

# Employment agency

## Business start-up guide

### Employment agency industry overview

Employment agency operators search, select, refer and place people in permanent, temporary and contract work positions. Services may be supplied to the potential employer or the prospective employee.

For employers, services can involve all aspects of the recruitment process from writing job descriptions to screening and testing applicants and investigating references.

Services to the employee include help with searching for a job and training.

Starting or buying an employment agency involves many essential steps. Legally, you must ensure that you apply for and receive the correct licences.

This guide explains how to start an employment agency. It will help you understand the challenges and opportunities of entering the employment agency industry so you can make good business decisions.

### Getting into the employment agency industry

Before you start an employment agency 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 employment agency industry

Queensland's employment agency industry is highly competitive because a large business is not essential for success.

Industry concentration is moderate. There are some large agencies but also many small agencies that specialise in niche areas for 1 particular industry.

Successful businesses are usually the ones that understand their clients' business and culture and can recruit candidates that best suit each client's needs.

You can find a competitive edge by specialising in a particular industry and offering exceptional service. This is particularly important when recruitment involves a significant investment from the client, and will help you develop a good reputation. You can also find a competitive edge by pricing your services competitively, especially for lower-skilled jobs.

### Key success factors for an employment agency

To start a successful employment agency, you need to:

- have contacts within key markets
- communicate and negotiate effectively
- create premium services
- use the most efficient technology and techniques
- objectively assess new investments
- effectively promote your services
- offer services favoured by the market
- respond to market trends.

### Employment agency industry entry barriers

It can be difficult for new employment agencies to enter the national market because of the number of agencies that already exist.

The employment agency industry is dominated by major operators who have existing business and government clients so it may take some time for new operators to establish themselves and get major clients. The industry is skill and knowledge intensive.



However, at the lower end of this industry there are few barriers to entry. Basic requirements for setting up an employment agency include a good reputation, a client list and a network of contacts to be able to readily identify suitable applicants for positions.

There are no educational qualifications, registrations or licences needed for this industry.

(Source IBISWorld, March 2012)

## Employment agency industry requirements

Employment agents are subject to the *Private Employment Agents Act 2005* which includes the Private Employment Agents Code of Conduct. The code aims to:

- promote ethical conduct by private employment agents in their dealings with work seekers and others as part of the business of a private employment agent
- encourage the provision by private employment agents of high-quality placement and recruitment services for work seekers and persons looking for workers.

You can get a copy of the [Private Employment Agents Code of Conduct](#) from the Department of Justice and Attorney-General at [justice.qld.gov.au](#).

## Legislation that may apply to your business

- *Fire and Rescue Service Act 1990*
- *Local Government Act 2009*
- Private Employment Agents (Code of Conduct) Regulation 2005
- *Private Employment Agents Act 2005*
- *Retail Shop Leases Act 1994*
- *Statistical Returns Act 1896*
- *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](#)

### Department of Education, Training and Employment

Phone 1300 369 935

Visit [deta.qld.gov.au](#)

### National Employment Services Association

Phone (03) 9624 2300

Visit [www.nesa.com.au](#)