



How did we get here?

By Michael Sherlock,
Ex CEO of Brumby's and co-author of *Jumpshift!*

I have been lucky enough to be involved in our fantastic industry for more than 30 years and I am often asked for my opinion on what the future direction and trends of baking in Australia are likely to be.

My experience has taught me that in order to comment on the future, you need to have a good look over your shoulder to see where we came from to get to where we are today.

I have learnt over my years that Australia is a very different bakery market to the rest of the world. We do things our way. One of the main reasons is because we are a very small population living great distances apart on the edge of an arid island/continent. The European settlers' influence in our early development left us with our main food staple – bread. Luckily for us, we developed our Australian bread offer from multicultural influences and have been inspired by and borrowed our bread styles from Europe, with the main influences (in order) being United Kingdom, Italy, France, Germany, Scandinavia, Turkey and the Middle East.

Bakeries were one of the first local enterprises established as the nation grew and expanded. One of my first memories growing up in the 1950s in Woomelang, a small country town in the Mallee in Victoria, was catching the school bus from outside the bakery. I recall the smell of fresh bread from a wood-fired oven, looking at the bakers at the back mixing the time doughs. The bread was home delivered and was an essential part of every very small town. If I was sent to buy a loaf it was almost impossible not to pinch a bit of crust before I got home.

Over the next decade there were major changes from this style of operation as the small local bakeries were bought out and closed down with bread manufacturing centralised; eventually leading to a flour miller/baker duopoly like so many other major industries in Australia; supermarkets, breweries, airlines etc.

By the early 1970s the transformation was evident with few local plant bakeries surviving. Around this time there were two developments that enabled the re-emergence of the local bakery, now branded hot bread shops; bread improvers and small-scale bakery machinery both made hot bread shops possible. The first brands/chains that emerged, Hades Hot Bread, Bakers Bun and The French Bake House, have also mostly disappeared

In 1975 there was a bakery called Old Style Bread Centre that opened in Ashburton, Victoria. Little did the people involved realise that they had just set a major trend for the next 35+ years. Out of this one store grew more than 1000 bakeries located in every shopping centre strip shop in every town and suburb. The names have changed to Bakers Delight, Brumby's and Banjo's, and they now have different owners but they all emanated from this one bakery. This style of bakery strongly influenced the evolution of the baking industry as their success has been copied at all levels by independents and supermarkets.

There were two other major developments that enabled these hot bread/bakeries to grow and expand franchising and the de-regulation of the baking industry. Initially expansion was only possible in Queensland and Victoria due to restrictive trading and union/trade based regulations in the other states. It was only in the 1980s that the restrictions were removed. Until then, for instance, it was illegal to bake bread within 27 miles of Adelaide CBD on Saturday and Sunday.

There have been lots of other influences over the years such as the Vietnamese bakeries, HACCP, labelling and packaging changes to other regulations such as the removal of the compulsory adding of milk powder to bread. I have only covered the ones that I feel were influential in my experience in shaping today's baking landscape.

Today the franchised bakeries are in a mature stage of their development; there are many challenges that face them and the independent bakeries such as skill shortages, working preferences, competition, \$1 loaf in supermarkets, consumer requirements, government regulations, rental increases, and rising costs of all inputs etc. I still own interests as a partner in five Brumby's stores in Queensland so I am well aware of how tough it is at present.

I have also been able to travel the world and meet bakers and have a close look at the bread market in more than 60 countries. The challenges we face are similar to what other countries have been through and we can

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learn from their experiences to continue to evolve the unique Australian bakery offer.

The future? Well the beginnings are already with us, we will see more par-baked product of an increasingly good quality, specialised products central baked and fresh delivered. Smaller retail only bakeries with par bake, specialised sour bread, Middle Eastern wraps, and Asian style bakeries have already emerged. Have a look in the big two supermarkets - this style suits them, less skill, less waste, less equipment, consistent product, good variety, great crust and flavour. Par bake is slowly growing in shelf space as the local manufacturers improve their quality. Sliced bread is the loss leader as the premium loaves sell for a premium price.

Nothing happens overnight. The changes are slow and you only notice them retrospectively but one thing is certain - the baking industry will continue to evolve and keep producing the best food humans can make – bread. ■