

the **GAUTENG**  
BUSINESS OF TOURISM



START A RESTAURANT OR AN EATING HOUSE

TOURISM



## 1. DEFINITION

A restaurant or other eating house is a business that concentrates on selling meals and is also licensed to sell liquor for consumption on the premises.

## 2. LAND AND PLANNING ISSUES

### 2.1 Available Space

Your location should have enough space to cope with the number of people you wish to accommodate.

### 2.2 Parking

Your place should have enough parking to accommodate the size of guests you wish to accommodate.

### 2.3 Amenity Value

The following questions should be asked:

- Is the site chosen quiet enough for people to eat or drink undisturbed?
- Is the surroundings well kept and maintained?
- If liquor is to be sold in the establishment, is the site likely to disturb neighbouring establishments?
- Is the site free from unpleasant odours?
- In case of eating houses that provide live entertainment, it may be necessary to seek the consent of neighbours for the opening hours of the establishment.

## 2.4 Accessibility / Roads

You need to ensure that the restaurant is easily located to the general public.

Local metropolitans and district municipality controls erection of signages. Permission must be obtained from the Department of Transport to erect signage of your business and Local Municipal Engineer for local roads in local Council areas. Gauteng Tourism Authority is available to give advice.

## 3. LEGAL REQUIREMENTS

### 3.1 Land Use Zoning

Approach the Local Council to establish whether the Town Planning Scheme permits the activity on the site you have chosen.

The establishment of a new enterprise in which the present use is substantially changed may require a scoping report to be prepared in terms of the National Environmental Management Act (107 of 1998).

### 3.2 Licensing and Registration

Approach the Town Planning Department of the Local Council for permission to start with your plans. Once permission has been granted, register with the Regional Council.

If the enterprise includes the sale of perishable food, then a trading licence must be purchased from the Business Licencing Department of the Local Council.

Your restaurant should also be accredited by Gauteng Tourism Authority (GTA).

### 3.3 Regulations and By-Laws

Your application for a trading licence will be circulated by the Local Council to the Health, Fire and Building inspectors, the Town Planning Department, and in some cases the Development Services Board (DSB). These bodies will ensure that your plans comply with their regulations before approving the application.

Do consult with your local municipality tourism office and GTA for guidance.

### 3.4 Other Legal Requirements

You need an approval to erect a road sign on the road reserve area to advertise your business, approach:

- Department of Transport in the case of national roads;
- The Facility Signs Committee in the Provincial Department of Transport in the case of secondary roads;
- The Local Municipal Engineer in the case of local roads within a Local Council area.

## 4. BUSINESS ISSUES

### 4.1 Structure of Your Business

You may be registered as a Sole Proprietor, or your business may be registered as a Private Limited Company ((Pty) Ltd Company, or Close Corporation (cc)). Chambers of Commerce, Gauteng Tourism Authority (GTA) and Gauteng Enterprise Propeller (GEP) are a good contact through which to obtain details of organisations that can give advice on the structuring of your business. Advice may also be obtained from Business Advice Centres.

## 4.2 Managing Your Business

Management of your business will involve:

- a decision on the types and packaging of services;
- bookkeeping and accounting;
- arrangement of VAT and taxes;
- record-keeping for your own records, for advertising reasons and for tax purposes;
- taking and managing bookings from clients;
- employment and labour conditions which includes employment equity, labour unions and conditions of employment;
- training of staff. It is important that staff are trained in customer care and to be professionals in their field; and
- insurance cover which includes both security and public liability.

## 4.3 Marketing and Advertising

Marketing and advertising may be done through a variety of mediums such as, printed brochures, internet, television and word of mouth. Gauteng Tourism Authority should be approached to enter your business into their tourism assets database for the Province which provides freely available information on tourism facilities.

GTA, Ekurhuleni, Johannesburg and Tshwane metropolitan tourism information centres, West Rand, Sedibeng and Metsweding District Municipality tourism offices, should be approached to help disseminate your marketing material, also they can advise on other marketing opportunities available relating to your businesses.

Any brochures produced should include an easily readable map of the location to direct clients to your establishment.

### Other Requirements

- It is important that your business is registered with GTA and GEP.
- Membership of SATSA (Southern Africa Tourist Services Association) is advisable to ensure that minimum standards are adhered to. Membership of SATSA provides tourists with an assurance that certain standards are being maintained and can be used as a marketing tool. The requirements for membership of SATSA is available at [www.satsa.co.za](http://www.satsa.co.za)

### 4.4 Financial Record Keeping

Good record keeping systems provides information for managing finances. The key items in record keeping include;

- Original records e.g. keeping your sales slips, receipts, invoices etc
- Journals which record the details of every transaction in chronological order e.g. the cash book
- Ledger where information obtained from journals is made more useable
- Trial balance is a list of all ledger accounts balances taken out to prepare financial statements
- Financial statements
- Income statement
- Balance sheet

The minimum requirements for a small business operation are:

- Cash book
- Cash control Systems
- Assets Register
- Debtors Record
- Creditors Record.

#### 4.5 Budgeting

Budgets are based on past experience, current state of affairs and future expectations. Budgets help provide an estimate of financial requirements in the execution of plans in the business operation. Budgets include:

- Sales budget: a forecast of expected monthly income
- Materials budget: expected purchases
- Labour budget: expected remunerations and numbers of workers
- Capital budget: expected fixed assets expenditure e.g. machinery, land etc
- Cash budget: expected working capital requirements over a specific period.

#### 4.6 Tariff Structures

Tariffs should be based on those of your competitors and a detailed analysis of income and expenditure for the proposed operation. Research is needed to set realistic tariffs. Advice on how to set your tariffs competitively may be obtained from;

- GTA
- Ekurhuleni, Johannesburg and Tshwane Metropolitan - Tourism Information Centres
- Sedibeng, Information Centres.

## 5. FINANCIAL ISSUES

### 5.1 Financing your business

The Department of Trade and Industry provides limited subsidy for certain small and medium sized enterprises in the Tourism field.

Gauteng Tourism Authority may be approached for advice on potential funders.

### 5.2 Business Plan

Loan organisations (like banks) normally require a comprehensive Business Plan to be prepared in applying for a loan.

This Business Plan should include:

- business analysis
- financial forecasts; based on rational assumptions and experience
- budgeting guidelines
- schedules determining the amount and kind of finance most appropriate for the business
- details on proposed financing sources
- useful information about the planned business which will aid decision making by the loan organisation.

Assistance to draw up a business plan, can be obtained from:

- GTA and GEP
- Business Advice Centres,
- You may employ Consultants to advise you or to draw up your Business Plan with you. This would be at your own expense. The GTA could give you a list of such persons to assist you.



**IMPORTANT CONTACTS**

Gauteng Tourism Authority  
11<sup>th</sup> Floor  
124 Main Street  
Marshalltown  
Tel:011 085 2500  
www.gauteng.net

Dep of Sport, Arts, Culture and Recreation  
NBS Building 7th Floor, 38 cnr Rissick and  
Market Street, Johannesburg  
Tel: 011 355 2504  
Fax: 011 333 4319

Gauteng Enterprise Propeller  
124 Main Street  
6<sup>th</sup> Floor  
Marshalltown  
Tel:011 085 2001  
www.gep.co.za

Department of Trade and Industry  
Physical address:77 Meintjies Street,  
Sunnyside, Pretoria, 0002  
Tel:0861 843 384

Joburg Tourism Company  
Ground Floor, Grosvenor Corner  
195 Jan Smut Avenue, Parktown North  
Johannesburg  
Tel:011 214 0700

Tshwane Tourism  
Old Nederlandsche Bank Building  
Church Square  
Pretoria  
Tel:012 358 1430

Ekurhuleni Tourism  
Corner Hendrick Potgieter Road and  
Van Riebeeck Avenue  
Edenvale  
Tel:011 999 3327

West Rand District Municipality Centre  
Corner ixth and Park street  
Randfontein  
Tel:011 411 5155

Sedibeng District Municipality  
471 merrimen Street  
House & Home Building  
Vereeniging  
Tel:016 450 3317/ 016 450 3316

TEP(Tourism Enterprise Partnership)  
3<sup>rd</sup> Floor Travel House  
6 Hood Avenue, Rosebank  
2121  
Tel:011 880 3790

South African Tourism Service Association  
(Satsa)  
3rd Floor, Petrob House, 343 Surrey Avenue  
Ferndale, Randburg  
Tel: 086 127 2872

FEDHASA  
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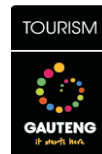
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