



# Footpath Trading Fee Policy Review

## Consultation on proposed amendments to the outdoor dining fee policy.

**The footpath trading fee policy that charges for outdoor dining is currently under review. A summary of proposed changes and incentives are outlined below and we are inviting your comments.**

Our city continues to evolve in response to a growing population and Council recognises the valuable contribution of outdoor dining to the vibrancy of our streets. The current fee structure was introduced in 2003, and the increasing popularity of outdoor dining prompted a review into the fee structure to ensure the fee process remains equitable across the municipality.

A 2018 review undertaken has identified the opportunity to introduce tailored rates to newly identified areas and make the charging for outdoor dining more equitable for traders.

### Outdoor dining fees – current

The current footpath trading fee structure was introduced in 2003. It consists of four rates, (Acland Street, Fitzroy Street, Standard and Discounted).

The fees for tables and chairs are based on charging 25% of the average annual 'internal square metre' rental rate, and an additional 10% (charging 35%) where glass screens are used.

Fees are calculated per unit of furniture, rather than by the area occupied and adjusted every two years.

### Outdoor dining fees – proposed

There are three principles guiding the proposed update to the fee structure for outdoor dining: equity, transparency and ease of application.

- **Equity** – Our City is changing rapidly, and the fee structure must change with it to ensure businesses in our municipality are charged fees that reflect the precinct in which they operate.
- **Transparency** – The fee structure must be available and understood by the people and businesses impacted by it.
- **Ease of application** - Any changes to the current fee structure must ensure the process of applying the fees to all impact businesses remains simple and straightforward.

The proposed fee structure is a 22-tier structure that identifies individual rates for core precincts and adjacent areas, based on the latest retail rent data available.



This data would also inform officers of an appropriate delineation between 'premium' and 'secondary' areas, and in turn, the fees that should be charged. The 'Premium' and Secondary areas are defined as follows:

- Premium – The core part of a precinct where retail rents are more expensive
- Secondary – The areas adjacent to a core part of a precinct where retail rents are lesser.
- Tertiary - To replace the 'Discounted rate', a new 'Tertiary rate' is proposed for outdoor dining scenarios outside of the identified core precincts. The 'Tertiary rate' would be informed by a wide sample of retail rental data from businesses across the municipality that are located outside of the commercial precincts described as 'Primary and Secondary' rated locations.

Details of the proposed precincts and tailored rates are available on the project Have Your Say Page <https://haveyoursay.portphillip.vic.gov.au>.

This proposal would also reduce the base rates charged for tables and chairs by 5%, to 20% of the average retail rents in each area, and a rate of 30% where glass screens are used.

If these changes are introduced in 2019/20, 82.4% of outdoor dining permit-holders would receive a discount when compared to fees charged in 2018/19. Fees would increase for approximately 17.5% of businesses.

### **Discounts and incentives**

The contribution of our café and restaurant industry strengthens our local economy and communities experience through creating vibrant lifestyle choices for residents and workers, providing employment and capturing income from visitors from outside of our local economy.

Council wants to encourage outdoor dining to increase vibrancy of retail areas and support local businesses. We currently support traders outdoor dining with interest-free, part-payment plans where fees are greater than \$800 per year, and the ability to nominate furniture quantities for high and low seasons to reduce the cost of footpath trading fees.

Two new incentives are proposed:

- Discounts due to major building works. As an inner-city area experiencing rapid growth, we recognise the impacts on businesses affected by major building works, including tram and streetscape upgrades. To support these situations, we proposed to provide discounts to affected traders. Each discount would be comparable to the length of each project.
- If a new or existing business would like to trial outdoor dining in a location where it has not previously occurred, fees would be discounted by 50% for the first year.

Visit Have your say to provide feedback on the proposed fee structure before 22 November 2018.