

Café or coffee shop

Business start-up guide

Café and coffee shop industry overview

Drinking coffee is a part of many Australians' daily routines. Demand for café and coffee shops is expected to grow over the next 5 years as the economy grows stronger.

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

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

Getting into the café and coffee shop industry

Before you start a café or coffee shop, 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 café and coffee shop industry

There are 4 main types of café or coffee shops and the type of business you choose can be a point of difference from nearby competitors:

- licensed cafés
- bring your own (BYO) cafés
- licensed and BYO cafés
- unlicensed cafés.

There is a lot of competition between café and coffee shop owners, as well as other businesses like restaurants, pubs, taverns and clubs.

There are 3 main areas where you can find your competitive edge:

- **price** - most cafés and coffee shops sell similar products so charging a competitively low price can help set you apart from your competitors
- **product quality** - another way to make your café or coffee shop stand out is to provide high-quality food and beverages
- **customer service** - superior customer service keeps customers coming back because they had a good experience in your café or coffee shop.

Key success factors for a café or coffee shop

To start a successful café or coffee shop, you need to:

- be clear about the type of café and customers you want
- design and market your business to your target customers
- adjust your goods and services to suit market conditions
- have business operating experience (e.g. managing cash flow, quality control)
- hire skilled staff
- meet government regulations
- operate your café or coffee shop at full capacity.

Café and coffee shop industry entry barriers

There is a high entry and exit rate of café and coffee shop businesses because there are few barriers to entry. You don't need formal qualifications, though experience or training in hospitality will be very useful.

The main barrier is finding enough money to start your café or coffee shop but there are ways to lower costs. You can lease premises, equipment, furniture and fittings instead of buying outright.

You can also get branded items, such as windbreaks, umbrellas, signs and staff clothing from suppliers at no cost in exchange for advertising. Another way to reduce start-up costs is to set up a franchise business that includes cheaper outfitting, equipment, training and computer systems.

(Source IBISWorld, March 2012)

Café and coffee shop industry requirements

A number of licensing and registration regulations govern the café industry. When starting a café or coffee shop you may need to consider the following requirements.

Operating a food service business

To serve food in your café or coffee shop, 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.

Serving alcohol to customers

To serve alcohol to your customers, you may need a [Liquor Licence \(Commercial other\)](#) from the Office of Liquor and Gaming Regulation. Licence costs vary depending on your business type so check with the Office of Liquor and Gaming Regulation when you request an application form.

Picking up meat (e.g. from an abattoir) to sell to customers

To pick up meat to sell to customers, you may need to fill in an [Application for Accreditation](#) from Safe Food Production Queensland. Accreditation costs vary depending on your business type and it may take Safe Food up to 4 weeks to process your application. You must ensure the meat's integrity for your customers' safety.

Food safety

You are legally required to meet the food health and safety standards set in the *Food Safety Act 2006* and *Food Production (Safety) Act 2000*. Ensure you make and store food safely for your customers. Learn more about [food industry regulations](#).

Legislation that may apply to your business

- *Fire and Rescue Service Act 1990*
- *Food Act 2006*
- *Liquor Act 1992*
- *Local Government Act 2009*
- *Retail Shop Leases Act 1994*
- *Sale of Goods Act 1896*
- *Vocational Education, Training and Employment Act 2000*
- *Water Supply (Safety and Reliability) Act 2008*
- *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

Australian Coffee Traders Association

Visit www.acta.org.au

Australian Retailers Association

Phone 1300 368 041

Visit www.retail.org.au

International Coffee Organisation

Visit www.ico.org

Restaurant & Catering Australia

Phone 1300 722 878

Visit www.restaurantcater.asn.au

The Australasian Specialty Coffee Association (AASCA)

Visit www.aasca.com

The Organic Federation of Australia (OFA)

Phone (03) 5634 7526

Visit www.ofa.org.au

United Retail Federation

Phone 1300 721 730

Visit www.unitedretailfederation.com.au