

Item 3.1

Permanently Waiving Outdoor Dining Fees

File No: S051491

Minute by the Lord Mayor

To Council:

Free outdoor dining supports our businesses and creates jobs, adds vibrancy to our streets, and provides more interesting destinations that attract local residents, workers and visitors.

Initially a measure to help hospitality venues recover from the pandemic, outdoor dining has become an essential part of the City's culture and street life.

People enjoy sitting outdoors to eat and drink. It can be more casual, easier for people with children or dogs, and presents a unique ambiance for experiencing our beautiful city – especially in Sydney's climate which is suited for outdoor dining all year round.

It is wonderful to see the transformation outdoor dining has had on our high streets, laneways and neighbourhoods as we use our public spaces more creatively.

Almost all businesses with outdoor dining have told us it is beneficial, or crucial, to their business – more than half have had an increase in turnover of around 20%. Many have employed new staff or increased staff hours – an estimated 200 jobs have been created from our free outdoor dining.

While on-road outdoor dining was technically made possible during the pandemic, it is supported by other City of Sydney programs, like our Sydney Streets events as well as our capital works projects. For example, our \$32 million upgrade of Crown Street is creating a more attractive streetscape with more space for outdoor dining and for displaying goods on the footpath. Similarly, the George Street pedestrian boulevard, which has attracted \$8 billion of private investment, is now enticing crowds of people sitting and walking, eating and drinking, shopping and chatting with friends.

We are also slowing traffic and upgrading streets to make them more pleasant for outdoor dining in areas like Oxford Street and Haymarket.

It is clear that outdoor dining has flourished since the City started waiving fees.

In May 2020, Council unanimously resolved to waive outdoor dining application and licence fees on the footpaths, and in November 2020, we expanded outdoor dining on to the roadway, with the support of the NSW Government. As part of the expanded program, we introduced a fast-tracked application process to help businesses quickly recover from the pandemic.

The NSW Government initially supported outdoor dining in our area by contributing to the cost of infrastructure, however since May 2023, the City has covered the total cost of the supporting infrastructure (i.e. concrete barriers) to make outdoor dining on the street possible.

Given the success of outdoor dining, Council has extended the fee waiver twice to support businesses – in July 2021 and November 2022. The current fee waiver is due to end on 30 June 2025.

In November 2022, when Council unanimously supported my Lord Mayoral Minute to extend the fee waiver, Council also requested the Chief Executive Officer to review our outdoor dining spaces and investigate locations where the footpath can be permanently extended into the road space – that work is well underway with a report to come back to Council.

In December 2023, the temporary Covid legislation permitting outdoor dining on footpaths and roads without separate development applications was made permanent by the NSW Government.

In August 2024, Council unanimously resolved to extend the temporary use of road space and barriers for outdoor dining until 30 June 2025 to align the program with the City's current outdoor dining fee waiver and allow staff more time to investigate options as part of its review.

Since November 2020, 993 outdoor dining applications have been approved, 189 on-road and 804 on the footpath. An estimated 2,148sqm of road space and 10,837sqm in footpath space have been approved for outdoor dining. These applications have supported over 800 businesses.

By June this year, the total value of support we will have given businesses by waiving footpath and on-street outdoor dining fees since November 2020 will be around \$20 million.

Given the transformation outdoor dining has had on our City's dining culture, street vitality and nightlife, I am asking the Chief Executive Officer to investigate permanently waiving the application and licence fees for outdoor dining as part of the upcoming budget, to provide businesses with certainty and enable outdoor dining and associated benefits to continue to thrive in our city.

Recommendation

It is resolved that:

(A) Council note:

- (i) since November 2020, the City has approved 993 outdoor dining applications, supporting over 800 businesses;
- (ii) businesses utilising outdoor dining have found it beneficial or crucial to their business, have experienced an increase in turnover and has led to the creation of more jobs; and
- (iii) the City's current waiver for outdoor dining application and licence fees is due to expire on 30 June 2025;

- (B) the Chief Executive Officer be requested to:
- (i) investigate permanently waiving application and licence fees for outdoor dining for Council's consideration as part of the 2025/26 budget;
 - (ii) bring a report to Council on the outcome of the City's investigations into locations where the footpath can be permanently extended into road space for outdoor dining; and
 - (iii) write to all businesses with an outdoor dining approval to advise them of the permanent fee waiver and the application process if they wish to continue their outdoor dining after 30 June 2025; and
- (C) the Lord Mayor be requested to write to the Minister for Roads to request the NSW Government commit to supporting on-street dining with the funding and infrastructure needed to enable it to continue.

COUNCILLOR CLOVER MOORE AO

Lord Mayor