

Child care service

Business start-up guide

Child care industry overview

Demand for child care services is strong in Australia, and expected to grow over the next 5 years as government assists more parents to place their children in day care.

Child care businesses provide child care services mainly for children under 12 years of age, and can include long day care centres, family day care, occasional care, after-school hours care and vacation care.

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

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

Getting into the child care service industry

Before you start a child care business 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 child care service industry

The quality of your child care centre, including staff, location, facilities and surroundings, all influence a parent's decision to use your services. To give your business a competitive edge, make your child care premises as safe and pleasant as possible.

Hire highly qualified staff and try to keep the number of children per staff member low to improve the quality of your child care service. Parents want a service where staff can give children more individual care and attention.

You can also compete by setting longer opening hours for parents that need a child care service to suit their work schedule.

Key success factors for a child care business

To build a successful child care business, you need to:

- take advantage of government subsidies
- comply with government regulations
- make your service easy for customers to access
- work at full capacity (i.e. ensure that each place for a child is filled 100% of the time)
- attract local community support.

Child care service entry barriers

It can be hard for new child care service providers to enter the industry because of the high number of regulatory requirements. Meeting regulations can take a long time so keep this in mind when you prepare your business plan.

Initial and ongoing costs, including premises expenses, staff salaries and marketing, can be high so you need to operate your centre as close to full capacity as possible to make money.

Another challenge is finding a location close to schools and workplaces. Do your research in the community and meet with a number of real estate agents to find the best available location for your child care service.

(Source IBISWorld, March 2012)

Child care service industry requirements

A number of licensing and registration regulations govern the child care industry. When starting a child care service business you need to consider the following requirements.

Opening or taking over a child care service

To open or take over a child care service, you must obtain a Licence for a Child Care Service from the Department of [Education, Training and Employment \(DETE\)](#). Licences cost \$500 and it can take up to 3 months for DETE to process your application. Licences stay in effect for up to 3 years.

Australian Government Child Care Benefit Scheme

You should also consider applying for a Child Care Benefit Scheme Approval from the Department of Education, Employment and Workplace Relations (DEEWR). To register your home or centre based child care service, visit [DEEWR](#). This registration stays in effect indefinitely. An approval is not compulsory but parents are more likely to use your service if it is Child Care Benefit approved because they can claim the benefit for work-related costs.

Working with children check

Employers must apply for a 'Working with Children Check' for all of their employees under the [Commission for Children and Young People and Child Guardian Act 2000 \(PDF, 1.44MB\)](#). If you start or take over a child care business, you need a current suitability card for all employees or you may be penalised.

For more information, visit the [Commission for Children and Young People](#) website or call them on (07) 3247 5145 or 1800 113 611.

Child care services providing transport for children to and from schools or home

If you **charge** customers to transport children between your service and school or home, you may need a:

- **Driver Authorisation (General)** from the Queensland [Department of Transport and Main Roads](#). Driver authorisation costs vary and it takes 2 weeks to process your

application. Driver authorisation is required of any person who drives a vehicle for public passengers in Queensland to make sure that any drivers will safely operate the vehicle, are aware of their customer service responsibilities and conduct themselves appropriately.

- **Operator Accreditation (General)** from the Queensland [Department of Transport and Main Roads](#). Accreditation costs vary and it can take 2 weeks to process your application. The [Transport Operations \(Passenger Transport\) Act 1994 \(PDF, 1.4MB\)](#) requires some public passenger service operators in Queensland to hold this accreditation.

If you provide **free** transport for children between your service and school or home, you may need an Exemption from Operator Accreditation and Driver Authorisation for Courtesy Transport Services from the Queensland [Department of Transport and Main Roads](#). Exemption costs vary and it can take 2 weeks to process your application. Your driver must also hold third-party insurance and the relevant class of driver's licence.

Child care services that serve food

To serve food in your child care business, you may need a Food Business Licence from [your local council](#). Licence costs and the time it takes to process your application vary between councils so check details with your local council when you request an application form.

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.

Legislation that may apply to your business

- *Child Care Act 2002*
- *Child Care Regulation 2003*
- *Fire and Rescue Authority Act 1990*
- *Food Act 2006*
- *Health Act 1937*
- *Local Government Act 2009*
- *Motor Accident Insurance Act 1994*
- *Trading Hours (Allowable Hours) Act 1990*

- Transport Operations (Passenger Transport) Regulation 1994
- *Transport Operations (Passenger Transport) Act 1994*
- *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

Childcare Queensland

Phone (07) 3808 2366
Visit childcareqld.org.au

Community Childcare Australia

Phone (03) 9486 3455
Visit www.cccinc.org.au

Early Childhood Australia

Phone 1800 356 900
Visit www.earlychildhoodaustralia.org.au

Family Daycare Australia

Phone 1800 621 218
Visit www.fdca.com.au

Australian Children's Education and Care Quality Authority (ACECQA)

Phone 1800 181 088
Visit acecqa.gov.au