

# Outdoor Dining Report

Strategic Alignment - Our Places

Public

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City Finance and Governance  
Committee

**Program Contact:**

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**Approving Officer:**

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## EXECUTIVE SUMMARY

The purpose of this report is to respond to the 27 January 2026 Council resolution regarding the City of Adelaide's (CoA) approach to outdoor dining, including fees.

Council's Strategic Plan acknowledges the importance of outdoor dining in promoting economic activity and creating vibrancy. It also acknowledges public space being activated in a safe and accessible way for our community.

CoA's approach to balancing these priorities is reflected in the Outdoor Dining Guidelines, which seek to encourage the establishment of outdoor dining wherever feasible and appropriate and with minimum effort from businesses.

Council Administration has considered the objectives of the Guidelines, feedback from businesses, feedback from Members at the 17 March 2026 City Finance and Governance Committee Workshop, and benchmarking with other Councils.

This report recommends moving from annual permits to multi-year permits, reducing the need for businesses to undertake renewal processes each year.

To support businesses financially and encourage further outdoor dining activation, the report also recommends:

- Removing fees for transferring a permit to a new business in an existing location;
- Offering fee-free permits for the first 12 months for outdoor dining in new locations.
- Offering greater discounts to businesses located in lower pedestrian areas;

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## RECOMMENDATION

The following recommendation will be presented to Council on 28 April 2026 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the report and intention to alter the Outdoor Dining Guidelines to offer multi-year permits from 1 September 2026.
2. Approves the following changes to the 2026/27 outdoor dining fees as part of the draft 2026/27 Annual Business Plan and Budget:
  - 1.1. Removal of the 'Transfer of Permit' fee, currently \$131.50 per permit.
  - 1.2. Offering the first 12 months as fee-free for outdoor dining in new locations, or locations that have not had outdoor dining in place for more than 12 months.
  - 1.3. Discounting the fee rate for businesses located in lower pedestrian areas to 50% of the standard outdoor dining rate, using the existing zoning boundaries.

## IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	<i>Strategic Alignment – Our Places</i>
Policy	The approach to outdoor dining is guided by the Outdoor Dining Guidelines and Temporary Use of Public Space Policy. The report recommendations align to current policy.
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	Opportunity to further support the hospitality sector and increase city vibrancy.
25/26 Budget Allocation	Outdoor Dining fees are expected to deliver approximately \$600k in 2025/26.
Proposed 26/27 Budget Allocation	If supported, the proposed changes outlined in the report will reduce the total revenue budget in 2026/27 by approximately \$29k, estimated at: <ul style="list-style-type: none"> <li>• \$8k for removal of 'Transfer of Permit' Fee;</li> <li>• \$21k for increased discount for permits located in lower pedestrian areas.</li> </ul>
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
25/26 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

## DISCUSSION

1. On 27 January 2026 Council requested a report and workshop regarding Outdoor Dining, [link 1](#).
2. A workshop regarding Outdoor Dining Opportunities was held at the 17 March 2026 City Finance and Governance Committee, [link 2](#).
3. The workshop outlined how the current Outdoor Dining Guidelines, [link 3](#), balance the delivery of Strategic Plan outcomes in creating city vibrancy and supporting hospitality businesses economically, while ensuring the city remains safe and accessible for all users.
4. This report provides a recommended approach to enhance the experience and modify the fee model to support outdoor dining activation across the city.

### Outdoor Dining in the City of Adelaide

5. Council's Strategic Plan acknowledges the importance of promoting economic activity and creating vibrancy.
6. It also acknowledges public space must be activated in a safe and accessible way for our community.
7. Council's Disability Access and Inclusion Plan (DAIP) 2024-2028 states: ensure outdoor dining and signage that support local businesses and economic activity doesn't block paths of travel.
8. The Outdoor Dining Guidelines were endorsed in 2016 and are regularly reviewed, setting the foundation for CoA's approach to balancing these competing priorities in facilitating outdoor dining.
9. There are currently 518 active outdoor dining permits generating approximately \$600k per annum.
10. A breakdown of the type and location of current permits is shown below:

#### Permit holders by location (differential fee rates)

Area	Permit Volume	Anticipated Fees
Central Activities and Main Streets	484	\$555k
Other	34	\$43k

#### Permit holders by fixed versus removeable furniture

	Permit Volume	Anticipated Fees*
Fixed Furniture	78	\$175k
Removable Furniture	440	\$357k

*\*Figures do not include additional linear metre fees for screens/blinds of approx. \$66k*

#### Permit holders by liquor license

	Permit Volume	Anticipated Fees
Licensed Venues	310	\$464k
Unlicensed Venues	208	\$134k

*\*Licensed venues are generally larger in size hence pay more than unlicensed venues.*

*\*Licensed venues represent 83% of the permit holders with fixed furniture.*

11. In June 2017 Council endorsed an Outdoor Dining Transition Plan regarding fixed furniture, which remains in place, [link 4](#).
  - 11.1. The Transition Plan supports businesses with fixed furniture approved under a previous policy by allowing their furniture to remain in place until a transition process is triggered.
  - 11.2. A number of scenarios trigger a transition, such as when a business permanently closes or when streets/footpaths are renewed.
  - 11.3. Information on the Transition Plan and each trigger is publicly available on Council's website: [link 5](#).
12. The 27 January 2026 resolution outlined a number of potential barriers to outdoor dining.
13. Each aspect listed in the resolution is addressed below, based on Administration's experience engaging with business operators, past surveys, and benchmarking with other councils. The information is an overview, noting, individual businesses have unique circumstances.

### Set up costs

14. Outdoor dining set up costs are largely within the control of an individual business owner.

15. A business owner has a level of choice in the location of their business, which directly impacts the space available for outdoor dining.
16. Fee information and an online fee calculator is available via the CoA website to help inform potential business owners in their decision making.
17. Businesses also select furniture of their choice for outdoor dining, with furniture prices varying.
18. CoA has waived new application fees for outdoor dining since 2019.

### **Application and processing timeframes**

19. CoA has made application processes easier for businesses in recent years.
20. Such process improvements include:
  - 20.1. Online application form and fee calculator.
  - 20.2. Renewal processes which are a simple online process if conditions remain the same.
  - 20.3. Promotion of verbal conversations with Council's dedicated Outdoor Dining Officer for new businesses prior to applying.
  - 20.4. Ability to pay fees via instalments upon request.
  - 20.5. A standard timeframe of ten working days from application to approval, should all required information be provided.
21. Administration reviewed external trends and noted many process improvement aspects being considered in other councils are already in place at CoA.
22. To further reduce application complexity, Administration proposes moving from annual outdoor dining permits to multi-year permits, reducing the administrative burden businesses face in permit renewal.
  - 22.1. Permits can be issued for a maximum of five years under the *Local Government Act 1999*.
  - 22.2. Annual invoicing process will still be required regardless of permit length. Should payments not be made, permits will become invalid.
  - 22.3. Businesses will be required to maintain current insurance information.

### **Space and operational constraints**

23. A business owner chooses the location for their business, which directly impacts the space available for outdoor dining and foot traffic.
24. The Outdoor Dining Guidelines outline required setbacks from public infrastructure (e.g. bus stops, benches and traffic lights) and space constraints, which can be considered prior to commencing. Setback and minimum pedestrian access widths maintain public safety, pedestrian access and support Council's DAIP 2024-2028 and Australian Standards.
25. Businesses can extend their outdoor dining area into the frontage of neighbouring businesses, subject to those business owners being in support.
26. The Outdoor Dining Guidelines allow flexibility for individual assessments on a case-by-case basis.
27. CoA requires businesses to remove furniture and store it outside of trading, as furniture left on street can encourage antisocial behaviour, impede pedestrian access and impact cleaning/amenity.
28. Administration understands this creates storage and resource challenges for some businesses, however supports maintaining the current position of requiring furniture to be removed outside of trading hours.
29. Council's Outdoor Dining Transition Plan supports the transition of legacy-approved fixed furniture to removeable furniture when triggered by certain events.
30. The type and placement of outdoor dining furniture also impacts Council's cleansing operations:
  - 30.1. Fixed furniture, planter boxes and other permanent structures can create challenges as they restrict access and prevent cleaning the full width of the footpath.
  - 30.2. The most effective time to clean footpaths is early in the morning, before businesses place furniture on the footpath and when pedestrian traffic is low.
  - 30.3. Administration note that many outdoor dining operators maintain and clean areas as well, which is referenced in permit conditions and creates a shared stewardship of the area.

### **Compliance and insurance requirements**

31. Council requires \$20m Public Liability insurance for those seeking to occupy the public realm for commercial use, including outdoor dining operators.
32. Requests for lower insurance amounts are considered on a case-by-case basis by Administration and Council's Mutual Liability Scheme.
33. The *Local Government Act* 1999 requires a permit to be issued when using the public realm for business purposes.
34. Permits support the management of public space, safety and liability for all parties.
35. Administration receive reports from community members when outdoor dining conditions are not being met, such as furniture left on street or footpaths being blocked. Council's response ranges from informal education to formal measures as per Council's City Safety Compliance and Enforcement Policy, [link 6](#).

### **Disruption from works or events**

36. Works often result in upgraded infrastructure and nearby events can attract additional customers.
37. Administration reviews requests from businesses in relation to disruptions:
  - 37.1. Refunds are not provided for indirect impacts of nearby works or events.
  - 37.2. If a permit holder is physically unable to occupy their permitted space due to such impacts, refunds can be issued for the duration the area is inaccessible.

### **Weather impacts and environmental factors**

38. Administration receives requests from businesses seeking ways to respond to temperature changes and protect customers from adverse weather. Often this involves requests for additional cover in the form of fixed, permanent infrastructure. Requests of this nature are generally not supported in the current Outdoor Dining Guidelines.
39. Businesses can, and do, install temporary screens and umbrellas.
40. CoA has previously implemented a grants program offering free outdoor heaters to many outdoor dining businesses during the recovery period post-COVID.

### **Low foot traffic**

41. The Adelaide Economic Development Agency (AEDA) is able to provide information to business owners and potential investors which includes pedestrian traffic and economic trend insights that help hospitality operators make informed business decisions.
42. Business operators are able to directly request specific data to inform their own business decisions.
43. CoA's current fee model reflects a lower fee rate for businesses located outside the Capital City and Main Street zones, to reflect that these areas generally have lower foot traffic.
44. The zone boundaries follow areas defined in the Planning & Design Code map, [link 7](#).
45. The current fee zones have been analysed with pedestrian foot traffic data available through AEDA across 2025, [link 8](#).
  - 45.1. Foot traffic data is based on analytics using anonymised mobile device data, providing a useful, high-level estimate of patterns and trends.
46. The foot traffic data broadly supports the existing discounted zones within the CBD being those that receive less foot traffic, with some exceptions.

### **Awareness of permit opportunities**

47. Administration consider the majority of hospitality businesses operating in, or considering operating in, Adelaide are aware of the potential for outdoor dining.
48. Information on outdoor dining is available online and AEDA also offer a wide range of services and programs supporting hospitality businesses including marketing, promotion, visibility, data and insights, business connections and networking.

### **Outdoor Dining Fees**

49. The outdoor dining fee model is underpinned by the following principles:
  - 49.1. Fees charged for the commercial use of public land.

- 49.2. Lower fee charged for areas with lower pedestrian traffic.
  - 49.3. Additional charged fee for fixed furniture.
  - 49.4. Higher fee charged for parklets.
50. The 2025/26 fee model and rates are shown on the table below.

Fee Description	Fee Type	Fee Rate
Outdoor Dining - Central Activity & Main Street Areas	Per square metre, per year	\$49.30
Outdoor Dining - Other Areas	Per square metre, per year	\$43.00
Parklets	Per square metre, per year	\$165.00
Outdoor Dining - Fixed Furniture Levy	Per square metre, per year	\$6.30
Outdoor Dining - PVC Blinds/Dining Screens Levy	Per linear metre, per year	\$54.80
Transfer of Permit	Per permit	\$131.50
Application Fee	Per application	\$0.00

51. The 17 March 2026 workshop outlined the history of outdoor dining fees and benchmarking information.

**Alternate Fee Models**

52. Learnings from previous fee waivers and models include:
- 52.1. Simple fee models provide ease of use and consistency for businesses.
  - 52.2. The more options that exist, the more complex it becomes along with feelings of perceived inequity.
  - 52.3. Prior waivers of outdoor dining fees generated consistency concerns from other sectors still being charged fees for the use of public space.
53. CoA issue annual fees based on amount of space, rather than seasonal fees or per chair/table. This approach is consistent with most councils and reduces the need for compliance monitoring based on how a business chooses to set up each day. If alternate methods are used, additional resourcing is likely to be required. For example:
- 53.1. Seasonal permits/fee rates: would require additional application processes and potentially create unintended consequences of additional compliance monitoring to confirm a business is using/not using their area appropriately in certain months.
  - 53.2. Means-tested fees: would require businesses supplying Council with additional financial information, and require additional resourcing for Council to monitor and assess.
  - 53.3. Fees per chair/table: incentivises businesses to state low numbers when applying but use more furniture in reality. It is also anticipated to generate increased compliance conversations relating to numbers of chairs and tables, which is not the intent of the Outdoor Dining Guidelines.

**Encouraging new businesses and outdoor dining activation**

54. The following three initiatives are recommended to encourage increased outdoor dining and support businesses.
55. Removing the 'Transfer of Permit' fee
- 55.1. The current fee model includes a fee of \$131.50 for transferring a permit to a new business owner.
  - 55.2. The fee is in place to reflect the administration resource required for Council to deliver the service.
  - 55.3. To support incoming business owners, it is recommended that the fee be waived.
  - 55.4. The projected budget impact is based on historical figures of permit transfer volume. Endorsing this change will lower the 2026/27 revenue budget by approximately \$8k.
56. Offering fee-free for first 12 months
- 56.1. To encourage outdoor dining in new areas, it is recommended that venues offering outdoor dining in new areas receive the first 12 months of operations permit fee free.

- 56.1.1. The initiative would target outdoor dining in locations which have never previously had outdoor dining, and locations that have not have outdoor dining in place for 12 months or more.
- 56.1.2. The initiative would not extend to a business taking over a venue that offered outdoor dining within the past 12 months.
- 56.2. Adopting this position is consistent with the approach for parklets and will allow a new business to experience the annual cycle of conditions to determine the value of offering outdoor dining before fees are charged.
- 56.3. As the initiative targets locations which do not currently have permits, there is no impact to projected revenue in 2026/27.
- 57. Further discounting outdoor dining in lower pedestrian areas
  - 57.1. The current fee model offers a discounted rate for businesses located in certain zones. The areas with a discounted rate generally have lower foot traffic.
  - 57.2. The current fee for lower pedestrian areas equates to a 14% discount on the standard outdoor dining rate.
  - 57.3. In reflection of the intent to further support outdoor dining in lower pedestrian areas, it is proposed to increase the discount to 50% of the standard outdoor dining rate.
  - 57.4. Based on active permits within the current zoning, this would impact 7% of permit holders (34 businesses) and reduce the 2026/27 budget by approximately \$21k.

#### **Review of Fee Zones**

- 58. As highlighted in point 20.5, current fee zones have been analysed with pedestrian foot traffic data through AEDA across 2025, [link 8](#).
- 59. Pedestrian foot traffic data broadly supports the existing discounted zones within the CBD being those that receive less foot traffic, with some exceptions.
- 60. Data in North Adelaide suggests some areas at the lower rate could be converted to the higher rate, however this is not being progressed.
- 61. As the data broadly supports the current state, the current zones are recommended to remain unchanged, using the pre-existing Planning & Design Code boundaries.
- 62. If zones are changed, risks of moving away from the pre-existing Planning & Design Code zones include:
  - 62.1. Additional complexity and perceived inequity from businesses not in discounted locations.
  - 62.2. Requirement to review the areas on an ongoing basis, creating resource implications for Administration.
  - 62.3. Limitations of the foot traffic data, which provides an estimate of patterns and trends.
  - 62.4. Some locations will increase in fees as data changes.
- 63. Administration recommends retaining the current zones and focusing Council's investment in supporting new outdoor dining venues across the entire City of Adelaide via the initiatives recommended in this report.
- 64. Should Council seek to expand the areas issued a discounted rate, an example expanded zone based on foot traffic data could include:
  - 64.1. Locations south of Grote/Wakefield Street up to South Terrace (but south of Gouger/Angas Street between Morphett and Pulteney Streets).
    - 64.1.1. Not including venues on Morphett, King William, Pulteney and Hutt Streets.
  - 64.2. The example expanded area is shown in [link 9](#).
  - 64.3. The example expanded area would provide a discount to approximately 26 additional permit holders. Discounting fees to 50% of the standard rate for these areas would further reduce the total revenue budget by approximately \$11k.

#### **The approach to enhancing outdoor dining**

- 65. Following the 17 March 2026 workshop feedback and assessment of the current landscape, Administration recommend improving the experience for outdoor dining businesses through:

- 65.1. Offering multi-year permits, negating the need for businesses to submit annual renewals.
- 65.2. Continuing to review and streamline application processes.
- 65.3. Removing the 'Transfer of Permit' fee, currently \$131.50 per permit (approximately \$8k budget impact).
- 65.4. Offering the first 12 months as fee-free for outdoor dining in new locations and locations without outdoor dining for 12 months or more.
- 65.5. Further discounting the fee rate for businesses located in lower pedestrian areas to be 50% of the standard rate, using existing zones (approximately \$21k budget impact).
66. If supported:
  - 66.1. Communication will be issued to permit holders following endorsement of the draft 2026/27 Annual Business Plan and Budget.
  - 66.2. Removal of the 'Transfer of Permit' fee and the offer of 12-month fee-free permits for new outdoor dining venues will be effective from 1 July 2026.
  - 66.3. Greater discounts for existing permit holders in lower pedestrian areas will be effective from the next permit renewal cycle commencing 1 September 2026 (i.e. refunds will not be issued for fees invoiced in 2025/26).
  - 66.4. Multi-year permits will be offered from the next annual permit renewal cycle commencing 1 September 2026.

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## DATA AND SUPPORTING INFORMATION

**Link 1** – Minutes of Council Meeting, 27 January 2026

**Link 2** – Outdoor Dining Workshop from 17 March 2026 City Finance and Governance Committee

**Link 3** – Outdoor Dining Guidelines

**Link 4** – Outdoor Dining Transition Plan – 13 June 2017 Council Report

**Link 5** – Outdoor Dining Transition Plan – Council Website

**Link 6** – City Safety Compliance and Enforcement Policy

**Link 7** – Planning & Design Code Zone Map

**Link 8** – Comparison to Pedestrian Foot Traffic Data from AEDA

**Link 9** – Example Expanded Zone Map

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## ATTACHMENTS

Nil

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