

Bakery

Business start-up guide

Bakery industry overview

Demand for bakery products is growing as people learn more about the health benefits of eating protein-rich bread varieties such as brown, multigrain and rye.

Bakery operators sell an assortment of bread, cakes, tarts and biscuits that are usually made on premises or bought from domestic wholesalers. They require skills and knowledge in baking and marketing bakery products, as well as running a business.

Starting or buying a bakery involves many essential steps. Legally, you must ensure that you apply for and receive the correct licences.

This guide explains how to start a bakery in Queensland. It will help you understand the challenges and opportunities of entering the bakery industry so you can make good business decisions.

Getting into the bakery industry

Before you start a bakery in Queensland, you need to understand how the industry works, what things you need to consider in your planning, and the legal requirements you must meet.

Finding a competitive edge in Queensland's bakery industry

Australian bread and cake retailers have faced intense competition over the past 5 years from new operators.

Competition is usually based on price and product range, but there are a number of other ways for you to give your bakery a competitive edge. You can specialise in health foods and bake a range of products to meet certain diets (e.g. vegan, gluten-free, dairy-free).

You may choose to sell your baked goods to the public through a retail shop or to private customers, such as cafés, restaurants and other food services. You can also make friendly customer service a business goal to build relationships and keep customers returning.

Key success factors for bakeries

To build a successful bakery, you need to:

- be clear about the type of bakery and customers you want
- bake popular products
- place your bakery near your target customers
- hire experienced workers
- present your products well
- operate your bakery at full capacity.

Bakery entry barriers

There are minimal barriers to entering the bakery industry, except for the high start-up costs involved to buy or establish a bakery. If you join a franchise bakery model, you will also need to meet franchise costs such as royalty fees and advertising levies.

(Source IBISWorld, March 2012)

Bakery industry requirements

A number of licensing and registration regulations govern the food industry. Bakeries need to consider the following requirements.

Operating a food service business

To open or take over a bakery business, you may need a Food Business Licence from [the local council](#) where your food business is based. Licence costs and application processing times will vary so check details with your local council when you apply. Licensed food businesses may have more than 1 registered premises.

Legislation that may apply to your business

- *A New Tax System (Australian Business Number) Act 1999*
- *Australian Meat and Live-stock Industry Act 1997*
- *Corporations Act 2001*
- *Child Employment Act 2006*
- *Fire and Rescue Service Act 1990*
- *Food Act 2006*
- *Food Production (Safety) Act 2000*
- *Health Act 1937*
- *Health Regulation 1996*
- *Local Government Act 2009*
- *Motor Accident Insurance Act 1994*
- *National Measurement Act 1960*
- *Retail Shop Leases Act 1994*
- *Sale of Goods Act 1896*
- *Superannuation Guarantee (Administration) Act 1992*
- *Taxation Administration Act 2001*
- *Trading (Allowable Hours) Act 1990*
- *Work Health and Safety Act 2011*

To access copies of legislation, visit www.legislation.qld.gov.au.

Useful industry contacts

Business Support Unit

For more information on licences, regulations, market research, business planning and other support services phone 13 25 23 or visit business.qld.gov.au

Grain Growers Ltd

Phone (02) 9888 9600

Visit www.graingrowers.com.au

Organic Growers of Australia

Phone (07) 3350 5706

Visit www.organicgrowers.org.au

Restaurant & Catering Australia

Phone 1300 722 878

Visit www.restaurantcater.asn.au

The Bakery Industry Association of Queensland

Phone (07) 3832 6960

Visit www.biaq.org.au

The Organic Federation of Australia (OFA)

Phone 1300 657 435

Visit www.ofa.org.au