

## **R&CA Proposal – Vic Stimulus for Hospitality Sector 10 September 2020**

### **Background:**

The Victorian Government released their Coronavirus (COVID-19) roadmap to reopening on Sunday 6 September. The Roadmap placed significant and harsh restrictions on the hospitality sector, which limited their recovery to the final stages, with the initial re-opening being limited only to outdoor dining. R&CA believes that this roadmap is unworkable and unduly punishes hospitality businesses who have proven themselves able to operate in a COVID-Safe Way, as demonstrated in other states and territories.

R&CA believes that roadmap should change and that restriction levels, case number triggers and date progressions to not reflect a reasonable 'suppression' strategy as adopted by National Cabinet. However, should the roadmap not be amended, R&CA has outlined key stimulus & recovery measures that should be adopted to assist the sector in recovering through the roadmap until they are able to open in a less restricted way.

### **1. Targeted Micro-economic Stimulus**

Government to introduce a targeted voucher, available to every household, aimed at encouraging people to spend in their local restaurant, café or catering businesses.

R&CA is calling on government to provide up to \$100 towards the cost of a restaurant bill for households of two or more, or up to \$50 for single person households.

This measure would provide targeted support for the hospitality industry through a home-grown version of the UK's current "Eat Out to Help Out" initiative.

The scheme would be available for in-house dining when restrictions levels permit, as well as takeaway options (and pre-packaged meals) and contactless food delivery where the consumer paid the businesses directly (not to an intermediary or third-party delivery service).

There are 2.1 million households in Victoria as per the 2016 Census, with 522,000 being single person household.

The cost of this program would cost approximately \$200m to the state budget.

### **2. Cash grants to support re-opening**

To supplement the existing cash grants that are available, businesses will need significant further assistance to be able to meet the cost of re-opening including stock ordering and other upfront costs.

There are 12,735 Cafes and Restaurants and 1,005 Catering Companies and Function Venues in Victoria.

R&CA believes that hospitality venues should be able to access re-opening grants of \$25,000 for small business and \$50,000 per larger business under a hospitality specific top-up to the Business Support Fund.

The cost to of this program to the state budget would be approximately \$368 million.

### **3. Outdoor Dining Program**

To assist businesses in making the transition to outdoor dining under the roadmap, R&CA believes that the below should be made available immediately to assist businesses with meeting the significant cost of moving to outdoor dining:

- Fast-tracking outdoor dining permits to ensure businesses have the permits to set up outside (72hr turn around) and consideration of making permanent licences granted during the pandemic.
- Restricting outdoor dining to 1 person per 2 square meters, rather than 1 person per 4sqm.
- Having the State Government waive or meet the cost of permits to local governments (costs can range between 15-75 dollars per sqm of outdoor space) meaning a licence for an outdoor space of 40sqm could be as high as \$3,000.
- Standardising rules across Vic for outdoor dining to assist operators with multiple sites and ensure compliance is simple.
- Turbocharging outdoor dining space by making un-used outdoor space available to nearby hospitality venues.
- Making grants available for cafes to purchase or hire outdoor equipment such as tables, chairs and umbrellas. R&CA believes this grant should be a flat fee of \$5,000 per business.

The approx. cost of this program to the state budget would be \$100 million.

### **4. Further Wage Subsidy**

As the JobKeeper 2.0 program was announced prior to the release of the roadmap, the staged reduction in JobKeeper payments do not adequately support Victorian businesses who will rely on JobKeeper staying at the full \$1500 per fortnight amount to survive and keep staff employed.

R&CA submits that the Federal Government should fund a Victorian specific 'top-up' to 31 December 2020, and should the Federal Government choose not the do this, the Victorian Government should fund this difference.