regarding outdoor dining was conducted during the first quarter of the 2024 calendar year.
2. Requests Administration provide a report on alternative models for outdoor dining fees, which includes exempting such fees between May and August (inclusive) each year due to the colder weather, which typically hampers customers' utilisation of outdoor dining spaces for consideration as part of the 2025/26 Annual Business Plan and Budget Process.'

ADMINISTRATION COMMENT

1. Council endorsed the reinstatement of outdoor dining fees as part of the 2023/24 Annual Business Plan & Budget.
2. The fee model has the same approach that was in place when fees were last charged, with the fees increased by CPI.
3. In February 2024, a survey was issued to all outdoor dining permit holders to obtain feedback on the impact of reinstated permit fees, and ideas for alternate fee models.
4. A summary of the survey results was shared with Council Members via email on 7 March 2024 – to complement a Committee workshop occurring that day regarding the draft 2024/25 Annual Business Plan & Budget. A copy of the survey results is available at [Link 1](#).
5. In relation to alternative fee models, the survey highlighted:
 - 5.1. 67 survey responses were received.
 - 5.2. When asked for alternate fee models City of Adelaide could offer to support outdoor dining businesses, the following themes were raised:
 - 5.2.1. No comment on alternate fee structures (23 responses).
 - 5.2.2. Should not be any fees (14 responses).
 - 5.2.3. Lower fee rate (11 responses).
 - 5.2.4. One fee to cover all elements (i.e. no extra charge for screens or blinds) (10 responses).
 - 5.2.5. Fee rate should be based on turnover (2 responses).

- 5.2.6. Fee rate should be seasonal (1 response).
 - 5.2.7. Fee rate should be based on merit (1 response).
 - 5.2.8. Extend same fee model to parklets (1 response).
6. The current outdoor dining fee model bases fees on the amount of public space occupied (per square metre), and the location of the permit, with a lower fee rate issued for areas which attract less foot traffic.
 7. There is an additional fee for areas which use fixed furniture, and for areas with café screens/blinds.
 8. Basing permit fees on the amount of public space occupied is consistent with the majority of other permitted activities within the City of Adelaide.
 9. Benchmark research has revealed that while fee amounts differ across jurisdictions, City of Adelaide's principle of charging by space occupied is consistent with the majority of other metropolitan and Capital City Councils.
 10. The only notably different models observed in our research, were fees based on the number of tables and chairs used (this model was previously adopted by City of Adelaide but considered to be inconsistent across businesses) and having alternate rates for licensed and non-licensed premises.
 11. City of Adelaide's fees remain amongst the least expensive outdoor dining fees across all metropolitan and Capital City Councils.
 12. In considering the model proposed in the Motion, the following preliminary observations include:
 - 12.1. Implementing a fee exemption from May to August would decrease the annual revenue received by approximately \$200,000 (the total revenue budget is \$550,000).
 - 12.2. Further investigation will be necessary to determine:
 - 12.2.1. Whether such exemptions should apply to areas activated during events or high traffic periods such as the AFL season.
 - 12.2.2. Fairness and equity given the outdoor areas of some businesses have amenities such as enclosed space, undercover areas and/or heaters providing weather protection.
 13. Should Council resolve to support the proposed Motion, a report on alternate fee models will be presented to Council in 2024/25, as part of the process to prepare the 2025/26 Annual Business Plan and Budget Process.

Should the motion be carried, the following implications of this motion should be considered. Note any costs provided are estimates only – no quotes or prices have been obtained:	
Public consultation	Not applicable
External consultant advice	Not applicable
Legal advice / litigation (eg contract breach)	Not applicable
Impacts on existing projects	Not applicable
Budget reallocation	Not applicable
Capital investment	Not applicable
Staff time in preparing the workshop / report requested in the motion	1 month
Other	Not applicable
Staff time in receiving and preparing this administration comment	To prepare this administration comment in response to the motion on notice took approximately 5.5 hours.