



BUSINESSNEWS
WESTERN AUSTRALIA

Food & Hospitality

- Increase in food truck operators during past four years
- Quality of food truck produce improving
- Vendors frustrated by street vending restrictions
- WA Mobile Food Vendors Association grows



Food trucks drive opportunity



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Competition is heating up in Perth's food truck sector, despite a number of unique challenges and bureaucratic hurdles.

JOSH Catalano and Stuart Fergusson are preparing to take their food truck business to the next stage, having launched The Fish Boss in mid-2016.

Off the back of first-year revenue of \$600,000, Messrs Catalano and Fergusson are on track to open their first fixed site

session in Northbridge eating Vietnamese, we wrote down the initial business plan on a tablecloth.

"Who are we going to get the money from? Where will we get sponsorship from and signage? What are we going to sell? How are we going to do it?"

"Then we said, 'yeah let's buy it', because we could see there was a niche there for us to take advantage of."

Mr Fergusson said his hospitality experience, coupled with Mr Catalano's business background, enabled them to develop the food truck project the way they wanted.

However, Mr Catalano said he didn't expect the business to generate as much money as it did in the first 12 months.

"The first six months in that business we were scratching our heads as well; we launched in winter, sales weren't there, Stu and I hadn't drawn a dollar out of the business," he said.

"I think Embargo Bar (at Elizabeth Quay) is where it started to change because we hit a different demographic.

"(Beforehand) we were sort of catering for low



EXPAND: Stuart Fergusson (left) and Josh Catalano at Yagan Square. Photo: Attila Csaszar

“The big picture is to have four or five outlets, and the thing about the food truck is it has taught us the process - Josh Catalano

in February this year at the Yagan Square retail precinct in the CBD.

A fixed location business was always the ultimate goal for Mr Catalano, a former MasterChef contestant and son of Catalano's Seafood owner Nick Catalano, and Mr Fergusson, a chef for more than 25 years.

"The truth is we didn't have any money and it (a food truck) was the best option we had," Mr Fergusson told *Business News*.

"Over a brainstorming

socio-economic areas and families and would still get good traction, but then (at Embargo) we were getting this younger crowd who were spending more money, coming back regularly and searching for us."

Mr Catalano said the business would continue to target crowds in the CBD with the launch of The Fish Boss at Yagan Square.

Unlike most food trucks, he said, The Fish Boss offered about 20 restaurant-quality menu options, making it the perfect stepping stone for a fixed site.

"The big picture is to have four or five outlets, and the thing about the food truck is it has taught us the process," Mr Catalano said.

"I think with the information behind the food truck and the agreed rent we have from the MRA

and Yagan Square, I'd be very surprised if we're not making profit in year one."

Market challenges

Mr Catalano said the requirement to constantly move their 'restaurant' presented challenges for food truck operators.

"Because you have to move your restaurant and set up and have bump in times, everything moves; your gas bottle might not have enough pressure, your generator might be running a little bit slower ... and the customer doesn't understand any of that and they don't care, and why should they," he said.

"Sometimes you go to an event and they (event organisers) say there'll be 500 people there, so we prepare for that and you get there and there are 2,500 people."

Mr Fergusson said



no say The Fish Boss food truck has been the ideal stepping stone to open a fixed-site restaurant at

529

MOBILE FOOD VENDORS REGISTERED IN PERTH

The Health Department of WA reported 529 mobile food businesses were registered within the Perth metropolitan region for the 2016-17 financial year.

Industry growth

Mr Jenkins told *Business News* the current food truck movement started in Perth about four years ago, having taken off in the US in 2007.

"The quality and design of the food trucks have gone through the roof in the last few years; it's actually a really exciting time because the industry is booming," Mr Jenkins said.

"It's almost as if there are too many food trucks jumping on the bandwagon, but for me as an organiser it's great, because it means I get to pick and choose the better ones. But I also appreciate some are really struggling."

He said the City of Wanneroo and the City of Gosnells were particularly progressive regarding food truck activations.

The City of Wanneroo has recently extended a food truck trial, organised by Community First Events, involving 46 food trucks rotating across locations in the area in lots of eight.

The City of Wanneroo found that 98.5 per cent of residents surveyed supported food truck trading within the city, nearly 80 per cent wanted to see food trucks trading year round, and 70 per cent wouldn't have travelled to a specific location if the food trucks had not been there

limited street trading was another major challenge.

"Councils are more inclined to give the management of their locations that they've activated to certain groups who have more trucks and want to manage trucks," he said.

"To be part of that group you have to be a part of an association, and then you have to apply to be on their roster with the emerging market food trucks."

Mr Catalano said he expected the food truck market to get tougher if current conditions persisted.

"People think if you buy a food truck you trade where you want, do what you want and pay no rent, but everywhere you trade someone takes money from you," he said.

"Our view is that if it's going to cost us any more than 10 per cent of our

turnover we don't do the event, because our margins are low and we need to make money just like any business."

"To get a food truck now and get amongst these other organisations that are grabbing that work (would be tough); but let's say the laws change and councils gave you street trading where you can pull up in a car park on the side of the road and trade, then the whole thing (market) would emerge again," he said.

The association

Sean Bryce founded the WA Mobile Food Vendors Association in February 2016 to create a unified industry voice and reduce challenges.

"We wanted to be able to liaise with government over inconsistent fees and charges, and also we

wanted to make sure vendors were basically given a fair go with regards to events," Mr Bryce told *Business News*.

From just 25 food vendors at its launch, the association has grown to represent 268, with about 20 new vendors joining each month.

Mr Bryce said the association provided a support network for truck owners while attracting councils and event organisers to seek work from the group.

Events company Community First Events, founded by Peter Jenkins, is one of a number of organisers that act as a middleman between local councils and vendors.

Mr Jenkins told *Business News* he preferred to work with the association as it offered a level of credibility and convenience. However, he also

occasionally worked with independent operators.

Mr Bryce said it wasn't always easy dealing with councils, and while some were more agreeable than others, some of the greatest challenges to the sector were inconsistent rules and regulations, and barriers to street trading.

"We believe it's a bit of a process to try and educate councils; by bringing food trucks into areas we can actually bring people into areas, which can help their businesses," he said.

An increase in fees by event organisers was another challenge, Mr Bryce said.

"Sadly, if you're a vendor and say your fees are too high, they'll just say, 'fine, we'll find someone else,' because I'd say at the moment we're oversupplied with food trucks," he said.



Perth feasts on food boxes

Perth's fresh food box market is becoming big business, with global player Hello Fresh launching in WA late last year as more local suppliers plan their launch.

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A NEW local business is preparing to dive into Perth's fresh food box sector, taking on the likes of global player Hello Fresh and a range of Western Australian operators.

Pitcher Partners chairman Bryan Hughes and his wife, Mai, who will launch My Foodie Box in coming months, are sanguine about the potential threat posed by Germany-based Hello Fresh, which arrived in Perth last November.

"I think the marketplace is becoming educated about the offering, so it's just a matter of us (My Foodie Box) stepping in and differentiating ourselves from the

other parties out there and saying give us a go," Mr Hughes told *Business News*.

"People have said to us, 'who is your market?' and we've deliberately chosen the name My Foodie Box because a foodie covers everybody – a foodie is from a St Georges Terrace lawyer to a student."

Mrs Hughes grew up in Paris, where her parents owned and operated a number of restaurants.

She said My Foodie Box would focus on attention to detail, with its Japanese chef Yuki Higashi their secret weapon.

Co-founder of 2016 Rising Stars winner, Dinner Twist, Chris Tistrand says Perth is an emerging market for fresh meal-prep services and, judging by Hello

Fresh's recent move, the multinational thinks so too.

Mr Tistrand and his wife, My, pioneered Perth's fresh food box movement in 2012; the city's first food box featured recipes and fresh local produce, with precise quantities for convenient cooking.

"It took us quite a while to get the concept up and make sure people understood what it was really about," Mr Tistrand told *Business News*.

"It was such a new thing for people that you could have the produce and just the recipes."

Mr Tistrand said it was early days, but he hadn't noticed a change in customer behaviour since Hello Fresh entered the local market.

“It's just a matter of us (My Foodie Box) stepping in and differentiating ourselves from the other parties out there – Bryan Hughes

While Hello Fresh emphasised cost and convenience, Dinner Twist focused on a balanced meal with locally sourced produce with an emphasis on serving families, he said.

If anything, You Plate It co-founder Mark Rawlings said, Hello Fresh would grow market awareness for the industry.

"Hello Fresh has got, obviously, the deepest pockets and I suspect they'll spend a lot of money on marketing and will be able to buy

themselves some market share," he said.

"But as a local Perth business we're kind of hoping that it'll really just increase the size of the pie."

When You Plate It entered the market, Dinner Twist was one of its only competitors, Mr Rawlings told *Business News*.

"We noticed we didn't steal very much (market share) from Dinner Twist at all; pretty much all of the customers we



LEADER: Chris (right) and My Tistrand say the advanced fresh food box market in Sweden inspired them to launch Perth's first food box business in 2012.

FRESH FOOD BOX PROVIDERS

Company Name	Founders	Year est. in WA	Total staff in WA	Price for 2-person meal set
Dinner Twist	Chris and My Tistrand	2012	44	\$105 for 4 meals
This Little Pig Went to the Market	Jessica and Katherine Kerr	2013	8	\$110 for 3 meals
You Plate It	Mark Rawlings and Paul Baumgartner	2014	15	\$105 for 4 meals
Prep'd	Kate and Keiran Brain	2016	6	\$100 for 3 meals
Little Harvest Co	Natalie Engelbrecht	2017	2	\$69 for 3 meals (vegan)
Hello Fresh	Dominik Richter, Thomas Griesel, Jessica Nilsson	2017	-	\$70 for 3 meals
My Foodie Box	Bryan and Mai Hughes	2018	10	-

acquired were unique because we'd gone after a segment of the market that they hadn't really gone after," he said.

"We started with a strong focus on double-income couples."

Mr Rawlings said he believed Dinner Twist had the largest customer base in the current market, closely followed by You Plate It.

"I think Dinner Twist and us have the advantage over Hello Fresh in that we are local and what we

source and supply is local," he said.

"I know that Hello Fresh, because of quarantine, they'll have to get some stuff here (WA), but also a lot of their other stuff gets fumigated in Sydney and sent all over Australia."

The operators of another local business, This Little Pig Went to Market, believe education and exposure around meal kits in WA is beneficial for all providers.

Co-founder Jessica Kerr said the business placed

a strong focus on targeting two major customer groups –25-35 year olds looking to try new ingredients and learn to cook, and those aged 50-plus who wanted to expand variety and reduce cooking time.

Meanwhile, at Prep'd husband-and-wife team, Kate and Keiran Brain, say their product is focused on families who desire speed, simplicity and convenience.

Business News sought unsuccessfully to contact Hello Fresh.

Special diets

Launched early last year, Little Harvest Co takes a different approach to most, focusing specifically on vegan and paleo diets.

"Our food is not just about convenience; it is about choosing to nourish your body and mind," founder Natalie Engelbrecht said.

Mrs Engelbrecht said Little Harvest would be rebranding as Nourish & Flourish Co as the business grew beyond food, with plans to become a lifestyle brand.

According to Little Harvest Co, Australians waste about \$10 billion worth of edible food per year, making precisely portioned food box services one way to reduce waste, provided they take a sustainable approach to packaging.

Consumer review publication *Choice Magazine*

compared the price of the Hello Fresh Classic food box (\$70 for three meals) and found the cost of buying the ingredients for the three meals from an average supermarket was not substantially cheaper (excluding delivery cost).

In reality, however, shoppers can take advantage of special offers and bulk purchase offers, thereby lowering costs, provided all produce and ingredients are ultimately consumed.

Fresh food boxes have been just one meal-prep service on the rise in Perth, with pre-made meal businesses in abundance.

Some options on the market include: Lunch Ladies; Kale and Co; Fit Kitchen; The Little Feast Company; Fresh Clean Eats; Home Chef; Poppet's Pantry; My Fit Lunchbox; Paleo Meals Direct; Wholistically Healthy; and The Daily Bite, which launched late last year.

Events embrace intimate flavour



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The operators behind UnWined Subiaco and Ice Cream Factory have tailored their approach to curate experiences different to traditional large-scale events.

LARGE crowds and big events were the hallmarks of Perth's events scene when Richard Campbell started in the business more than 30 years ago.

These days, however, the preference has shifted towards more intimate affairs.

"When I first started out in 1981 there was the home show, the electronic show, the boat show, the

operating today as The Good Food and Wine Show.

"I still had a good base of local boutique food and wine clients who didn't want to necessarily do big shows," Mr Campbell said.

"The aim was to have three or four events at different locations and times of the year to give small producers, who aren't on the shelves of national distributors, an opportunity to get their brand out there – the best way to promote your product is to put the taste in someone's mouth."

He said CMS Events currently had the most comprehensive showing of WA winemakers and distributors in the state across its three main annual events – UnWined Subiaco, City Wine and Sunset Wine.

The CMS team has also been contracted to run the 14th Taste Great Southern regional festival, held over 18 days in Albany, Denmark, Mt Barker, Kojonup and Katanning.

"If someone is tasting wine, they don't want to give it to a hand that's reaching from three people back, they want to talk to the customer, answer questions, educate and sell their product," Mr Campbell said.

"The one-on-one environment is very important to them; they sell more wine, and we provide the environment to generate that.

"But we can no longer get away with just saying we've got 40 wine exhibitors, we've now got to create a day out where you can also listen to live music – people want to be entertained.

"It's been one of the hardest adjustments I've had to make. It's important to keep our exhibition roots, but we can't ignore the entertainment."

CMS ventured into a new market last year, organising Australia's first Care and Ageing industry expo, but Mr Campbell said food and wine was still his core focus.

"These days you've probably got 400 or so (food and wine) events, and it's not just one every weekend, it can sometimes be three or four," he said.

"You need at least three years to get the financial model right or even up to five years to make a success of an event, getting the culture right.

"There are other companies that do what we do, but most opportunities are because of our contacts.

"And while events and event companies may come and go, the industry in WA is in a healthy position."

Sounds right

The market has been challenging for a number of operators in Perth's music festival space of late, with several players exiting the state.

In just five years the Southbound, Future Music Festival, Soundwave and Big Day Out music events have been scrapped, with organisers attributing poor ticket sales as the main reason for their demise.

However, where some see decline, others eye opportunity.

Aedan Buckley started out stocking fridges at music festivals at the age of 16 before founding his first business, Perth Bar Staff, in 2008.

Contracting staff to large-scale music festivals, Mr Buckley saw a chance to improve the experience for patrons fed up with big crowds and long lines by establishing his second venture, Bar Pop, with business partner Chris Bausor in 2013.

"I wanted to create a better experience for the customer," Mr Buckley told *Business News*.

“ The best way to promote your product is to put the taste in someone's mouth – Richard Campbell

car show and that was it ... they were huge shows attracting 60,000-plus people," Mr Campbell told *Business News*.

"Massive audiences are not always as personal; I try (now) to keep our events between 3,000 and 5,000 people."

A surveyor and draftsman by trade, Mr Campbell began in the home exhibition space in the 1980s before founding CMS Events in 1993 and establishing the Western Australian Wine and Food Festival in 1997.

He later sold the event to an interstate operator, with the event still



VARIATION: Richard Campbell says CMS Events has kept its exhibition roots while adding entertainment to its mix in line with market preferences. **Photo: Attila Cszaszar**

4,100 ICE CREAM FACTORY CAPACITY

"You look at what has left the market – these events were doing between 10,000 and 50,000 people at a time.

"It's an interesting time where the old models aren't working the way they once did – the idea of just putting five bands together on a field doesn't really work, you need to offer more.

"We've taken that segment of the market that was declining and created something else in its wake – a pop-up experience without having the festival negatives like the time waiting in line to get a drink; we really try to over cater it.

"With Bar Pop we curate from start to finish – from location to the type of food and drink on offer, and we wanted to make the experience rare and temporary."

Bar Pop's latest event, 'micro-festival' Ice Cream Factory, was held across 14 dates, concluding with sold-out shows by its last session on New Year's Day.

Like CMS Events, Bar Pop has focused on nurturing a smaller audience, with Ice Cream Factory catering for up to 4,100 people in the original Peters Ice Cream factory and on an adjoining grassed area on Roe Street in Northbridge.

In addition to DJs spread across dance floors inside and outside, the event also offered a bowling alley and karaoke.

"The idea for Ice Cream Factory was a journey of

discovery," Mr Buckley said.

"We tried to jam as much varied stuff as possible in one site – from bowling to a silent disco, a rave, or a nice rooftop VIP deck ... there were many different things to do."

Bar Pop housed bricks-and-mortar hospitality businesses for the event, including Mechanics Institute and Flipside Burgers, operating on a percentage-of-sales model.

Ice Cream Factory also incorporated an UberEats pick-up area for all other food operators in the locality and a back entrance into Paramount nightclub.

Mr Buckley said the venue had an early closing time of 11pm, as part of his aim to promote a collaborative model with



SUCCESS: Aedan Buckley's latest pop-up venue Ice Cream Factory, finished with sold-out sessions. **Photo: Bar Pop**



other nightlife venues, although New Year's Eve was an exception.

"I try to go to as many festivals as I can to see what people want, what's busy, what's cool and what works ... it gives me ideas," he said.

"I've had the luxury of going to Coachella, BottleRock and Governors Ball in the US, the Snowbombing festival in Austria and I get over to Splendour in the Grass (Byron Bay) every year.

"A lot of stuff from Ice Cream Factory happens all around the world; it just hadn't been done before in Perth."

Bar Pop and Perth Bar Staff currently have about 40 trading dates a

year, providing staff and management for events other than their own, including Perth Beer Festival, Falls Festival, Laneway Festival, Perth Festival and Fringe World.

"It's nice when crazy ideas work, but there's no quick solution," Mr Buckley said.

"Although it was year one for Ice Cream Factory, it was year four of the same model getting progressively better and fine-tuning, it's been a strategic effort to get to where we are.

"And to be honest it was three years of trading at a loss and figuring it all out, but this year it's going to be a year when the business turns a profit."

ENIQ SEARCH Fringe World



There are **161** results from our index of **93,212** articles, **9,182** companies and **31,375** people

Increasing appetite for loyalty

Fraser's Kings Park is among the early takers for a new program aiming to bring loyalty back to Perth's food scene.

Katie McDonald

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PERTH-BASED food news and reviews platform Ozeating has created a resource it hopes will boost business for local restaurants and food stores.

Members of the WAfoodies loyalty program will receive 10-20 per cent off a bill each time they visit a participating venue, and accumulate points that can go towards free food and drinks.

The program is due to launch publicly at the end of February following the completion of system trials and tests, with 1,000 members signed up already.

Ozeating founder Joel Hubble said the membership card was limited to about 250 invited restaurants, bars and cafes, as well as an additional 250 butchers, fishmongers, bakeries and kitchenware stores.

"This is a guide for places people either want to go to or have been before, so they become repeat customers," Mr Hubble told *Business News*.

"We're not targeting people trying to get discounts, where they go for a one-off discount and never come back; this is about profitable repeat business.

"We're also trying to steer people away from Coles and Woolworths and back into local places.

"And it's there to help restaurants get busier on their quieter nights, as they lose patrons through delivery services (UberEats, Menulog, Deliveroo)."

Mr Hubble said participants ranged from restaurants such as Fraser's Kings Park, to Perth-based franchise Jus Burgers and neighbourhood pubs including Mount Lawley's The Flying Scotsman.

The WAfoodies card is part of Ozeating's recent relaunch, which involved a two-year website redesign and a partnership with Community Newspaper Group, with plans to rollout the site nationally later this year.

Mr Hubble said OzEating also offered an all-in-one booking, event ticket sales and quoting system, available to the thousands of businesses listed on its website.

He said the Ozeating system charged businesses a monthly fee of \$40 compared with the industry standard of \$3 per person for each booking.

"The biggest challenge for the sector is probably the lack of foresight of the mining boom," Mr Hubble said.

"We've got no long-term plan to actually increase the spend here; people have left (the state) and we aren't getting as many international visitors."

The challenges facing the sector are reflected



DELIVERING: Joel Hubble says the program aims to built regular custom for Perth restaurants, cafes and related businesses. **Photo:** Attila Cszaszar

“ This is a guide for places people either want to go to or have been before, so they become repeat customers - Joel Hubble

in several recent business closures across the city.

Last year, the company behind The Trustee Bar and Bistro on St Georges Terrace and the Beaufort Local, formerly known as the Beaufort St Merchant, was placed into voluntary administration, reportedly due to a significant drop in revenue.

This followed the closure of fine dining local venues Nedlands-based Fuyu and East Perth's Restaurant Amuse in early 2017.

Fraser's Restaurant Group marketing manager Karlee Ruskenas believes the group's

adoption of WAfoodies will support its ongoing strategy of looking after regular customers.

Ms Ruskenas said WAfoodies was a customer retention opportunity and a chance to reward loyalty in a more high-end way.

"Perth goes into hibernation for the winter so we want to try and change this mind set of consumers and entice them to dine out in our venues more during those quieter months," she said.

"WAfoodies helps us do that.

"We were part of Ozeating when the WAfoodies

program was born, so we jumped on board. It is a great platform to access and reach our target market of consumers who regularly dine out and it also encourages customer retention," she said.

"The flexibility of the WAfoodies program works extremely well for us as we can tailor it to suit our needs, especially since we have multiple venues that are all very different, some quite seasonal.

"Industry member programs and apps are becoming more and more popular with consumers so we need to be keeping up with this trend and making sure we are always front of mind."

Fraser's managing director and executive chef Chris Taylor said while the sector was feeling the pinch, and food and beverage operators were often the first to suffer the effects of a sluggish economy, he saw plenty of upside for the sector.

This confidence is evidenced by new venues such as the CBD's Market Grounds, Henry Summer, and Heno & Rey, among others, which offer more casual dining experiences.

"It's just a soft market and now is the time to knuckle down," Mr Taylor told *Business News*.

"We have peaks and troughs in WA; we're in a trough but don't forget we had 10 good years.

"In this market to be multifaceted is really important, we have other strings to our bow.

"I think the secret to our success is also being ever-changing; we change the Fraser's menu all the time."



Food & hospitality

There are **506** results for **GUSTO**, **1,027** for **BEER**, **1,337** for **CAFE** from our index of 93,210 articles, 9,182 companies and 31,375 people.

Cafe serves Cat Haven support

15 Mar 2017 by Katie McDonald

open two more cafes later this year, thanks to the appeal of the business's cat, coffee and cake ... Mewburn and Euterpe Plaititis say around 100,000 people have visited the cafe and its 12 resident cats ... since it opened on Rokeby Road eight months ago. So well-received has the cafe been that Mr Mewburn and ...

Construction sites safer than cafes

28 Apr 2016 by Fraser Beattie

WorkPlace handed out more notices to cafes and restaurants than construction sites. Fraser Beattie ... restaurants and cafes. WorkSafe inspected 225 restaurants and cafes across Western Australia over the past two ... state's Department of Commerce, said the restaurant and cafe sector had been identified as a sector with ...

New cafe for Dunsborough foreshore

29 Apr 2015 by Dan Wilkie

An artist's impression of the cafe proposal. Dan Wilkie Food & Wine A new cafe is coming ... a tender process which began last year to be the preferred leaseholder for the cafe, which will be located ... community expectations." Construction of the cafe will take around 12 months, after site surveys are ...

Craft beer fills Gage Roads

30 Aug 2017 by Fraser Beattie

The 2017 financial year, on the back of higher demand for its craft beer range. The brewery delivered ... amortisation were up 63 per cent to \$4.4 million. Gage Roads sold 11 million litres of beer during the year, ... with 3.4 million of that comprising its craft beer products.

Removing the mystery from beer history

30 Jun 2017 by Dan Wilkie

LiquidBred's beer education sessions will be held. Photo: Attila Csaszar Dan Wilkie Food & Wine Western ... pale ale, or a lager and a lambic. That's where beer industry entrepreneurs Mal Secourable and Alé ... Alberti come in. Messrs Secourable and Alberti have established a beer school for the masses, to celebrate ...

New beer bar to fill northern suburbs gap

10 Nov 2016 by Dan Wilkie

To a perceived shortage of craft beer in Perth's northern suburbs, building a new venue to anchor ... Company, with an onsite brewery to create up to 120,000 litres of beer per year. Whitford City owner ... Ben Rasheed said the new venue was designed to bring well-made beer to the northern suburbs. "We often ...



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