# Sydney café closure highlights council fee hikes and rising costs squeezing local businesses



A small business owner on Sydney’s northern beaches has closed his café after three and a half years, citing escalating costs and disputes with the local council as primary reasons for his decision. Nick Theodorou, 33, who ran Acai.Syd in Manly, expressed frustration over what he described as extortionate charges imposed by Northern Beaches Council, most notably a 150 per cent increase over three years in the outdoor seating levy.

Acai.Syd had gained popularity particularly among social media influencers for its soft serve açai and coconut bowls, making it a notable spot in the area. However, despite its initial success, Mr Theodorou said he struggled with rising expenses, including a weekly rent of $2,100 and increasing council fees.

“The main problem was with Northern Beaches Council, claiming he was hit with a 150 per cent increase over three years for an outdoor seating levy. That was for just two square metres. It was ridiculous," Mr Theodorou told Daily Mail Australia. He added, “Within 18 months it was more than twice the amount.” According to the council, the increase was part of a strategy to recover financial losses experienced during the COVID-19 pandemic.

Mr Theodorou described the council's approach as unhelpful and obstructive. "It felt like I was being extorted. It felt like I was dealing with the mob as opposed to a council," he said. “They wait until you’re 18 months in—when I'd invested in equipment, branding, and building this little business—and then they hit me with that.”

Challenges extended beyond the seating levy to ongoing disputes over bin collections, rubbish management, and forced shop closures due to water damage from the sea. Mr Theodorou recounted losing business during days when closures were forced, with no compensation, and disruptions caused by nearby waterworks that forced pedestrians to take detours, resulting in reduced customer traffic.

Northern Beaches Council defended its fees, stating that outdoor dining charges were temporarily removed during COVID but reinstated to balance public access, ratepayer interests, and commercial activity. A council spokesperson said, "As the business landscape is changing, it is fair to charge for businesses making money on public land." The council also noted that fees have remained fixed since October 2022 in recognition of inflationary pressures and were set based on assessments by an independent valuer considering factors such as location, amenity, and foot traffic.

Mr Theodorou also highlighted rent increases that were almost 40 per cent higher than when he first started, alongside council charges, making it increasingly difficult to sustain the business amid the broader cost-of-living crisis. “I just felt that at the end of every month there was something coming from somebody. We never felt like we could catch a break," he said.

In reflecting on the broader implications, Mr Theodorou expressed concern about the impact on Manly as a tourist destination. “Do they really want tourists coming to sunny Manly, that they've seen on a million postcards, to see half a dozen shops closed as they get off the ferry?” he questioned.

Northern Beaches Council stated it aims to promote a balance between public access, ratepayer interests, and commercial activity in determining fee structures for the use of public land, acknowledging the need to support businesses while managing community resources.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://manlybeachnews.com.au/manly-cafe-calls-for-change-in-21000-outdoor-dining-charges/> - This article discusses a Manly café's criticism of the $21,000 annual fee imposed by Northern Beaches Council for outdoor dining, highlighting the financial strain on local businesses.
2. <https://au.finance.yahoo.com/news/council-slammed-over-out-of-touch-21000-fee-for-struggling-industry-read-the-room-030305136.html> - This piece reports on the backlash against Northern Beaches Council's $21,000 outdoor dining fee, with industry leaders expressing concerns over its impact on struggling businesses.
3. <https://manlyobserver.com.au/beaches-businesses-fight-for-fairer-fees-for-outdoor-dining/> - This article covers the efforts of Manly businesses to negotiate fairer outdoor dining fees, including a partial success in reducing fees over winter.
4. <https://www.skynews.com.au/business/finance/cafe-in-bustling-sydney-suburb-slams-21000-fee-being-charged-by-northern-beaches-council-for-its-outdoor-dining/news-story/af3df8cb23f5af1a56ac7d9fe6be7617?nk=7b47a753cc79ab84dc8df9a54328ec82-1731297230> - This report highlights a café in Manly criticizing the $21,000 fee charged by Northern Beaches Council for outdoor dining, calling for reform to the fee structure.
5. <https://northernbeaches.infocouncil.biz/Open/2024/08/OC_13082024_AGN_2402_AT.htm> - This council meeting agenda includes discussions on outdoor dining and footpath merchandise policies, reflecting the council's approach to managing outdoor dining regulations.
6. <https://www.northernbeaches.nsw.gov.au/council/news/media-releases/have-your-say-councils-long-term-financial-sustainability> - This media release invites community feedback on options to support the long-term financial sustainability of community infrastructure and services, including considerations of rate increases.
7. <https://www.dailymail.co.uk/news/article-14662531/Popular-cafe-forced-close-doors-Acai-Syd.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data