



creating opportunity



Government of South Australia
Department of Trade and Economic
Development

starting a restaurant/cafe/take-away

a step-by-step guide

www.southaustralia.biz



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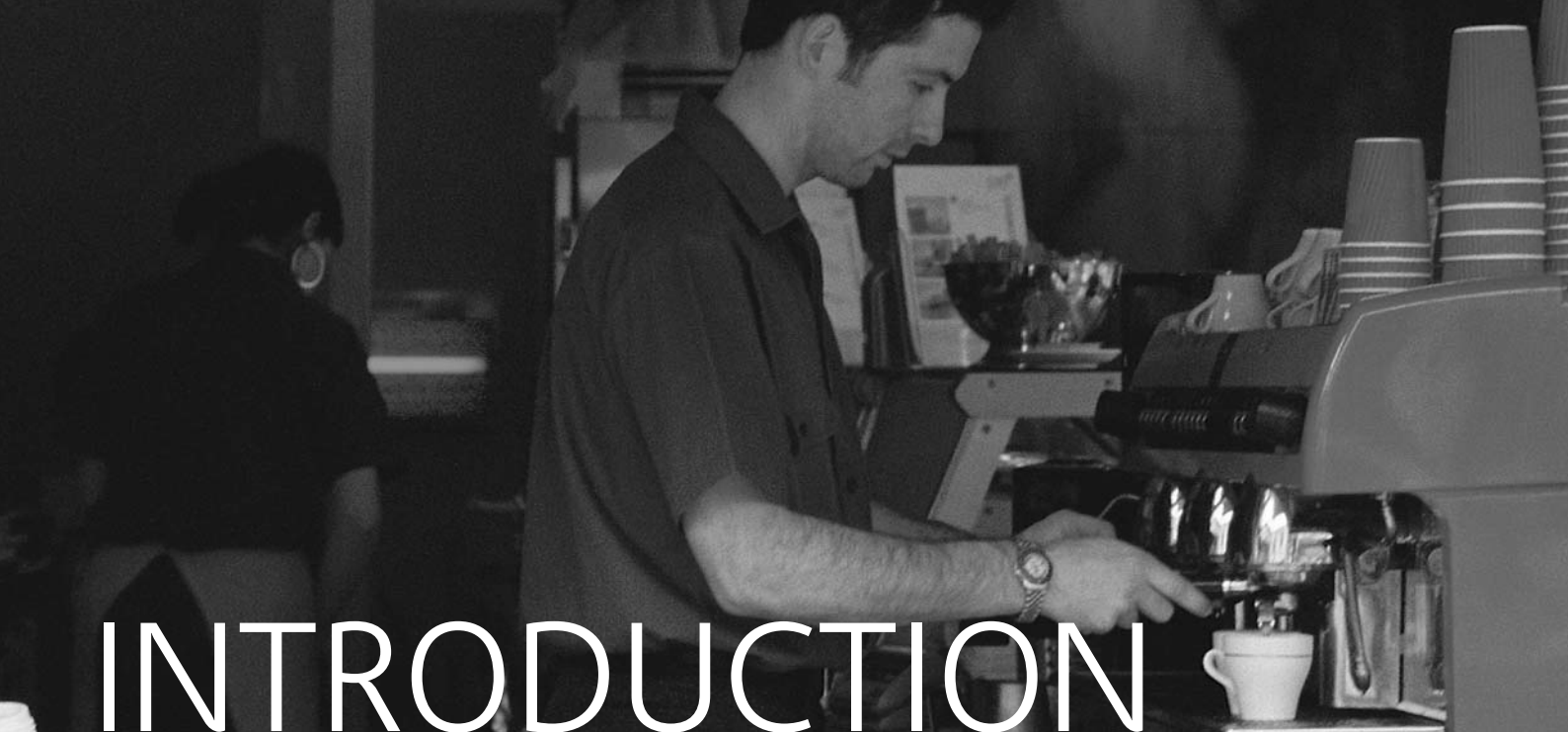
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INTRODUCTION

So you wish to start a restaurant, café or take-away business?

Starting a restaurant/café/take-away business can be exciting and rewarding, however there are many challenges that you will encounter along the way, and that's even before you open your doors.

A high percentage of businesses fail within their first three years of operation. Good ideas don't always make good businesses! Businesses that survive and thrive have a number of things in common. This guide will provide you with answers to many questions you may already have and will be a great starting point when considering commencing any new business.

It will also give you more specific help and information into what is required and what is recommended when starting or buying a restaurant/café/take-away business.

What this guide does cover

This guide is divided into five parts. It will assist you in making key decisions and provide advice in the following areas:

- I. Turning an Idea into a Business
- II. Business Planning
- III. Starting a Restaurant/Café/ Take-away Business
- IV. Licence and Regulatory Information
- V. Key Contacts and Industry Associations.

Parts I and II provide advice that can be used to set up businesses other than a restaurant, café or take-away business.

What this guide doesn't cover

This guide will not give you all the answers. Every effort has been made to ensure that information provided is accurate. You should note however that this information is intended as a guide only, providing an overview of general information available for new business starters. It is not intended to be an exhaustive source of information and should not be seen to constitute legal or financial advice. You should, when necessary, seek your own advice for any legal or financial issues raised in relation to establishing your business.

Those people that have had a successful business in another industry or State may wish to start reading industry specific information from Part III onwards. However, Parts I and II do provide you with a useful list of questions that you may wish to consider during the development of your business plan.



PART I

turning an idea into a business

Before you start any business you need to get a really good focus on your business idea and just what it is you want to do. Starting a business is risky at best and understanding the problems you will face and working out how you will tackle them before you start will increase your chances of succeeding.

Here are some questions to assist you to think through what you need to know and do:

About You

You will be your own most important asset, so an objective appraisal of your strengths and weaknesses is essential.

Ask yourself:

- Are you a self-starter?
- Do you get along with a variety of personalities?
- How good are you at making decisions?
- Do you have the physical and emotional stamina to run a business?
- How well do you plan and organise?
- How will the business affect your relationships/family?
- Have you worked for someone else as a supervisor or manager?
- Have you had any business training?
- Are you willing to take advice and constructive criticism?

About the money

One of the leading causes of business failure is insufficient start-up capital. Once you have taken care of your building and equipment needs you must also have enough money on hand to cover operating expenses for at least one year. In addition you should include your salary as the owner and money to repay any loans.

Ask yourself:

- How much money do you need to get started?
- Do you know how much you can contribute to the business set-up?
- What are the alternatives in financing your business?
- What do you need to do to get a loan?
- What should you know about accounting and record keeping?
- What level of profits do you anticipate?
- How much credit can you get from your suppliers?
- Are you willing to reinvest your salary/business profits to help your business grow?
- Have you talked to your Bank Manager and Accountant about your plans?
- Have you considered a partner?

About the Business

There are four basic needs for success in small business – sound management practices, industry experience, technical support and planning ability. Few people start a business with all these areas covered.

Ask yourself:

- How does your business idea differ from other similar business?
- What will you name your business? Why?
- What purpose will your restaurant/ café/take-away business serve?
- What is the state of the industry you are planning to enter?
- Who will your clients or customers be?
- How will you market your business' goods or services?
- How much will you charge?
- How will you measure your business success or failure?
- Who is your competition?
- Who will be your suppliers?
- Where will you operate your business?
- Is it a good location?
- Will you have sufficient room to expand if necessary?
- Do you know exactly what equipment and supplies you will need and how much they will cost?
- Have you a plan to control your inventory?



Image supplied by South Australian Tourism Commission

- What technology will you rely on?
- How will your business impact the environment?
- What will the hours of operation be?

If you are buying an existing business:

- Are you sure you know the real reason why the owner wants to sell?
- Have you compared the cost of buying an existing business with the cost of starting a new business?
- Is the equipment/inventory up to date and in good condition?
- Is the building in good condition?
- Will the landlord transfer the lease to you?
- Will the landlord allow any structural alterations?
- Have you considered buying a franchise?

About the People

Your staff will be critical to the success of your business. Your goal should be to hire employees who will be productive and add value to your business.

Ask yourself:

- How many employees will you need?
- Who will you hire?
- How will you recruit/hire?
- What qualifications/experience will they require?

- Will your family be involved?
- What wages will you pay?
- What training plans do you have?
- Should you employ contractors?
- Should you have an apprentice or trainee?

Before you employ staff you must ensure you understand how the structure of your business may affect the wages and conditions you will need to provide to your employees.

For instance, if your business is a constitutional corporation (trading as a company) you and your employees are governed by the federal workplace relations system.

If, however, your business is not trading as a company a state award will govern you. For award information that applies to your business in this circumstance go to the SafeWork SA website for more information www.safework.sa.gov.au

When you employ staff it is also important that you calculate your costs. The costs will not just include wages but also the ongoing costs of superannuation, workers compensation insurance, leave entitlements and possibly payroll tax. These can typically add 25-30% to wage

costs. Other costs that should be considered are those associated with training, equipment, protective clothing, fringe benefits and supervision. Finding and keeping the right staff is often the major challenge in business.



Types of Businesses

Before commencing a business you will need to decide what structure will suit your business. There are significant advantages and disadvantages for each type of structure and you should consult a business advisor, accountant or solicitor for advice.

The most common forms of business structure are:

Sole Trader

The business has no separate legal existence from its owner. As a sole trader you will be responsible for the liabilities of your business.

Partnership

Is a contractual relationship between two or more people where the profits, losses, risks and assets are legally shared according to the terms of the contract.

Trust

Is where a business is transferred to a third party who has legal control and has a duty to run that business to benefit someone else.

Company

Is a legal entity separate from its shareholders. A company director has additional legal and reporting obligations.

You should discuss the advantages and disadvantages of each business structure with your accountant and determine which is the most appropriate for you.

There are many and varied legal requirements when starting/operating a business. Because businesses are so diverse it is not possible or practical to list every mandatory requirement for all businesses. Businesses will also need to comply with federal, state and local council laws and requirements. A comprehensive flow chart is provided in Part IV – Licence/Regulatory Information. This section will assist by providing you with direction in meeting your legal obligations.

Knowing where to look and finding the right information easily is a great help when starting a new business. The Australian Government website www.business.gov.au has a comprehensive checklist for starting a business that is particularly useful. The checklist covers many of the legal requirements for business start-ups, provides useful advice and details the names, phone and web addresses of many relevant federal and state government agencies.

A few extra questions:

- Are you passionate about entering business?
- Could you make more money working for someone else?
- Do you have supportive family and friends?
- Do you understand how your work/life balance may change?
- Do you know where to get further help and advice?

If you have answered all these questions carefully you have already done some hard work and serious thinking. The next step is to put all these thoughts into words by creating a business plan.

Another great resource is the Service SA Website www.service.sa.gov.au. Service SA is the State Government's one-stop contact point for Government information and services. Particularly useful is the 'Starting a Business' link you will find under 'Life Events' on their home page or their link to 'Register a Business Name'.

The Service SA directory of 'Key Business Contacts' is also comprehensive.



PART II

business planning

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What is a business plan and why do I need one?

A business plan provides specific, organised information about your company. It provides direction, keeps you on track and is usually a requirement when you seek finance. It precisely defines your business, identifies your goals and serves as your business resume. It helps you allocate resources properly, handle unforeseen problems and make the right decisions. A business plan should be a work in progress. Even successful restaurant/café/take-away businesses should maintain a current business plan.

Every successful business plan should include something under each of the following topic headings:

1. Executive Summary
2. Market Analysis
3. Company Description
4. Organisation & Management
5. Marketing Planning & Sales Management
6. Product or Service
7. Funding
8. Financials
9. Appendix.

1. Executive Summary

The Executive Summary is the most important section of your business plan. It provides a concise overview of the entire plan and it tells the reader why you think your business ideas will be successful. It should be the last section you write after you work out all the details of your business plan.

Typically it would include:

- a mission/vision statement
- date of business commencement
- details of key personnel and the function they perform
- number of employees
- location of business
- description of plant or facilities
- products provided or services rendered
- banking relationship
- summary of company growth potential
- summary of management's future plans.

If you are just starting a restaurant/café/take-away business you won't have a lot of information or history to draw on.

Focus instead on your experience and background as well as the factors that led you to start this business. Show how your business can provide a solution for your target market.

2. Market Analysis

The market analysis section should illustrate your knowledge about the restaurant/café/take-away industry. This section should include an industry description and outlook, target market information, any market test results, lead times and a competitor evaluation.

a. Industry Description and Outlook

This overview should include a description of your industry, its current size, its historic rate of growth, trends and characteristics as well as major customer groups within your industry.

b. Target Market

Your target market is simply the group of customers you wish to focus on. When you are defining your target market it is important to narrow it to a manageable size as many businesses make the mistake of trying to be all things to all people. e.g. the corporate breakfast market, weddings and functions, passing tourist trade, etc.

You should state the characteristics of the primary market you are targeting, its size, the extent to which you feel you will be able to gain market share and why, your pricing and gross margin targets, your resources, the purchasing cycle of your potential customers, trends and potential changes which may impact your primary target market.



c. Market Tests

Include any results that may have come from any customer research or market testing.

d. Supply/Lead Times

You should detail the availability of supply of your inputs, the range of suppliers who can service you effectively and estimated lead times.

e. Competitive Analysis

You need to identify your competition by product or service as well as by market segment, assess their strengths and weaknesses, determine how important your target market is to your competition and identify any barriers, which may hinder you as you enter the market.

f. Regulatory Restrictions

This should include information related to customer or government regulatory requirements or potential changes in the future and how you will comply with these requirements.

3. Company Description

This section should look at how all the different elements of your business will fit together. It should explain succinctly why you are in the restaurant/café/take-away business, what market place needs you are satisfying and why your business will be successful.

4. Organisation and Management

Who does what in your business? What is their background and why are you bringing them into your business? You will need to detail your business organisational structure, details about the ownership, profiles of your management team and any specific skills or qualifications that may be relevant.

5. Marketing Strategy

Marketing definitions are numerous but fundamentally, marketing is the process of creating your customers and every business needs customers. This area in your plan should detail your strategy (a longer term direction) e.g. a franchise strategy rather than your marketing tactics (short term response) e.g. put advertisement in newspaper.

A separate promotional strategy or marketing plan should detail how you wish to communicate your message to customers. You may wish to use specialist agencies to help with your communication e.g. graphic designers for logos and signs, advertising agencies, public relations companies etc.

6. Product or Service

What are you selling? Focus on the areas where you have a distinct advantage with your product or service. Identify the niche you will be filling. Give the reader evidence as to why people will be willing to pay you versus others. Provide details of key suppliers, availability of product or service and product costs.

Overall this section should include:

- a detailed description of your food and service offering
- information related to your product's life cycle
- any protected procedures or recipes – particularly relevant for franchises
- any ongoing research.

7. Funding

If you are utilising a business plan to assist in securing funding you will need to include the following:

- your current funding requirement
- your future funding requirements (over the next 3-5 years)
- how you will use your funds (eg. capital expenditure, working capital, acquisitions, etc)
- any existing collateral (eg. your house or other assets).

Each explanation of these is extremely important to a future creditor since they will directly impact your ability to repay any loans.

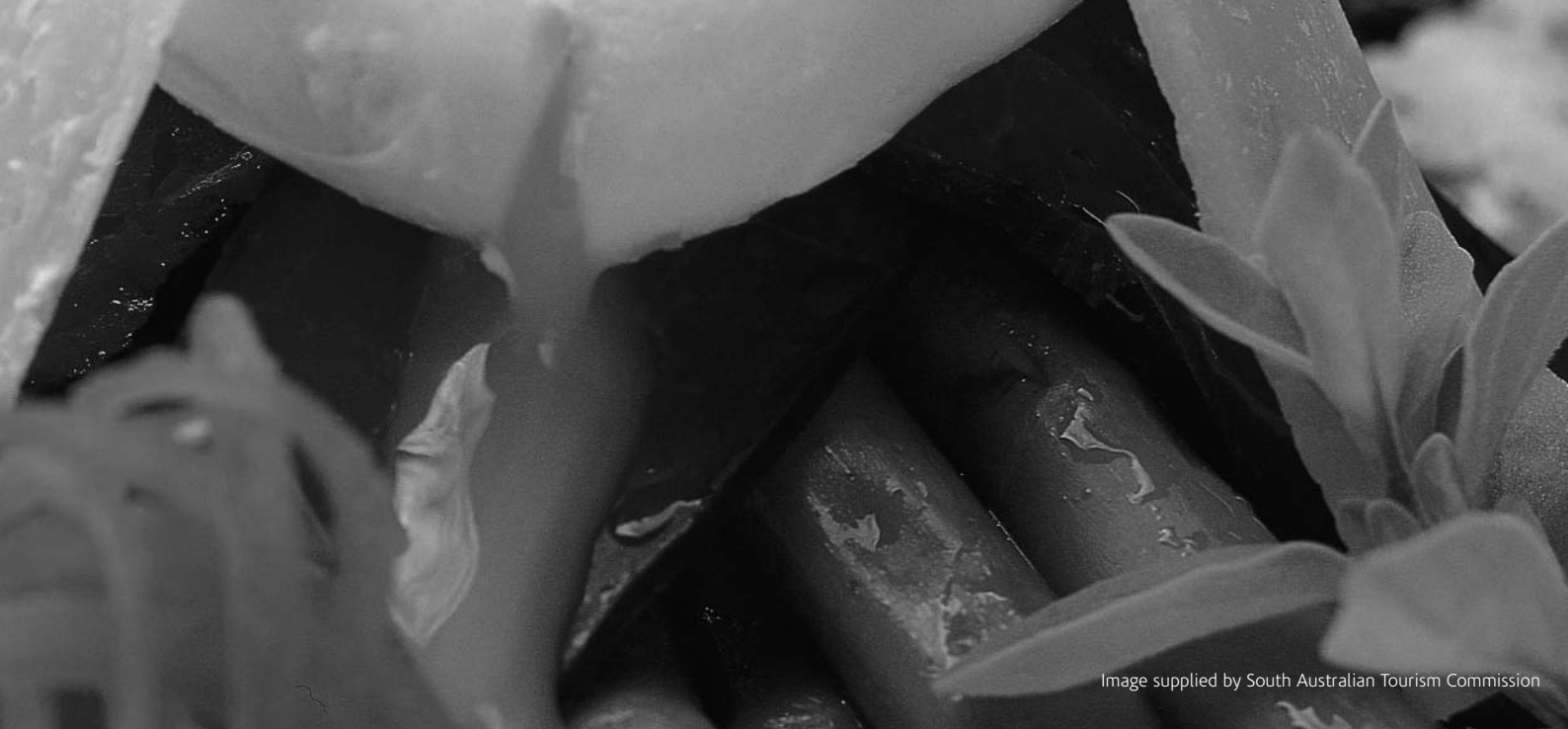


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8. Financials

The financials should be developed after you have analysed the market and set clear objectives.

You should include:

- historical financial data – if you are buying an established restaurant/café/take-away business you will need to provide historical data related to the businesses performance (3-5 year history if possible) of income statements, balance sheets and cash-flow statements.
- projected financial data – creditors will want to see what you expect your business to be able to achieve in the next 3-5 years. Each year's documents should include forecasted profit & loss statements, balance sheets, cash-flow statements and capital expenditure budgets. In your first year projections you should look at supplying monthly or quarterly figures. Make sure that your projections match any funding requests and there are no inconsistencies.

9. Appendix

The appendix section should only be provided to readers such as potential financiers on an "as needs" basis. Your business plan will be a critical reference and communication tool but it is not for everyone to see. Therefore the detail included in an appendix should be on hand but not always included in the main body of the plan.

Typically an appendix would include:

- credit history
- resumes of key staff
- menu/wine list
- recipe costings
- letters of reference
- market research findings
- copies of licences, permits, patents etc.
- copies of legal documents such as leases and contracts.

Any copies of your plan should be controlled. Keep a distribution record of who has a copy of your plan, as this will allow you to update and maintain your plan.

Business Planning Summary

Regardless of whether you are looking to raise finance for your business idea, if you have diligently completed the requirements of a formal business plan, researched and answered the questions about your business that need answering, you will be considerably better prepared for the challenges opening a restaurant/café/take-away business will bring.



PART III starting a restaurant/café/take-away business

So you wish to start a restaurant/café/take-away business?

Starting a business in the hospitality industry can be a rewarding undertaking and like all businesses it comes with its share of challenges. Before starting a restaurant/café/take-away business in South Australia it is wise to do your research. You must believe in your product or service, as it will consume much of your time, especially during the start-up phase. There are many issues to consider such as financing, regulations, taxation, marketing, managing your business and much, much more.

This section will specifically concentrate on providing further information and advice on starting a restaurant/café/take-away business. It is recommended that you read Part I: *Turning an Idea into a Business* and Part II: *Business Planning* first as the information and advice contained in these sections are important for any start-up business. Your industry association will also be a great place to start (Restaurant & Catering S.A. www.rcsa.asn.au).

Industry Overview

Australia's reputation for world class dining is well known. 26% of international tourists select Australia as a tourist destination on the basis of its food.

At the start of 2001 as many as 29,551 restaurant and catering businesses had registered for the GST. The Office of the Liquor and Gambling Commissioner (OLGC) in South Australia cites the number of licensed restaurants at 1012, with 558 Special Circumstances Licenses that include caterers, buses, limousines, pool halls, boats and vessels that may or may not serve food. In addition to these licensed venues, there are countless unlicensed shops and caterers all competing for that same hospitality market.

91% of all restaurant and catering businesses employ less than 20 people, making it a labour intensive service industry that sits squarely in the small business community.

Cuisine Styles

The percentage of restaurants in each cuisine style is as follows:

- Modern Australian 36.1%
- Chinese 14.5%
- Seafood 9.2%
- Italian 9.1%
- Thai 4.0%
- French 2.0%
- Japanese 1.9%
- Malaysian 1.1%
- Greek 1.0%
- Other 21.1%.

Snapshot

The figures below are from the Restaurant & Catering Australia 2006/2007 Benchmarking Survey

- 57% of the workforce are casual employees, while 17% are employed part time.
- Average turnover per business is \$250,000
- In SA we average 794 customers per week per business
- 27% of businesses are owned by a trust
- The average floor space for a restaurant in SA is 206.5 square metres
- On average 35% of turnover is wages, salaries and associated payroll costs
- On average 31.1% of turnover is cost of sales for food and beverage
- On average 6.2% of turnover is spent on rent, rates and insurances
- 54% of business is repeat business



Image supplied by South Australian Tourism Commission

Over 50 percent of meals in the US are eaten out of the home and whilst our dining landscape is somewhat different, the local market has experienced a similar trend. According to BIS Shrapnel, Australians are now eating 39 percent of our meals outside the home, with current predictions suggesting around the 50 percent mark by 2010. Work and lifestyle pressures often do not allow sufficient time for more and more people to prepare their own cuisine. They therefore rely on the nation's cafés, take-aways and restaurants to help cater for their dietary needs. The biggest winner in this emerging trend is the casual/café market. The combination of time poor office workers and the demand for cheap but quality food has seen an increase in the number and standard of casual eateries.

The food service/hospitality industry is demanding. Expect long days; often 10-15 hours per day. The business must excel in many areas such as food preparation and service, management, marketing, drink service, purchasing, inventory control and personnel administration. Just because your friends think you give good dinner parties does not necessarily mean the progression to successful restaurateur will be easy. Try and take any notion of romance or emotion out of the decision making process and quickly understand that to succeed you must be business-like in your approach and thinking.

Federal, state and local council laws govern the hospitality industry. It is imperative that as a start-up business you understand all pertinent regulations before making key decisions especially before purchasing or leasing a building. A separate flow chart of legal/licence requirements for the restaurant/café/take-away industry in South Australia is included in Part IV of this guide.

Types of Operation

Depending on your experience, finances, location and customers you will decide on the type of restaurant you wish to open.

- Traditional/Formal
- Casual dining
- Function venue
- Ethnic
- Café
- Fast food/take-away
- Cafeteria
- Caterer
- Licensed or unlicensed etc.

Location

For most businesses an appropriate location is critical. Choosing the right location for your restaurant can easily be the difference between success and failure. Considerations must include the needs of your business, where your customers and competitors are located and such things as access and parking, local council zoning restrictions, noise, transport and the environment.

Layout & Design

Professional assistance should be sought from reputable restaurant consultants, interior designers or experienced operators when contemplating the layout and design of your restaurant/café/take-away business.

Consideration should be given to:

- adequate space for tables and seating, serving areas, cashier areas, entertainment areas, bathroom facilities, bar, administration, staff room, disabled access/facilities etc.
- a kitchen that allows efficient and effective food preparation, interaction between staff, safety in movement, dry and cold storage, dishwashing, area for staff personal items, convenient delivery zone, ease of cleaning and maintenance, adequate temperature, lighting and ventilation etc.
- heating and cooling
- signage, traffic flow, emergency exits
- floor and window treatments (will significantly impact on noise levels)
- linen, cutlery, crockery and glassware
- music
- appropriate equipment purchase.



Seating Capacity

Most businesses will look to maximise their seating capacity so as to maximise their potential income. Seating numbers will obviously depend on the space available and the style, type, size and flexibility of your furnishing options.

Seating capacity may also be restricted by the terms of your liquor licence, the size of your restroom facilities, disabled access, emergency exits or the number of car parks you have available for your customers.

It is important to investigate any potential limitations of your seating capacity with the relevant authorities eg. Office of the Liquor & Gambling Commissioner (www.olg.sa.gov.au) or your local council before committing to a property or signing any lease agreement.

Your Product or Service

Whether you offer a full service 'a la carte' menu or take-away sandwiches it will be critical to prepare your menu and set the right price. Plan your menu carefully; know the items your customers prefer and how they like them prepared. Provide variety. Menu prices will be governed by market forces but are generally a combination of food costs and what is needed to meet expenses

and realise a profit. Food and drink costs change regularly and must be monitored. You must determine what your target market is willing to pay for the product or service that you provide and whether the profit margin this returns will allow you to sustain your business.

Industrial Relations

There has been considerable legislative change impacting the Industrial Relations area for all business. Workers are required to receive their minimum entitlements and to work in an environment that is safe and free from harassment or discrimination. To find out more about:

- awards and agreements
- the different ways of working
- leave
- superannuation
- termination and employment
- workplace health and safety
- workers compensation
- discrimination
- sexual harassment
- workplace bullying
- union and employer association.

Access the SafeWork SA website www.safework.sa.gov.au or contact the SafeWork SA Help Centre on 1300 365 255.

Staffing

Finding and keeping good staff in the hospitality industry is often the single biggest issue facing the new owner. The demand for positions available for front-of-house and kitchen staff currently exceeds the number of applicants available. For your operation to attract and retain the right staff you will need to be critically aware of what you must provide to potential employees.

Such as:

- good working conditions
- leadership
- clear procedures
- flexible rosters
- succession planning
- team building
- incentives
- appropriate remuneration
- training
- gratuities etc.

The hospitality industry is typically staffed by a large casual workforce and can utilise trainees and apprentices in various roles. Incentives are available to employers who contract apprentices or trainees.

For further information regarding employment of apprentices and trainees go to www.employment.sa.gov.au or for questions about training providers visit www.training.sa.gov.au



Image supplied by South Australian Tourism Commission

Opening Times

When will you trade?

Seven days a week? Open on public holidays? All day breakfasts?

All these options should be assessed but whatever you decide you should ensure that you:

- utilise your resources effectively
- have sufficient staff available
- meet the customers demands
- maximise the potential of peak periods
- maintain a life/work balance
- meet any requirements for opening/closing times that may be imposed on your business as a condition of your liquor licence (usually in conjunction with council recommendation).

When will you first open for business?

As a start-up restaurant this is a critical decision. Starting before the peak pre-Christmas period may provide you with a significant volume of customer traffic. However, opening in a peak period will also quickly expose any weaknesses in your kitchen and front-of-house systems, as they will be under significant pressure. As a new business you will be under scrutiny by your customers and start-up disasters in the restaurant business often don't recover.

Consider a 'soft' opening and ensure you and your staff are as prepared as can be.

Health & Safety

The preparation and service of food and drink comes with significant responsibilities and cannot be taken lightly. The potential for loss of your business and more tragically the loss of life is very real for operators who do not comply with health and safety regulations that apply to the food industry.

It is recommended that new business owners who wish to understand their Occupational Health & Safety (OH&S) obligations more fully, access the SafeWork SA website at www.safework.sa.gov.au. SafeWork SA has recently instigated a business advisory program specifically focussed on assisting small business. For assistance telephone SafeWork SA Help Centre on 1300 365 255.

Food safety legislation is designed to safeguard community health, increase community confidence and awareness of food safety and ensure South Australia meets national standards.

The following legislation applies to all food business in South Australia:

- The Food Act 2001
- Food Regulations 2002
- Food Safety Standards.

The three food safety standards used Australia wide set down the rules of how food must be handled and how premises and equipment must be appropriate for maintaining food safety.

These are:

- Standard 3.1.1 Interpretation and Application
- Standard 3.2.2 Food Safety Practices and General Requirements
- Standard 3.2.3 Premises and Equipment.

For copies of the food legislation, industry specific fact sheets, food safety bulletins and other resources visit the Department of Health website www.dh.sa.gov.au

The food legislation requires all new food businesses to notify their local council and provide business and contact details. Notification is required by law to ensure that councils know where all food businesses are located, how to contact them for inspection purposes and to provide guidance on food safety issues within their business. In South Australia there is generally no charge on notifying the council and you can often complete this online.



Councils' Environmental Health Officers (EHO's) are responsible for ensuring food businesses within their council area handle food safely. They will carry out routine inspections of food premises approximately every 6-12 months without notice based on a risk assessment and business performance. It certainly is recommended that new food business owners get to know their EHO and work with them in ensuring food safety standards are met.

In addition to food safety your EHO will assess what programs you have in place to control any potential pest or vermin infestation.

You have an obligation to your customers, staff and industry colleagues on joining this industry to make yourself fully aware of your responsibilities as a food business proprietor under the Food Act. You must ensure that the business complies with all the requirements of the food safety standards.

You must:

- ensure that any person handling or supervising the handling of food has appropriate skills and knowledge in food safety and hygiene
- provide easily accessible hand-washing facilities with warm running water, soap and single-use paper towels or air-dryers
- inform food handlers that they must report all illnesses
- exclude people from handling food where there is reasonable likelihood of food contamination.

If transporting food, two main food safety issues need to be considered:

- Protecting the food from contamination
- Correct temperature control if the food is potentially hazardous.

As an employer you also have a legislative obligation to provide compensation cover to protect your workforce and your business from significant potential financial impact of workplace injury or illness. Under South Australian law when you buy a business, appoint staff, or hire contractors you need to register with WorkCover within 14 days. Registration can be done online at www.workcover.com.au.

Once your registration is processed you will receive a confirmation letter and a Certificate of Registration that itemises your industry class and code, the rates and fees that apply and your total levy rate.

In the event of an emergency the owner or occupier of a restaurant/ café/take-away business must ensure the occupants of the building are able to exit safely.

You will need to have plans in place to control the emergency so that no person is put at risk at any time. You will have to consider evacuation plans, the training of your staff and their response in an emergency, the provision of fire equipment and emergency contact details.

Contact SafeWork SA Help Centre on 1300 365 255, access the Office of Liquor & Gaming Commissioner website www.olg.sa.gov.au and your local council to obtain further information.



Image supplied by South Australian Tourism Commission

Trade Waste

As a food business you must dispose of any waste or by-product responsibly. Wastewaters from business activities such as meal preparation and dish washing contain oil/grease and suspended solids at levels that can build up in sewer pipes, restricting flows and causing blockages. A "grease arrester" refers to a pre-treatment device that permits the separation by gravity of oil/grease and suspended solids from the wastewater. Contact SA Water for guidelines with regard to size and suitability for your business www.sawater.com.au

Trade waste comes in many forms:

- Packaging (cartons, bottles, plastic) – separate and store for recycling
- Food scraps and general waste – dispose of hygienically in appropriate sealed containers for collection
- Hazardous chemicals – ensure these are disposed of safely (not into storm water)
- Oil, fat and grease – contact SA Water to arrange assessment for the provision of a 'grease arrester' and periodic removal of suspended waste; and arrange pick up of discarded oils by a contractor
- Hard refuse – dispose of as per Council guidelines.

Your food business will require a plan to appropriately dispose of the above waste.

You may also wish to consider what your business can do to help ensure our environment is protected for future generations. Visit the Environment Protection Authority (EPA) website for further information www.epa.sa.gov.au

General Insurance

You will also need to consider protecting your business and customers with other insurances:

- Public liability
- Contents
- Building
- Machinery Break down
- Loss of Profit
- Income Protection etc.

A freezer break down can result in thousands of dollars in wasted product or a champagne cork to the eye of a customer could result in a hefty lawsuit. Consult your insurance broker for their advice on what appropriate insurances your business, council, landlord or financier requires.

Record Keeping

A good record keeping system should be simple to use, easy to understand, reliable, accurate, consistent and designed to provide information in a timely way. The legal requirements concerning financial records require that they be permanent, accurate and a complete record of your daily income and expenses.

Good business records will help you manage your business, meet your tax obligations and help make sound business decisions. It will assist you in completing and lodging your activity statements and income tax returns, making your superannuation contributions and paying your tax on time. The Australian Taxation Office (ATO) can impose significant penalties if you fail to keep the appropriate records. Refer to the ATO's comprehensive website www.ato.gov.au and look for the link 'New to Business' for a helpful checklist of your obligations.

There is a variety of book keeping recording systems available and it is wise to compare systems and discuss options with other similar businesses before you commit to a system. Your accountant should also be consulted, as your system should be able to expand with your business. Many hospitality industry specific software packages are available where point of sale transactions are integrated with the back office accounting package.



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Liquor Licence

What is a liquor licence? A liquor licence authorises the consumption of liquor and sale of liquor for consumption on the premises at any time with or ancillary to a genuine meal. The Liquor Licensing Act 1997 defines a meal as a genuine meal eaten while seated at a table.

There are a number of criteria and significant documentation required when applying for a liquor licence. A complete guide to lodging an application for a liquor licence can be found at the Office of the Liquor & Gambling Commissioner (OLGC) website www.olgc.sa.gov.au

The sourcing of documents, police checks, advertising your intent and the scheduling of a hearing date can take considerable time. For potential new restaurant business owners considering a liquor licence it is critical that preparation is completed well before an opening date is declared. If you are taking over an existing licensed establishment it is important to know that the licence will not automatically be transferred to the new business owners. An assignment of this licence to you as the new owner will need to be approved by the OLGC.

If you are successful in gaining a liquor licence you will need to ensure that a “responsible person” is in attendance at all times. This person will need to be approved by the OLGC after having completed accredited training in “Liquor Licensing Laws” and “The Responsible Service of Alcohol”. Many recognised hospitality training organizations can provide this training which takes approximately two half-days to complete.

Music

The benefits of playing recorded music in your business are many and varied and certainly can enhance the ambience when dining.

If you intend playing music, screening music videos/DVD’s or even having music on hold on your telephone you will need to be aware that a licence fee is required. There are at least two copyrights in most recordings and music videos:

- The copyright in the song (lyrics, composition etc.): licences available from APRA (Australasian Performing Rights Association) www.apra.com.au
- The copyright in the recording and/or music video of the song: licences available from PCCA (Phonographic Performance Company of Australia Limited) www.pcca.com.au

You will almost always require permission to play live or recorded music in your business or as your telephone ‘on hold’ music.

You can use the Business Music Licence Application SmartForm to work out which licences you will need to allow you to play music in your business. To download the SmartForm and apply online visit the Business Music Licence Application link on the www.business.gov.au website.

PART IV

licence and regulatory information

The following provides a guide to assist you in meeting your legal licence/permit obligations.

1. Your premises – to buy or not to buy?

If taking over an existing business, will you be renovating the premises?

Options	Requirements	Contact	Cost	Notes
YES	Development Application	Local Council	Varies	<ul style="list-style-type: none"> Renovations involving the structure of the building or plumbing require council approval Your builder will advise you of costs and time associated with any renovations
		Your Builder	Subject to work	
NO	No additional licences required			

If establishing a new business, where will your business operate?

Options	Requirements	Contact	Cost	Notes
New Premises	Development Application	Council	Advertising Costs	<ul style="list-style-type: none"> New buildings may require rezoning and or development applications You may need to advertise the redevelopment of the site Your builder will advise you of any costs and time associated with any renovations
		Your Builder	Subject to work	
Existing Premises	Development Application	Council	Advertising Costs	<ul style="list-style-type: none"> If the premises are not already used by a business industry of your type, you may require a development application (change of use) You may need to advertise the redevelopment of the site Your builder will advise you of any costs and time associated with any renovations
		Your Builder	Subject to work	



2. Your premises – to lease or not to lease?

If you buy an existing business you may choose to buy or lease the building in which the business operates. There are no licensing requirements for buying or leasing premises. However, you should consider the following:

If you lease your premises.

Requirements	Notes
Nil but consider: <ul style="list-style-type: none"> • Solicitors Fees • Cost of rent • Real estate agents fees 	Contact the Office of Consumer and Business Affairs www.ocba.sa.gov.au if you are leasing premises. They can provide you with information, which may minimise the likelihood of lease concerns in the future. Telephone 8204 9533 for further information.

3. Your premises – other issues

As part of your business will you discharge trade waste into the sewerage system?

Options	Requirements	Contact	Cost	Notes
YES	Application for Approval to Discharge Trade Waste	SA Water Council	Varies	<ul style="list-style-type: none"> • If you discharge any liquid other than domestic sewerage, then you discharge Trade Waste • Check with SA Water Trade Waste Unit on your obligations
NO	No other licences required			

Will your customers dine on the footpath?

Options	Requirements	Contact	Cost	Notes
YES	Outdoor Dining Permit	Council	Varies	<ul style="list-style-type: none"> • An existing permit may be transferred. Some councils do not regulate Outdoor Dining – check with your local council or Business Licence Information Service. • Some Councils require a Footpath Usage/ Obstruction Permit instead of Outdoor Dining
NO	No other licences required			



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Will you erect new or amend any existing advertising signage?

Options	Requirements	Contact	Cost	Notes
YES	Advertising Signage approval	Council	Varies	<ul style="list-style-type: none"> This may include 'A' frame signs on the footpath, although some councils do not regulate this form of signage. Check with your local council.
NO	No other licences required			

4. Your business structure

How will your business be structured?

Options	Requirements	Contact	Cost	Notes
Company	Registration of an Australian Company	Australian Securities and Investment Commission (ASIC)	Varies	<ul style="list-style-type: none"> You will need to know how many directors there will be
	Australian Business Number (ABN)	Australian Taxation Office (ATO)	Nil	<ul style="list-style-type: none"> ABN Registration can be made online at www.abr.gov.au
	Business Name Registration	Office of Consumer and Business Affairs (OCBA)	\$139 – for up to 3 years	<ul style="list-style-type: none"> You must register a business name if you trade using any name other than your own or your company name
	Business Name Change	Office of Consumer and Business Affairs (OCBA)	Nil unless late advice	<ul style="list-style-type: none"> Notify OCBA if you alter certain particulars on an existing business name registration (other than the name itself)
	Trade Mark Registration	Intellectual Property Australia (IP Australia)	Varies by class	<ul style="list-style-type: none"> A trademark protects your business name and/or logo from use by others. Renewal is required after 10 years



Options	Requirements	Contact	Cost	Notes
Partnership	Limited Partnership Formation	Office of Consumer and Business Affairs (OCBA)	Legal Fees	<ul style="list-style-type: none"> Consult your solicitor for legal advice when setting up a partnership
	Australian Business Number (ABN)	Australian Business Number (ABN)	Nil	<ul style="list-style-type: none"> ABN Registration can be made online at www.abr.gov.au
	Business Name Registration	Office of Consumer and Business Affairs (OCBA)	\$139 – for up to 3 years	<ul style="list-style-type: none"> You must register a business name if you trade using any name other than your own or your company name
	Business Name Change	Office of Consumer and Business Affairs (OCBA)	Nil unless late advice	<ul style="list-style-type: none"> Notify OCBA if you alter certain particulars on an existing business name registration (other than the name itself)
	Trade Mark Registration	Intellectual Property Australia (IP Australia)	Varies by class	<ul style="list-style-type: none"> A trademark protects your business name and/or logo from use by others. Renewal is required after 10 years
Sole Trader	Australian Business Number (ABN)	Australian Business Number (ABN)	Nil	<ul style="list-style-type: none"> ABN Registration can be made online at www.abr.gov.au



Image supplied by South Australian Tourism Commission

Options	Requirements	Contact	Cost	Notes
Trust	Business Name Registration	Office of Consumer and Business Affairs (OCBA)	\$139 – for up to 3 years	<ul style="list-style-type: none"> You must register a business name if you trade using any name other than your own or your company name
	Business Name Change	Office of Consumer and Business Affairs (OCBA)	Nil unless late advice	<ul style="list-style-type: none"> Notify OCBA if you alter certain particulars on an existing business name registration (other than the name itself)
	Trade Mark Registration	Intellectual Property Australia (IP Australia)	Varies by class	<ul style="list-style-type: none"> A trademark protects your business name and/or logo from use by others. Renewal is required after 10 years
	Australian Business Number (ABN)	Australian Business Number (ABN)	Nil	<ul style="list-style-type: none"> ABN Registration can be made online at www.abr.gov.au
I'm in business and not restructuring Trade Mark Registration	Trade Mark Registration	Intellectual Property Australia (IP Australia)	Varies by class	<ul style="list-style-type: none"> A trademark protects your business name and/or logo from use by others. Renewal is required after 10 years
	No other licence required	Your business may operate under your own name (with no additions) or your existing business name or company		



5. Employing Staff

There are a number of requirements associated with employing and managing staff.

Will you be employing staff?

Options	Requirements	Contact	Cost	Notes
YES with wages below \$42,000 per month	Superannuation Guarantee	Australian Taxation Office (ATO)	9% of gross salary	<ul style="list-style-type: none"> Refer www.ato.gov.au
	PAYG	Australian Taxation Office (ATO)	Nil	<ul style="list-style-type: none"> Register for PAYG when you apply for your ABN
	Workers Compensation	WorkCover SA	% of salary/wages	<ul style="list-style-type: none"> Register online at www.workcover.com.au Invoice will be issued
YES with wages above \$42,000 per month	Payroll Tax Registration	Revenue South Australia (RSA)	% of salary/wages calculated	<ul style="list-style-type: none"> Payroll Tax Registration at www.revnet.sa.gov.au
	Superannuation Guarantee	Australian Taxation Office (ATO)	9% Salary	<ul style="list-style-type: none"> Refer www.ato.gov.au
	PAYG	Australian Taxation Office (ATO)	Nil	<ul style="list-style-type: none"> Register for PAYG when you apply for your ABN
	Workers Compensation	WorkCover SA	% of salary/wages	<ul style="list-style-type: none"> Register online at www.workcover.com.au Invoice will be issued
NO	No other licences required			



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Are you considering employing any apprentices or trainees?

Options	Requirements	Contact	Cost	Notes
YES	Training Contract	Training and Apprenticeship Services (TAS)	Nil	<ul style="list-style-type: none">• No application fees required• Incentives are available to employers• Visit www.training.sa.gov.au or www.employment.sa.gov.au
NO	No other licences required			

Fringe benefits tax

Registration is required on a range of non-salary employment benefits provided to employees. There are no fees but you must lodge returns.

Contact the Australian Taxation Office for more information: www.ato.gov.au



6. Operating

Will you use your vehicle for your business?

Options	Requirements	Contact	Cost	Notes
YES	Commercial Vehicle Registration	Department for Transport, Energy and Infrastructure	Varies	<ul style="list-style-type: none"> This is the annual registration that applies to all commercial vehicles A commercial vehicle is defined as one built solely for carrying goods Visit www.ezyreg.sa.gov.au
NO	No other licences required			

Will you be playing recorded music for the benefit of your customers?

Options	Requirements	Contact	Cost	Notes
Recorded music (Including CDs, tapes, records, music videos, radio or television)	Music Licence – public performance or broadcasting	Australasian Performing Rights Association (APRA)	Varies	<ul style="list-style-type: none"> The Australasian Performing Rights Association Ltd collects revenue for all copyright music www.apra.com.au
	Music Licence – public performance of protected sound recordings	Phonographic Performance Company of Australia (PPCA)	Varies	<ul style="list-style-type: none"> Must also hold music licences for public performances and any broadcasting www.pcca.com.au
	Music Video Clips	Phonographic Performance Company of Australia (PPCA)	Varies	<ul style="list-style-type: none"> Must also hold music licences for public performances and any broadcasting www.pcca.com.au
NO	No other licences required			



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7. Requirements Specific to the Restaurant/Café/Take-Away Industry

To operate a restaurant/café/take-away food business you must be registered with the council and the design and layout of the premises must comply with the Food Act 2001 – further information is available from your local council.

You must notify your council that you intend to operate a food business.

Options	Contact	Cost	Notes
Food Business Notification Form	Council	Nil	<ul style="list-style-type: none"> Licensed Food Businesses may have more than one registered premises Most councils provide on-line notification All food businesses must be licensed with the council in which their food business is situated

Do you intend providing alcohol to your customers?

Options	Requirements	Contact	Cost	Notes
YES	Apply for a Liquor License (on Premise)	Office of the Liquor and Gambling Commissioner (OLGC)	Varies	<ul style="list-style-type: none"> Required to serve liquor for consumption on the premises and subject to the conditions of the license Visit www.olgc.sa.gov.au
NO	No other licences required			

The South Australian Government website Service SA www.service.sa.gov.au and Business Licence Information Service (BLIS) www.bli.net.au provide detailed and easy to find government services and regulatory information that will be extremely helpful for any start up restaurant, café or take-away business.

DISCLAIMER

While all care is taken to ensure all pricing quoted in this document is current and correct; it is advised that you confirm costing with the appropriate authority as fees may vary without notice.

PART V

key contacts and industry associations

Contact	Telephone	Email/Web	Address	Postal
Australasian Performing Rights Association (APRA)	(02) 9935 7900	apra@apra.com.au www.apra.com.au	6-12 Atchison Street St Leonards NSW 2065	Locked Bag 3665 St Leonards NSW 1590
Australian Securities & Investment Commission (ASIC)	(08) 8202 8400 1300 300 630	info.enquiries@asic.gov.au www.asic.gov.au	Level 8, 100 Pirie Street Adelaide SA 5000	GPO Box 9854 Adelaide SA 5001
Australian Taxation Office (ATO)	13 28 66	www.ato.gov.au	Refer website for nearest ATO office	GPO Box 9990 Adelaide SA 5001
Business Licence Information Service (BLIS)	1800 248 999	dtedinfo@state.sa.gov.au www.bli.net.au		GPO Box 1264 Adelaide SA 5001
Equal Opportunities Commission (EOC)	1800 188 163 (08) 8207 1977	www.eoc.sa.gov.au	Level 2, 45 Pirie Street Adelaide SA 5000	GPO Box 464 Adelaide SA 5001
Franchise Council of Australia (FCA)	1300 669 030	www.franchise.org.au	Suite 6 307 Wattletree Road Malvern East VIC 3145	PO Box 2195 Malvern East VIC 3145
Intellectual Property Australia (IP Aust)	1300 65 1010	assist@ipaustalia.gov.au www.ipaustalia.gov.au	Discovery House 47 Bowes Street Phillip ACT 2606	PO Box 200 Woden ACT 2606
Office of Consumer and Business Affairs (OCBA)	(08) 8204 9779	www.ocba.sa.gov.au	Level 41 Chesser House 91-97 Grenfell Street Adelaide SA 5000	GPO Box 965 Adelaide SA 5001
Office of Small Business (OSB)	(08) 8303 2400 1800 188 018	www.competitivesa.biz www.southaustralia.biz	Level 11 Terrace Towers 178 North Terrace Adelaide SA 5000	GPO Box 1264 Adelaide SA 5001
Office of the Liquor and Gambling Commissioner (OLGC)	(08) 8226 8410	olgc@agd.sa.gov.au www.olgc.sa.gov.au	9th Floor, East Wing Zurich Building 50 Grenfell St Adelaide SA 5000	GPO Box 2169 Adelaide SA 5001
Phonographic Performance Company of Australia (PPCA)	(02) 8569 1100	ppca.mail@ppca.com.au www.pcca.com.au		PO Box Q20 Queen Victoria Building NSW 1230



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Contact	Telephone	Email/Web	Address	Postal
Restaurant & Catering South Australia (R&CSA)	(08) 8351 7837	www.rcsa.asn.au www.restaurantcater.asn.au	10 Kingston Avenue Richmond SA 5033	PO Box 3261 Rundle Mall Adelaide SA 5000
SA Water	(08) 8207 1350	www.sawater.com.au	Trade Waste Unit East Terrace Thebarton SA 5031	Trade Waste Unit East Terrace Thebarton SA 5031
SafeWork SA	1300 365 255	www.safework.sa.gov.au	Level 3 1 Richmond Road Keswick SA 5035	GPO Box 465 Adelaide SA 5001
Service SA	13 23 24	www.service.sa.gov.au	EDS Centre 108 North Terrace Adelaide SA 5000	PO Box 8045 Station Arcade Adelaide SA 5000
Traineeship & Apprenticeship Services (TAS)	(08) 8226 3821	www.employment.sa.gov.au	Level 4 11 Waymouth Street Adelaide SA 5000	GPO Box 220 Adelaide SA 5001
WorkCover SA	13 18 55	info@workcover.com www.workcover.com	100 Waymouth Street Adelaide SA 5000	GPO Box 2668 Adelaide SA 5001
Workplace Services	1300 365 255	www.eric.sa.gov.au	Level 3 1 Richmond Road Keswick SA 5035	Level 3 1 Richmond Road Keswick SA 5035

**Department of Trade and
Economic Development**

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