

XXX XXX Pty Ltd, 2023

# BENCHMARK REPORT

Child Care Centres

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# 1

# Industry Statistics

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## Industry Analysis

Sector Overview: Health Care and Social Assistance  
(Private)

Health Care and Social Assistance Division (Private)  
Growth Drivers

Fast Facts: Child Care Services Industry

Number of Businesses

Business Locations

Business Size

Average earnings per business

New Business Entrants and Survival

Employment Trends: Child Carers

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## Industry Analysis

### Sector Overview: Health Care and Social Assistance (Private)

The Health Care and Social Assistance (Private) division experienced large growth over the past 12 months. Both revenue and workforce size increased by 5.5% (in real terms) resulting in annual earnings of \$180B with 1.45M workers. The division is now Australia's largest employer and this trend is expected to continue as demand for health services and social care increases.

### Health Care and Social Assistance Division (Private) Growth Drivers

The Health Care and Social Assistance (Private) division will continue to grow in revenue and workers as Australians age and require more health support. Rising health consciousness and amendments to childcare policies will also contribute to division revenue growth. Three key drivers influencing growth are:

#### 1. Aging population in Australia:

the number of Australians aged 85 years and over is projected to double by 2042. This division will be crucial in ensuring the aging population have a healthy and dignified long life. An aging population will drive revenue growth for the majority of health services, as well as aged care facilities.

#### 2. Labour shortages:

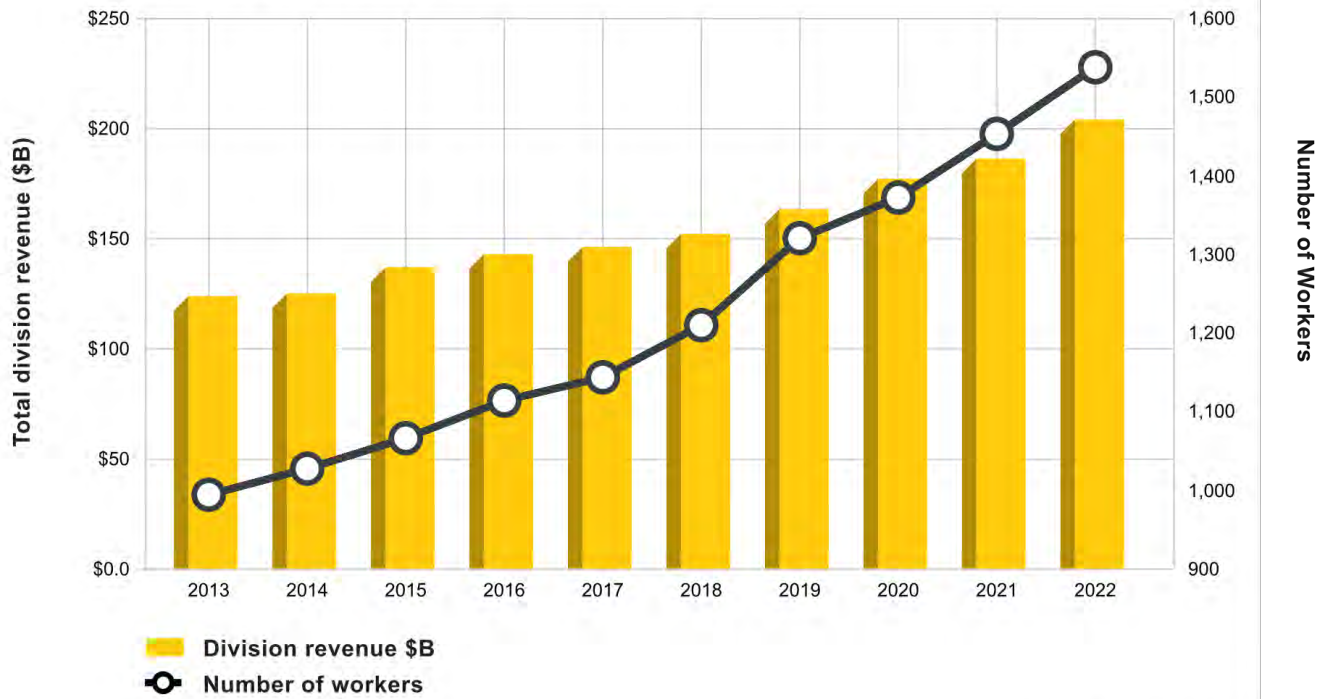
a shortage in health care workers will continue to impact the industry for 2023, or until skilled migrant returns in force to Australia. As demand for health and social services increases in future years, the division will require ongoing high numbers of skilled workers. This may support wage increases and improved working conditions as operators attempt to attract more workers to the division.

#### 3. Rise in health consciousness:

Australians are becoming increasingly health conscious resulting in more people prioritising physical and mental health. This will result in an increased demand for allied health services and specialist health support.

## Health Care and Social Assistance

Total revenue and employment figures



SOURCE: ABS, The Benchmarking Group

### Fast Facts: Child Care Services Industry

In Australia, the Child Care Services Industry forms part of the overall Health Care and Social Assistance Division. All data in this report has been sourced from the Australian Bureau of Statistics and is current as of September 20, 2023.

### Number of Businesses

The number of businesses in the Child Care Services Industry has increased by 12% over the past five years to reach 11,925 entities. The average five-year growth rate across all industries is 21% showing the Child Care Services Industry is in a slow growth stage. In 2022, there was a total of 2,494 business entries and 1,597 exits, thus the industry grew by 8.11%.

#### Division

Health Care and Social Assistance

#### Sub-Division

Social Assistance Services

#### Group

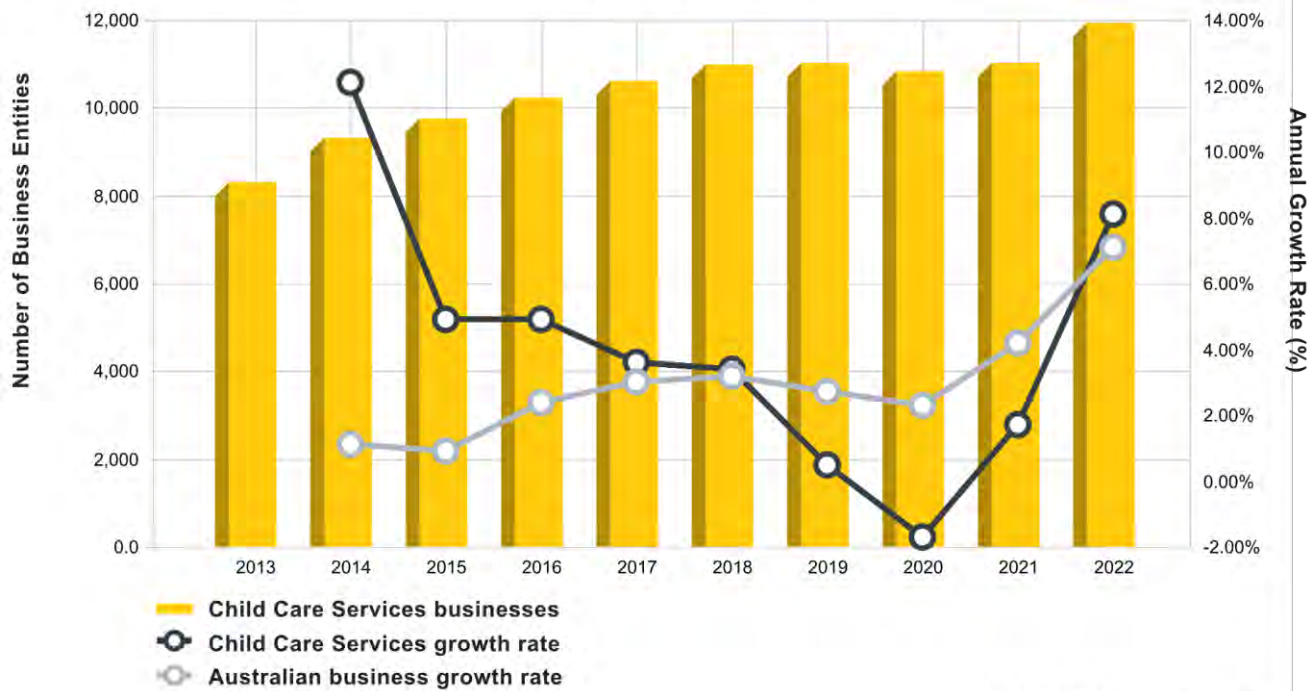
Child Care Services

#### Industry

Child Care Services

### Child Care Services business entities in Australia

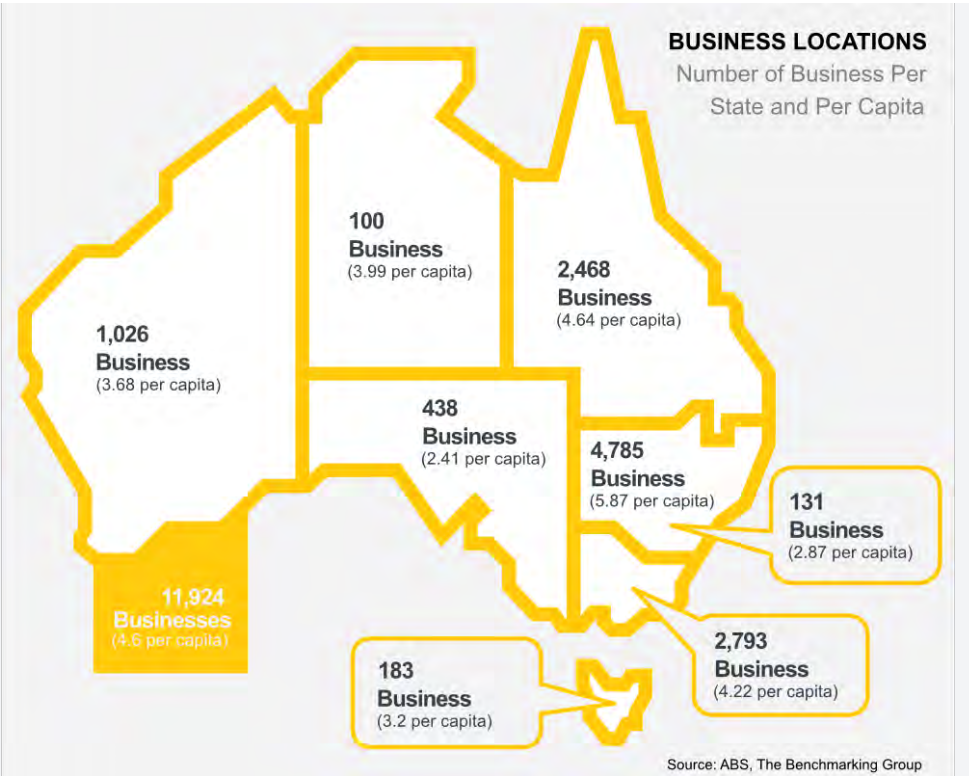
Number of business entities and annual growth rate vs growth rate of all Australian business entities



SOURCE: ABS, The Benchmarking Group

### Business Locations

40% of businesses in the Child Care Services Industry are located in New South Wales, with a further 23% located in Victoria. Additionally, New South Wales has the highest ratio of Child Care Services businesses per capita.

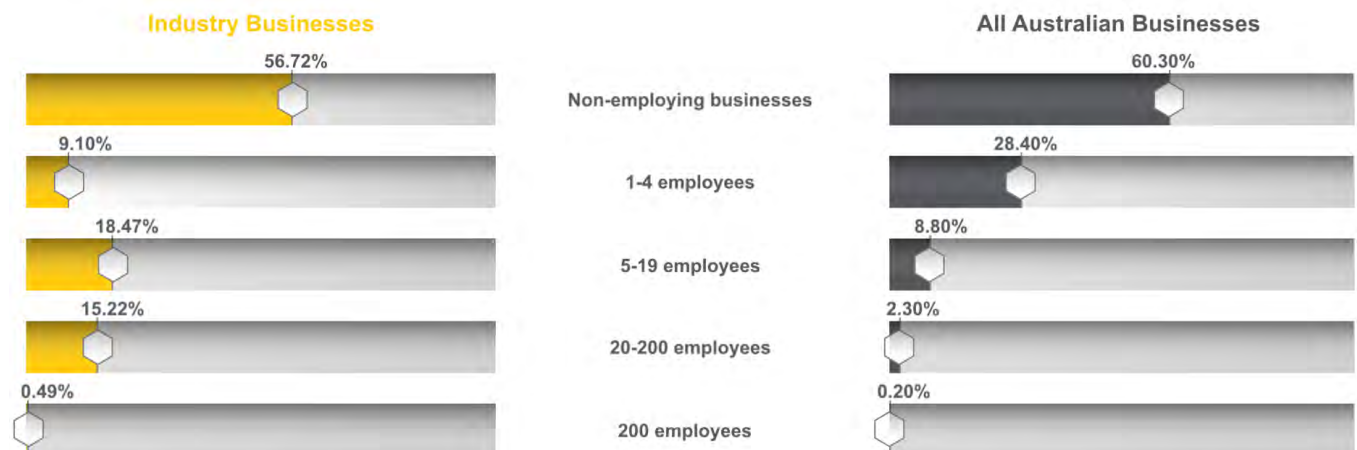


### Business Size

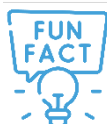
Of the 11,925 businesses operating in the Child Care Services Industry, 27.57% of businesses employ 1-19 people with only 15.71% employing 20 or more workers. The remaining 56.72% are non-employing businesses, which are primarily sole traders and partnerships.

### Employees per business in Australia

Percentage of employees per business for the Child Care Services industry vs all Australian Businesses



SOURCE: ABS, The Benchmarking Group



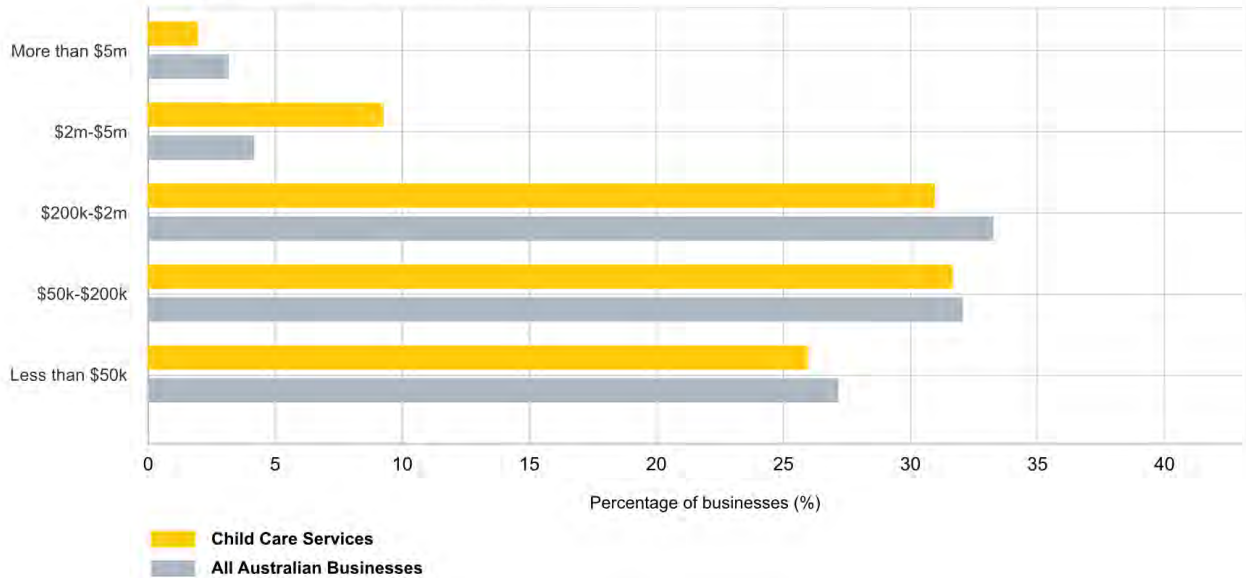
The Child Care Services industry has a smaller percentage of non-employing businesses when benchmarked against other industries; thus, in comparison there are fewer sole proprietors/owner-operators and a higher proportion of employees.

## Average earnings per business

Majority of businesses in the Child Care Services Industry generate between \$50k-\$200k. 11% of businesses generate \$2 million or more, a figure that has increased at an average rate over past 5 years. Only 2% bring in more than \$5 million, and 26% generate less than \$50,000 annually.

### Child Care Services business earnings in Australia

Average annual turnover per business



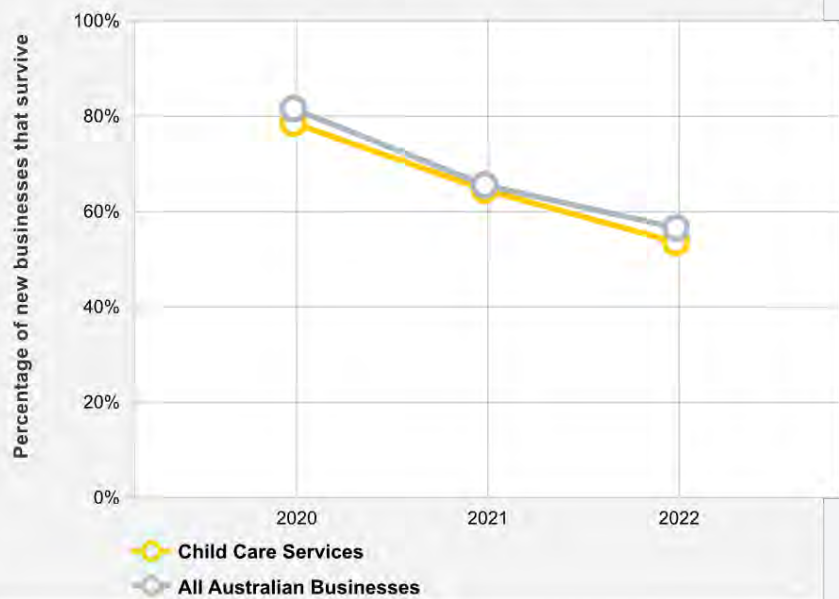
SOURCE: ABS, The Benchmarking Group

## New Business Entrants and Survival

For new businesses, 48.83% survive the first three years of operations, which is less than the average three-year survival rate of all businesses at 54%.

### Survival Rate of New Businesses in Australia

Percentage of businesses that survive after three years



SOURCE: ABS, The Benchmarking Group

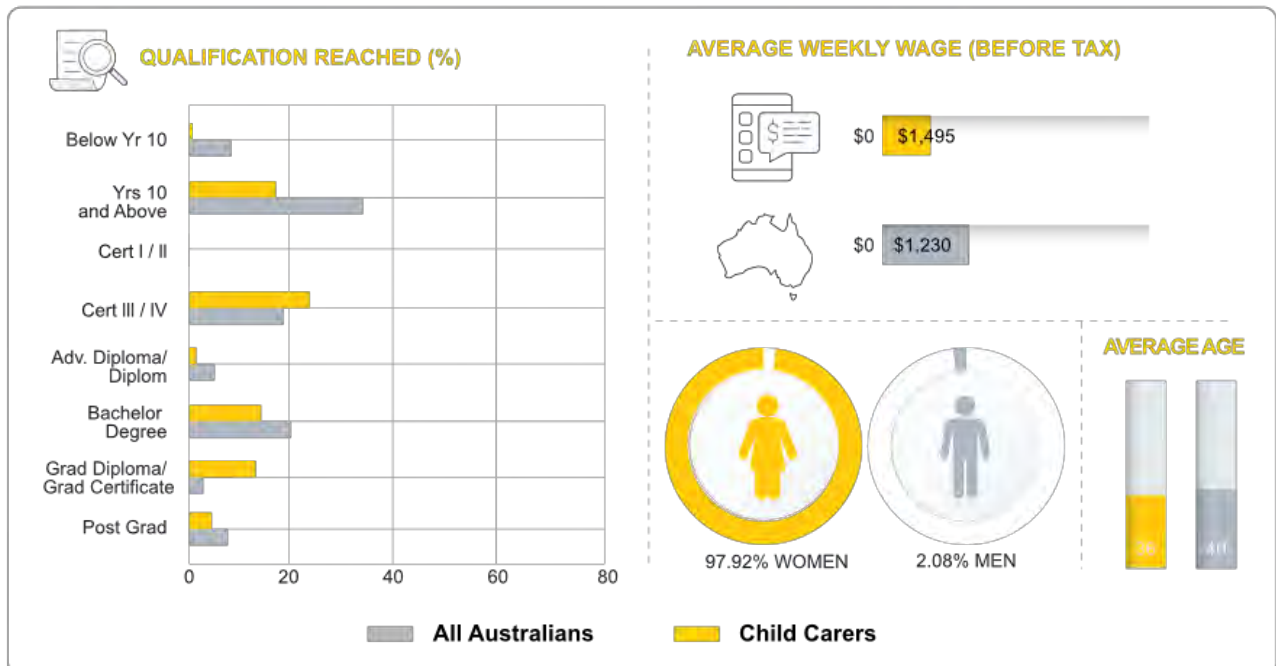
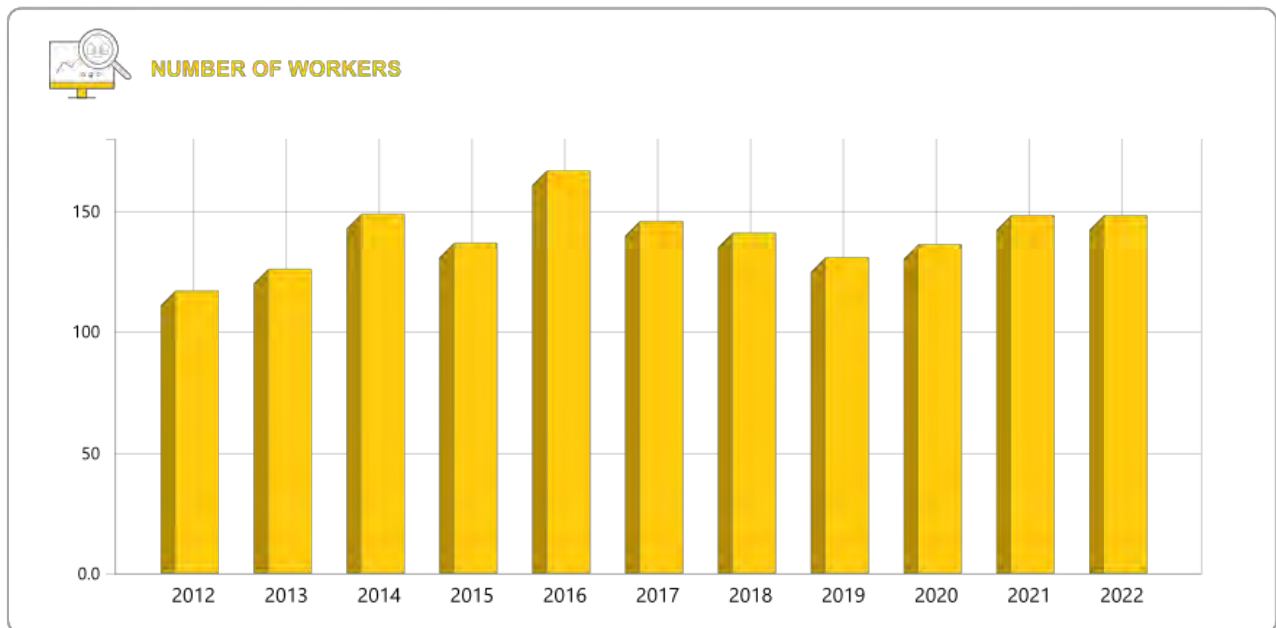


## Employment Trends: Child Carers

In Australia, the main occupation associated with Child Care Centres businesses is Child Care Workers. There are currently 13,420 Child Care Workers working in Australia, a figure that is forecast to increase by 6% over the next five years. 97.92% are female and 2.08% male with an overall average age of 36. This is 4 years lower than the Australian average of 40. This industry takes home a low weekly average wage of \$778 before tax. This figure is 44.20% lower than the Australian average of \$1,394. 4.32% of the industry has completed a bachelors degree, 13.85% completing post graduate qualifications.

### Australian Employment Trends

Occupation: Child Carers



SOURCE: ABS, The Benchmarking Group

# 2

# Benchmark Comparison

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Income

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Less Overheads as %'s of Total Income:

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Total Income per....

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Non Personnel-Related Overheads per....

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Personnel (fte personnel numbers)

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Other Information

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Benchmark data last updated 9/19/2023

	Your Business: 2023	Turnover: Less than \$600,000	NET PROFIT (bos): Under 2.0%	Location: Suburban & Major Regional Centre
<b>Income</b>				
Total Income	\$251,223	\$435,684	\$782,745	\$1,483,945
<b>Less Overheads as %'s of Total Income:</b>				
Accounting & Legal Fees	1.13%	0.80%	0.85%	0.64%
Consumable Items & Educational Resources	1.95%	2.15%	1.83%	1.84%
All Insurance	3.29%	2.35%	2.26%	1.63%
Interest, Bank Charges etc	0.86%	0.90%	0.50%	0.63%
Food & Drink	5.02%	1.05%	1.65%	1.82%
Rent of Premises	8.64%	6.49%	8.49%	8.83%
Other Occupancy Costs	2.31%	2.20%	2.37%	2.12%
Other Depreciation, Lease and HP	0.00%	0.89%	1.13%	0.80%
Repairs, Maintenance, Hire of Plant & Equipment	0.81%	1.55%	1.29%	1.41%
Staff On Costs	6.54%	6.77%	10.10%	8.50%
Telephone & Fax	0.89%	0.73%	0.45%	0.43%
Employees' Wages & Salaries	57.98%	57.60%	66.32%	54.00%
Vehicle Operating Costs	1.70%	0.58%	0.32%	0.26%
All Other Expenses	12.31%	4.26%	6.41%	4.67%
Total Overheads	103.43%	88.33%	103.96%	87.56%
Net Profit (bos*)	-3.43%	11.67%	-3.96%	12.44%
Net Profit Margin after owners' notional salary#	-63.14%	5.42%	-6.09%	10.38%
<b>Total Income per....</b>				
Person	\$50,245	\$66,367	\$143,950	\$117,347
Child Enrolled @ June 30	\$0	\$9,905	\$8,468	\$15,295
\$ of Wages #	\$0.68	\$1.54	\$1.49	\$1.81
<b>Non Personnel-Related Overheads per....</b>				
Person	\$19,553	\$16,142	\$54,185	\$26,708
Child Enrolled @ June 30	\$0	\$2,312	\$2,371	\$4,172
\$ of Wages #	\$0.26	\$0.38	\$0.42	\$0.46

Your Business: 2023      Turnover: Less than \$600,000      NET PROFIT (bos): Under 2.0%      Location: Suburban & Major Regional Centre

**Personnel (fte personnel numbers)**

Working Owners	1.00	0.73	0.61	0.98
Employed Director	1.00	0.81	0.81	0.75
Other Qualified Pre-school Staff	3.00	3.77	6.45	9.37
Any Other Staff	0.00	1.45	2.49	4.17
Total Personnel	5.00	6.77	10.35	15.26
Hours Worked per Owner per Year	7,500	1,753	1,474	1,423

**Other Information**

Owners' Equity as % of Total Assets	346.59%	35.87%	2.25%	15.27%
Assets (exc buildings) per Person	\$-769	\$24,168	\$225,806	\$34,544
Assets (exc buildings) per Enrolled Child	n/a	\$5,573	n/a	\$8,303
Subsidies Received as a % of Total Income	0%	36%	36%	27%
Indoors Area as a % of Total Area to which Children have Access	n/a	37%	35%	32%
Indoor Area/Child (sq mtrs) based on Maximum Enrolments	n/a	4.74	7.60	3.59
Operating Hours per Week	40	44	43	44
Weeks Centre Open per Year	50	46	44	47
Maximum Enrolments at Any One Time	0	42	55	71
Children @ June 30 as % of Maximum Enrolment Capacity	n/a	125%	134%	111%
Children @ June 30 per Person	0.00	7.35	7.65	5.00
Net Profit (*bos) per owner	\$-8,620	\$84,435	\$10,915	\$150,105
Current ratio	-1.86	2.58	2.68	2.85
Acid test	-1.86	2.58	2.67	3.03
Asset turnover	\$-65.34	\$3.70	\$5.68	\$5.84
Liability turnover	\$26.50	\$8.74	\$6.73	\$15.14
Interest cover: business	-4.01	29.69	-19.77	51.82

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\* bos - before owners' salaries and benefits

# including owners' notional wage of \$30 per hour

# KPI Feedback

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Personnel Productivity & Profit

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Margins

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Major Overheads as a % of Total Income

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Assets

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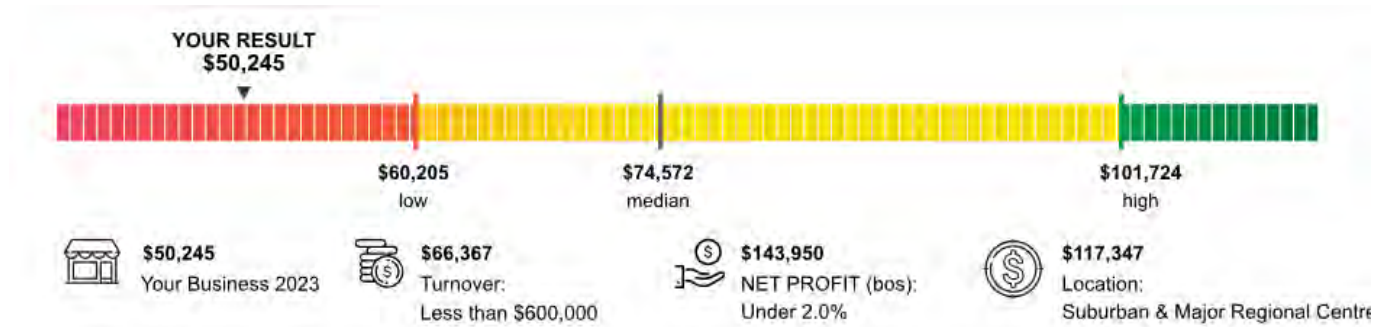
Other Trading Information

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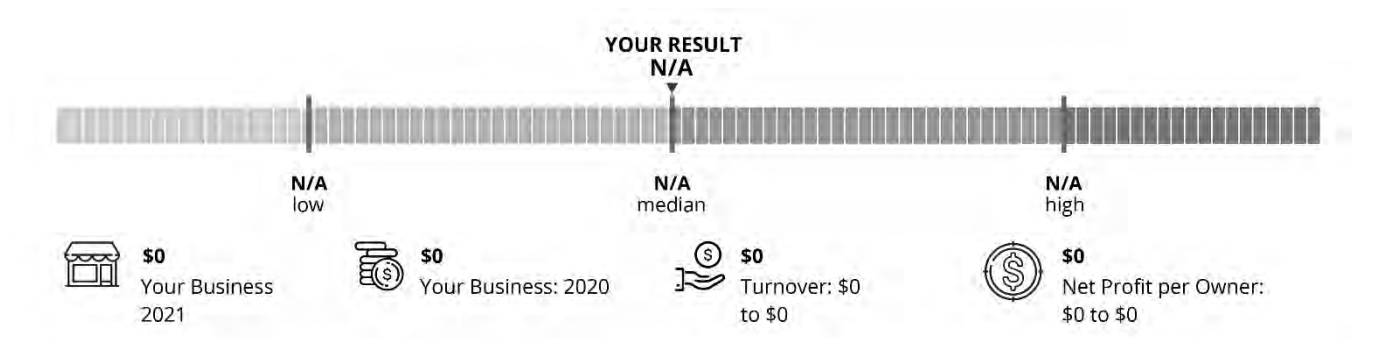
## Personnel Productivity & Profit

**Ratio**                      **Your Business**      **Feedback**

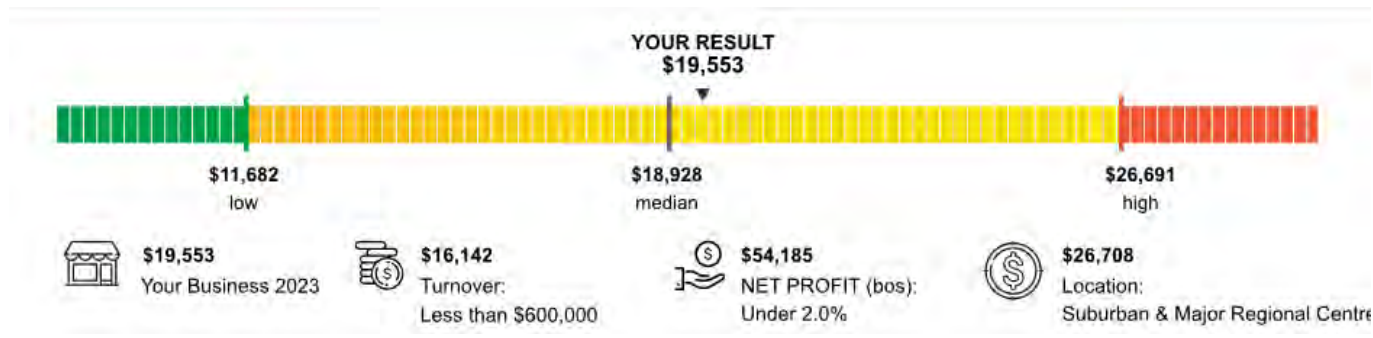
**Income per Person**                      \$50,245                      Your total income per person is low compared to other businesses in the Child Care Centres industry. This means you may need to review your staffing strategies to increase total revenue.



**Income per Child**                      \$0                      n/a

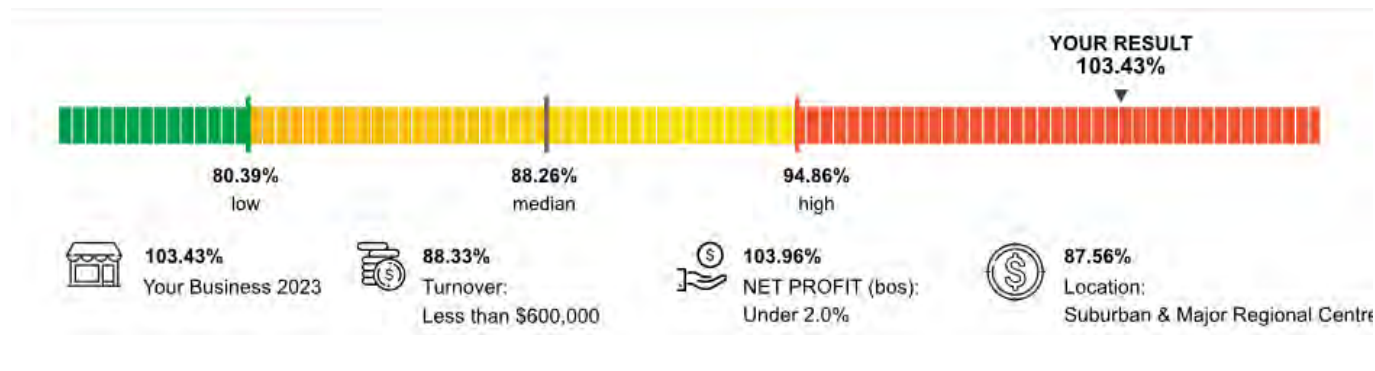


**Non-personnel overheads per person**                      \$19,553                      This is an ok result for XXX XXX Pty Ltd, as it reflects a low-cost structure. This will support increasing your total net profits and returns to the business owners. Ensure that enough resources are devoted to staffing and requirements for the children.

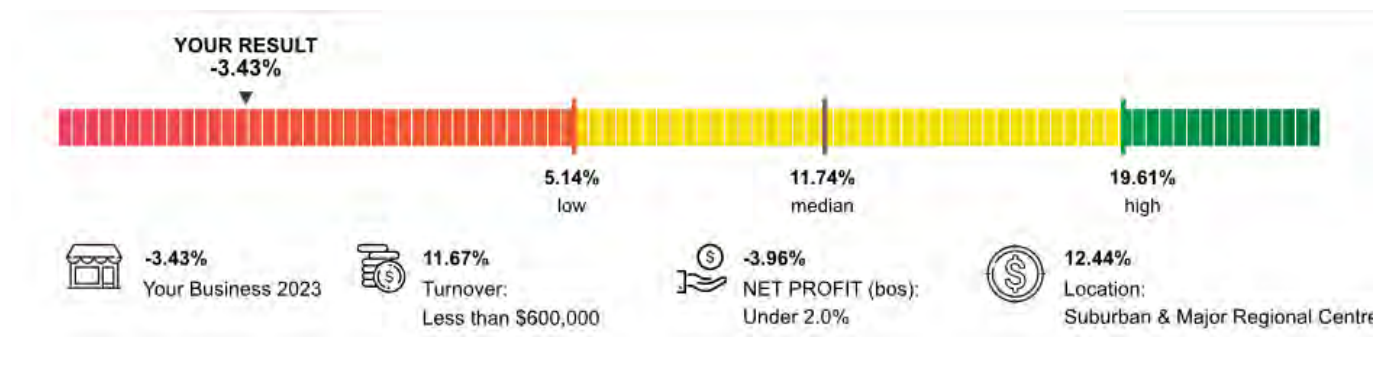


## Margins

Ratio	Your Business	Feedback
<b>Total Overheads</b>	103.43%	Your total overheads are high and need a detailed review. Look separately at your 'salary' vs 'non-salary' expenses. Don't cut back too much though, ensure you keep spending enough to properly promote XXX XXX Pty Ltd, and have suitable equipment available to increase personnel effectiveness.

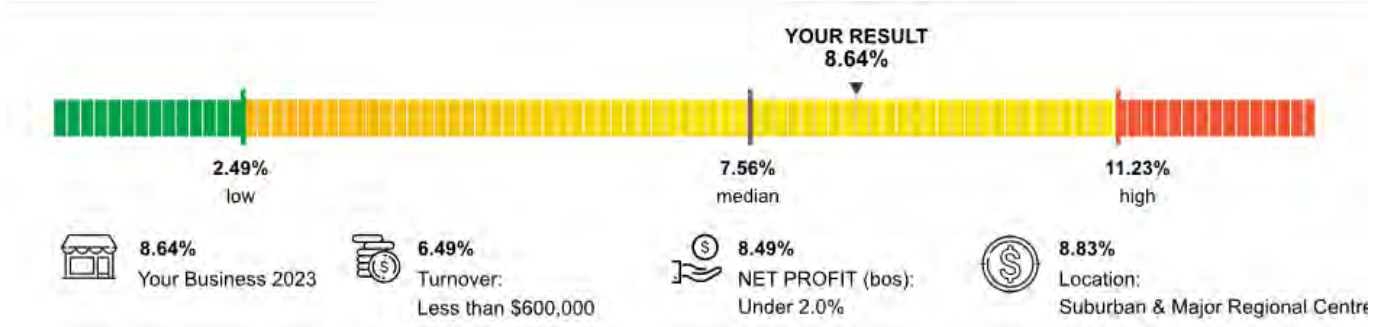


<b>Net Profit (*bos)</b>	-3.43%	XXX XXX Pty Ltd has received a low net profit margin score. This is a function of material cost, labour cost, overhead, pricing and productivity. You will need to monitor all of these elements to improve your result.
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## Major Overheads as a % of Total Income

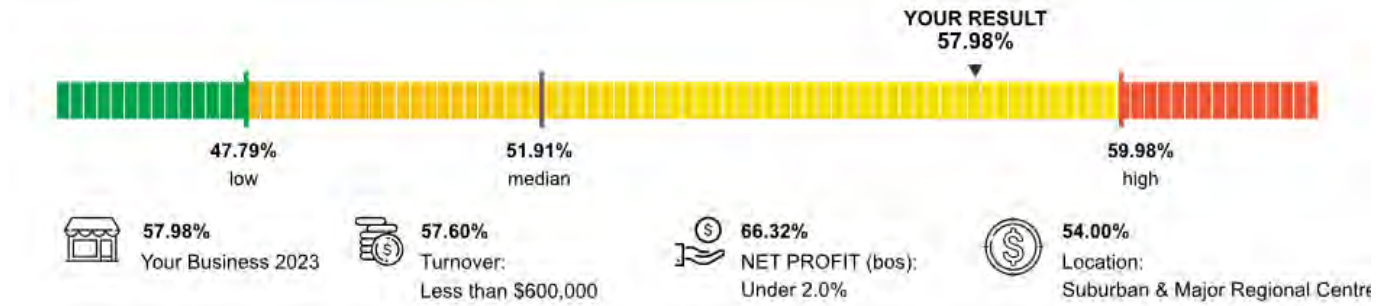
<b>Rent of Premises</b>	8.64%	You have managed to keep rent low compared to other businesses in the Child Care Centres industry. This will greatly support your profit margins.
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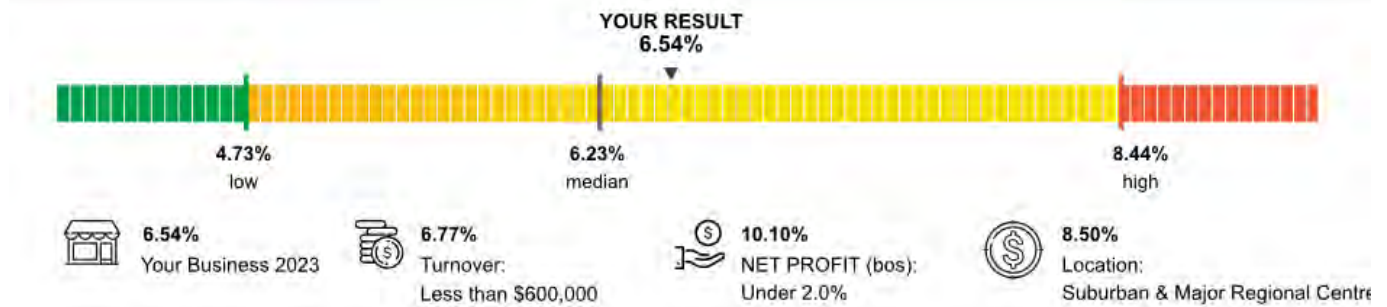


Ratio	Your Business	Feedback
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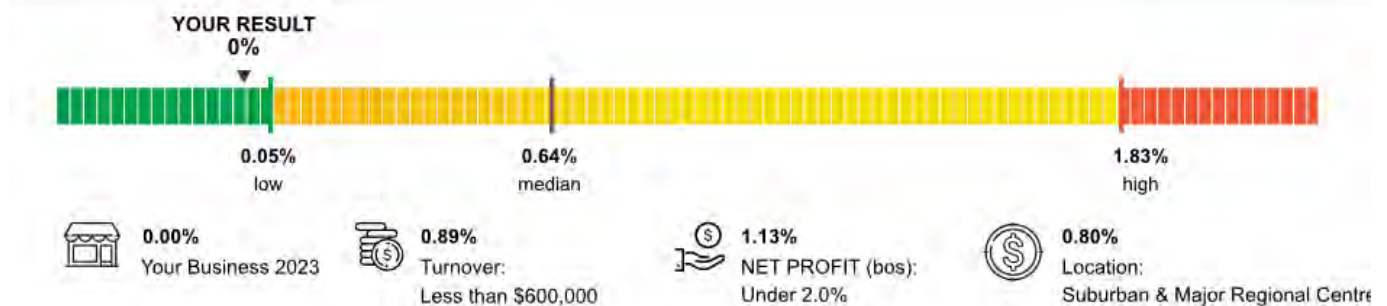
<b>Employees' Wages &amp; Salaries</b>	57.98%	Your result is about average compared to others in the Child Care Centres industry. Check your personnel productivity to ensure you are maximising output per person. Also, review the current local market to ensure employee wages are competitive.
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<b>Staff on-costs</b>	6.54%	Your staff on costs are average for the industry. This is ok as long as you are meeting all the required statutory charges including: super, workers' compensation, insurance, etc.
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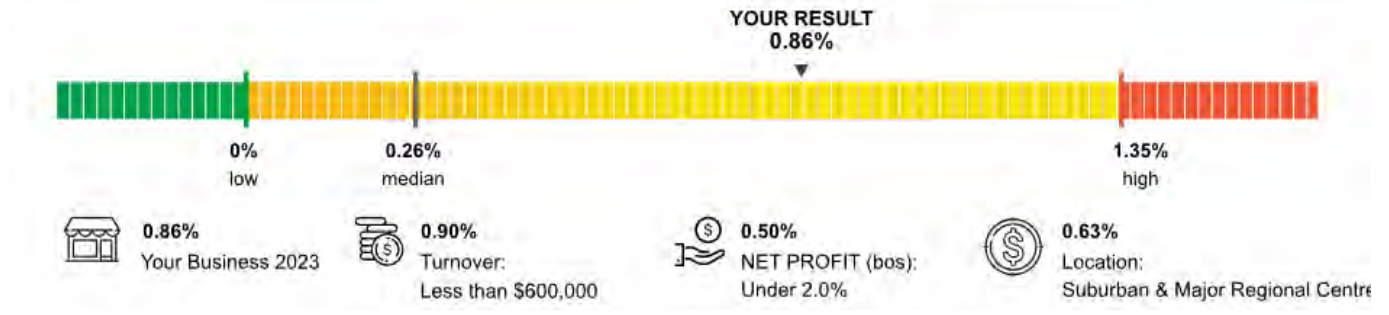


<b>Depreciation, lease, hire-purchase etc (excludes vehicles)</b>	0.00%	Depreciation is a direct reflection of your assets and equipment. Whilst this ratio is measured against others in the industry, it is important to note that a high or low result does not reflect poor business management. It is important for XXX XXX Pty Ltd to continue investing in equipment required for business operations.
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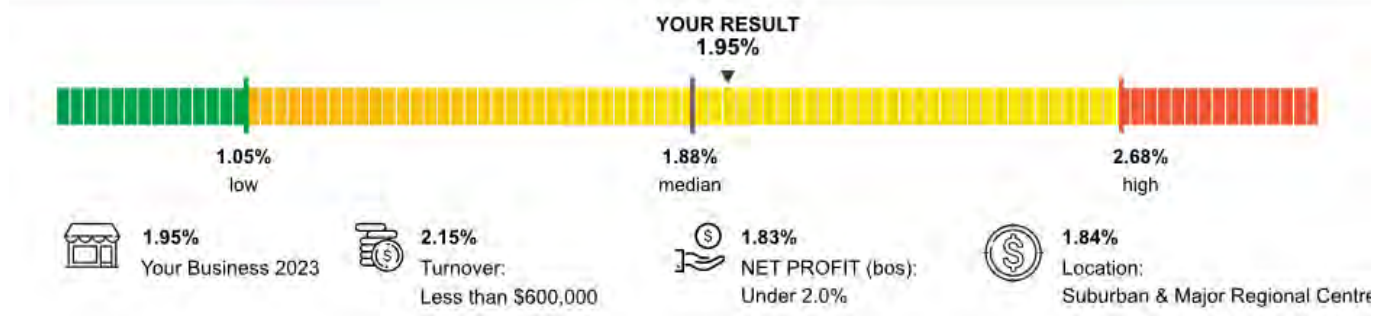


Ratio	Your Business	Feedback
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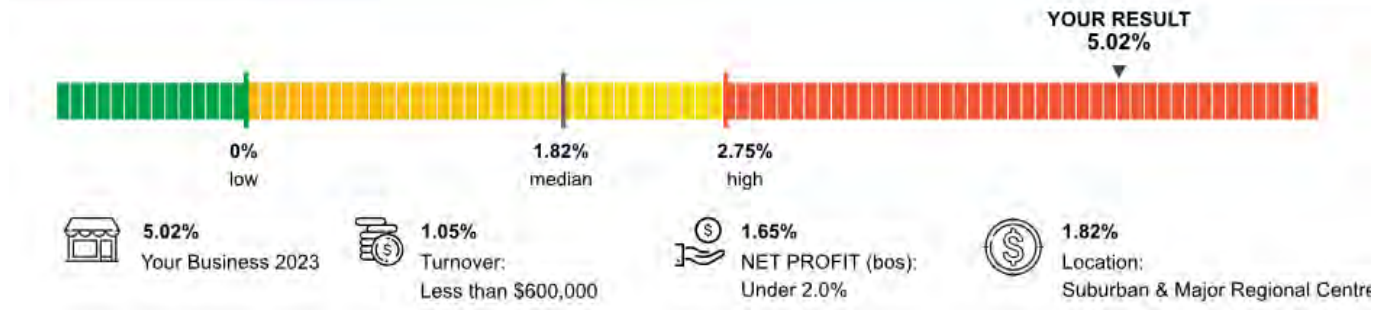
<b>Interest and bank charges</b>	0.86%	Your result is influenced by your approach to 'debt' vs 'equity'. Build a strong relationship with your bank manager to ensure you have optimal banking packages, which will minimise your total outlay on these items.
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<b>Consumables and educational resources</b>	1.95%	An average score is a good result. However, ensure that you invest enough to provide a range of suitable activities for the children.
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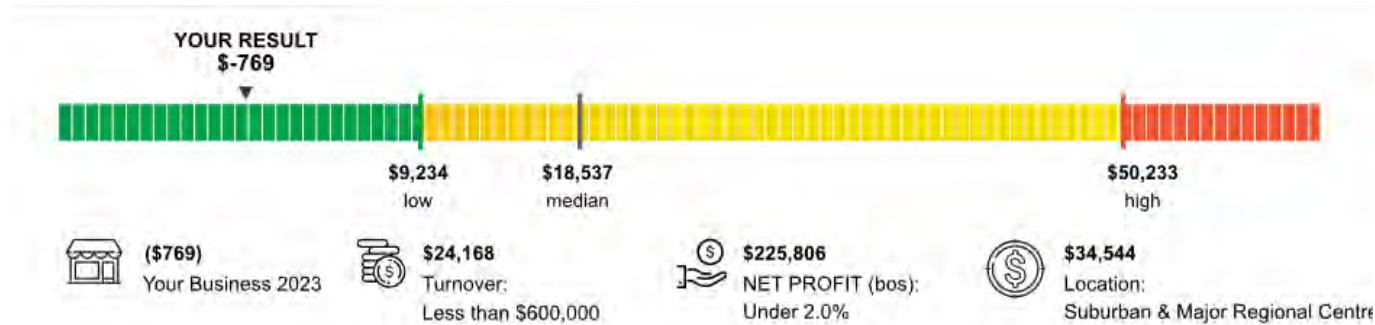


<b>Food and drink</b>	5.02%	Providing a suitable variety of nutritious food for children at your centre is important. Portion control and use of 'in season' perishable items could support in balancing this measure.
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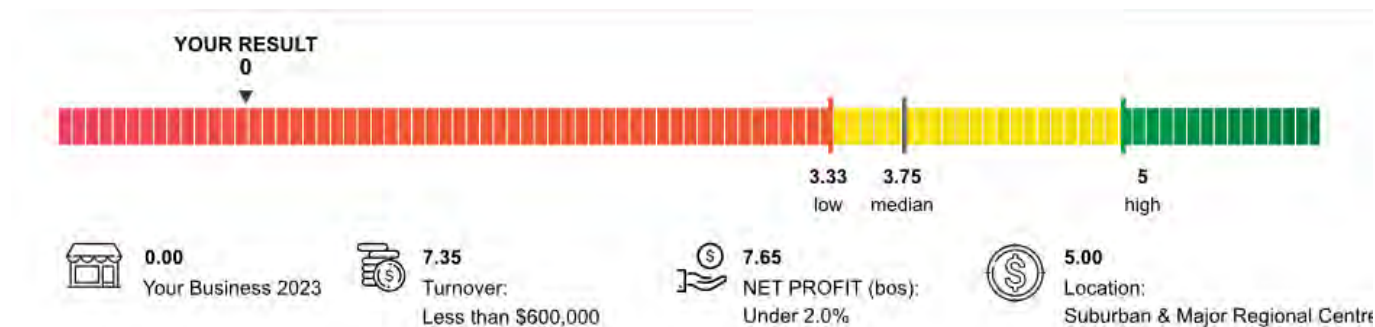
## Assets

Ratio	Your Business	Feedback
<b>Assets (excl buildings) per person</b>	\$-769	Your business holds less assets than other firms typically in the Child Care Centres industry. This is ok as long as you have enough capital to ensure the business is running efficiently and continuously.



## Other Trading Information

<b>Enrolments @ 30 June, per person working in the Centre</b>	0.00	A low number of children per worker leads to heavy cost burdens for the centre. Consider policies regarding casual and flexible visits to maximise your venue and staffing capacity. You can also review advertising opportunities to attract more children to the centre.
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# 4

# Graphs

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## Key Performance Indicator Graphs

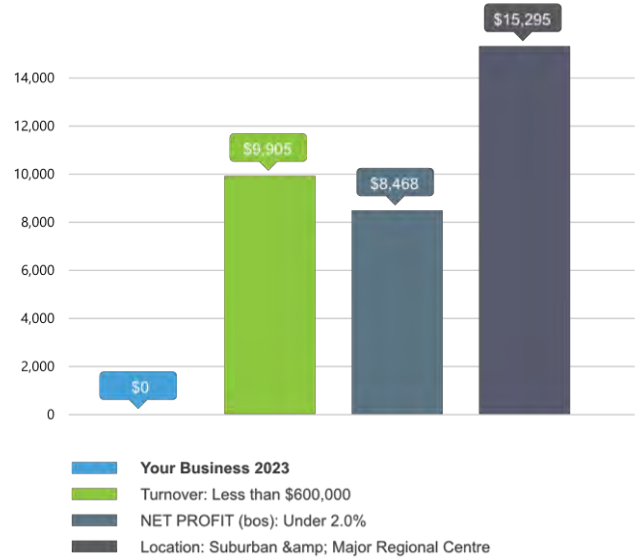
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## Key Performance Indicator Graphs

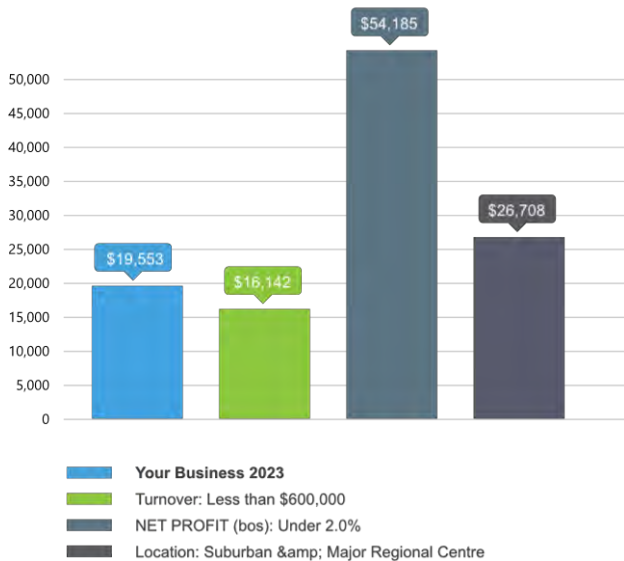
### Income per Person



### Income per Child



### Non-personnel overheads per person



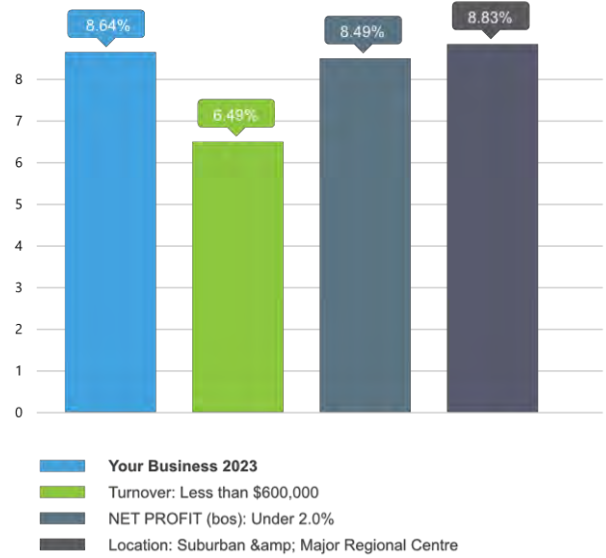
### Total Overheads



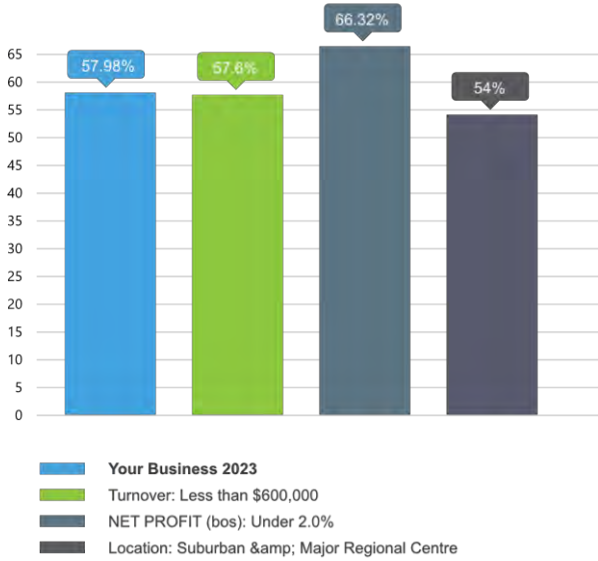
### Net Profit (\*bos)



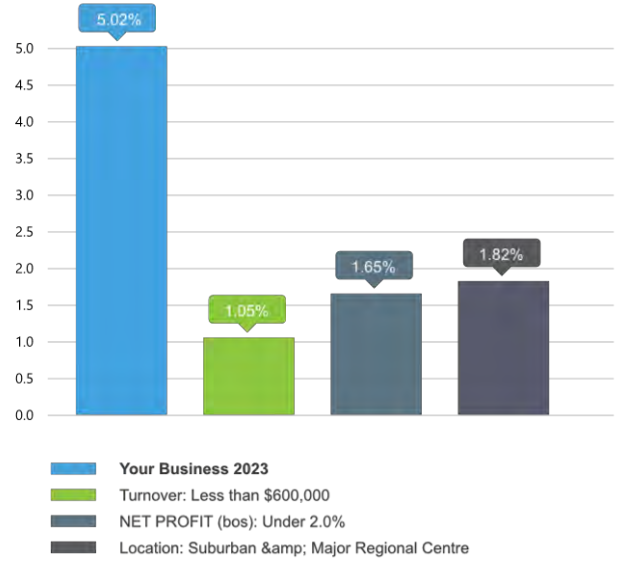
### Rent of Premises



### Employees Wages & Salaries



### Food and drink



# Profit Gap

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Profit Gap Analysis

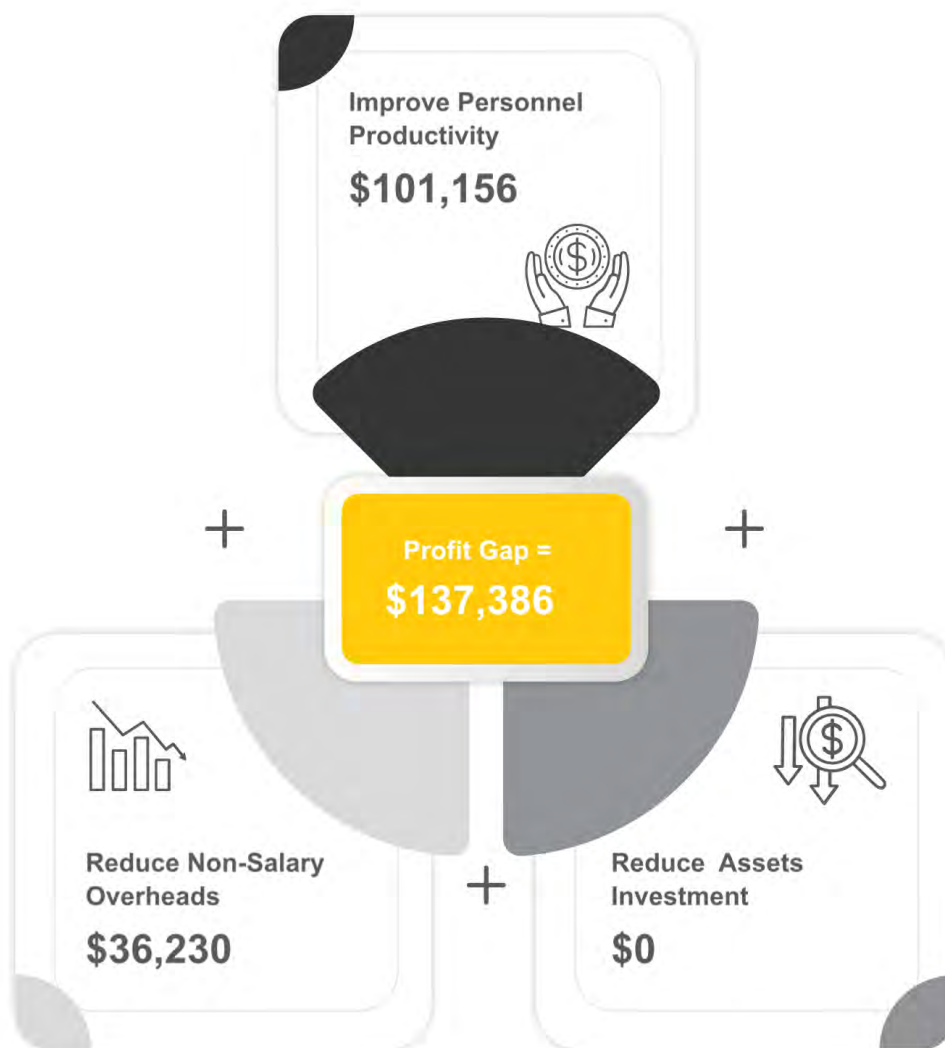
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## Profit Gap Analysis

The Benchmarking Profit Gap identifies potential critical business areas where your business can improve the profit margin. To provide the most accurate and realistic profit gap, your business has been benchmarked against competitors.

Within your industry, the key opportunities for increasing your net profit and profit margin include reviewing your personnel numbers, reducing non-salary overheads, and improving your asset turnover.

Combining these aspects, we have identified your profit gap below.





The below tables show your detailed profit gap analysis.

	<b>Your Business</b>	<b>High Profit Firms' Average</b>	<b>Profit Gap Relative to 'High Profit' firms</b>
If you could achieve the average level of fees per person	\$50,245	\$113,065	
then your firm's present fees of	\$251,223		
would need a total personnel of	2.22		
but you presently have total personnel of	5.00		
so you are over-staffed by			<b>2.78</b>
and at your average salary cost per employee of	\$36,412		
<b>then your salary-related Profit Gap is:</b>			<b>\$101,156</b>
If you could achieve the average level of non-personnel overheads	36.97%	22.55%	
you should reduce your overheads by			14.42%
then on your present turnover of ...	\$251,223		
<b>you are over-spending by ...</b>			<b>\$36,230</b>
Your asset turnover is presently	\$-65.34	\$5.65	
but your current revenue of	\$251,223		
suggests you should have assets of			\$44,490
Currently you have assets (net of any loans to owners) of	\$-3,845		
So you could look to reduce total assets by			0
If this could save you interest at, say,		%	
<b>Then you'd close a Profit Gap of:</b>			<b>0</b>

# 6

# ATO Benchmarks

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ATO Benchmarks

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## ATO Benchmarks

Below you will find benchmarks for the child care services industry as compiled by the Australian Taxation Office (ATO) against which you can compare your business performance. In addition to an alternative point of comparison, the ATO benchmarks may be useful for the following reason.

The ATO website states that:

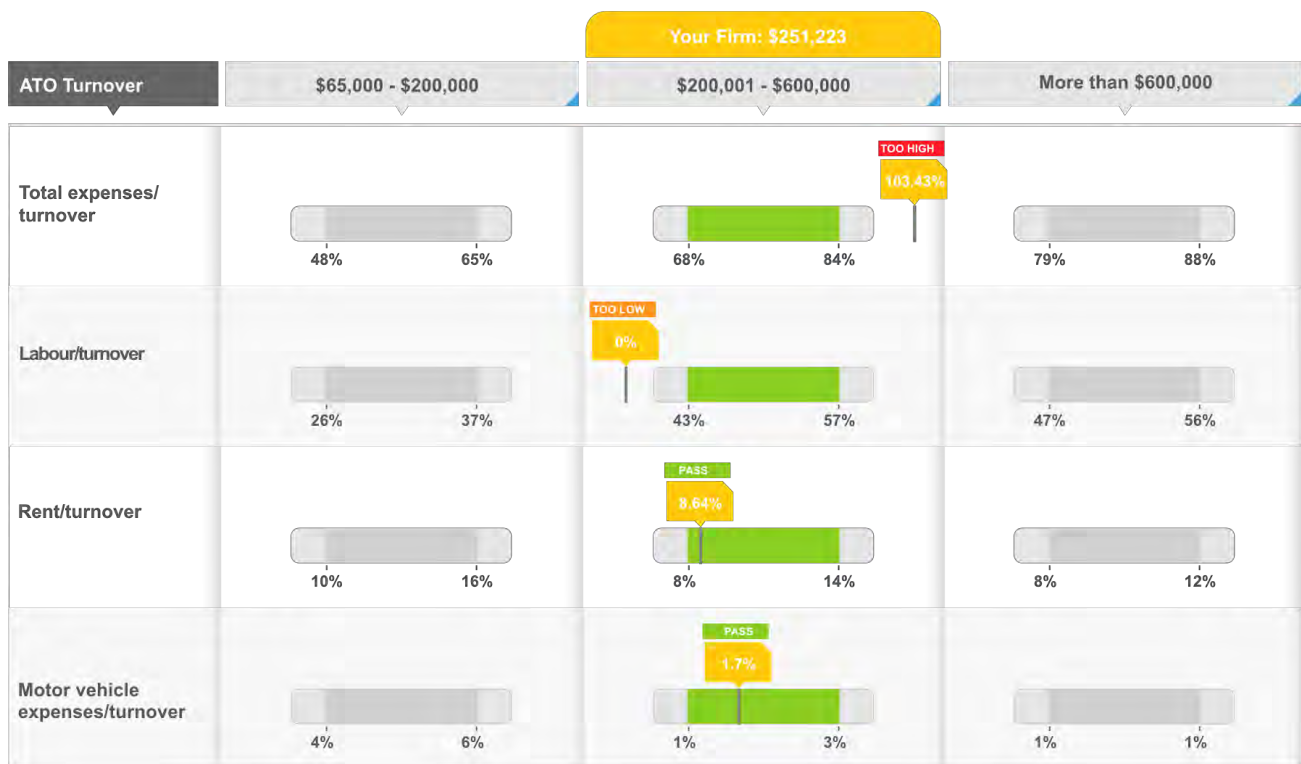
*'Benchmarks are key financial ratios developed from information provided by businesses on activity statements and tax returns that can help you compare your business performance against similar businesses in an industry.'* (Australian Tax Office, 2019, [www.ato.gov.au/Business/Small-business-benchmarks/How-we-use-benchmarks/](http://www.ato.gov.au/Business/Small-business-benchmarks/How-we-use-benchmarks/))

*'Businesses operating outside the key benchmark may be contacted by us.'* (Australian Tax Office, 2019, [www.ato.gov.au/Business/Small-business-benchmarks/How-we-use-benchmarks/](http://www.ato.gov.au/Business/Small-business-benchmarks/How-we-use-benchmarks/))

*'During an audit, if a business does not have records to support their reported income and expenses, we may use benchmarks and other information available to assess the profits of the business.'* (Australian Tax Office, 2019, [www.ato.gov.au/Business/Small-business-benchmarks/How-we-use-benchmarks/](http://www.ato.gov.au/Business/Small-business-benchmarks/How-we-use-benchmarks/))

Below you will find key KPIs for cost of goods, turnover, labour, rent and motor vehicle expenses as percentages of total income.

Your individual results will flow through from the Data Entry page and have been calculated to match the ATO's benchmark statistics.



# Action List

# 7

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Strategies for business growth

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## **Strategies for business growth**

The following growth strategies relate to leveraging compliance requirements to promote the business skills, increasing brand awareness to create more business opportunities and utilising market proximity to drive increased traffic to business premises.

Each action has been recommended upon reviewing the financial performances of all businesses across the Child Care Services industry, as well as assessing future industry trends and opportunities.

For businesses in the Child Care Services industry, the three high level strategies include:

- Promote your compliance ratings to customers
- Undertake a brand audit to assess the state of your brand
- Leverage location position via signage and branding

To support each strategy, a series of actions are recommended in this section. All strategies and actions are designed to be considered with a business's overarching business plan and objectives.

**1**

### **Strategy: Promote your compliance ratings to customers**

- Promote compliance accreditation/certification on all promotional materials including flyers and websites
- Promote via signage on site at the business premises
- Create a page on the business website to explain to customers what the compliance is and why it is important
- Ensure the business is promoted via the accreditation authority's promotional channels (e.g. online list of members)

**2**

### **Strategy: Undertake a brand audit to assess the state of your brand**

- Utilise local networks to give feedback on the businesses current brand; including logo, website, business cards and any promotional materials
- Assess the current brand exposure online by reviewing number of website hits, social media engagement and email enquiries
- Conduct a survey with customers to review the brand image
- Engage external professionals to undertake a brand audit to establish the position in the market against competitors

**3**

### **Strategy: Leverage location position via signage and branding**

- Utilise building site for sales and promotion signage
- Seek local council guidance on developing additional signage for business via street signage
- Utilise windows strategically to increase foot traffic to business via promotion of bestselling items on display
- Ensure shop layout is effective for customers to search and purchase conveniently

# 8

# Ratio Definitions

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## Ratio Definitions

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## Ratio Definitions

**Total Income** consists of all fee income, subsidies and any other trading income.

### Overheads as % of total income

$$\frac{\text{Individual Overhead Item}}{\text{Total Income}} \times 100$$

Lower results are generally better here. However, the real issue is to maximise the value from each expense item. Any payments to or for the owners (eg wages, superannuation, FBT, etc) have been omitted from this list - they have been treated as part of the profit figure below.

### Net Profit (bos\*) as % of total income

$$\frac{\text{Total Income} - \text{Total Overheads}}{\text{Total Income}} \times 100$$

A higher Net Profit will normally reflect a more efficient or profitable operation. It is also influenced, however, by structural considerations such as the number of employees (whose salaries are included as part of the overhead structure) as opposed to active owners (whose salaries are included as part of 'Net Profit' rather than 'Salaries'). Note that owner wages have been excluded from Overheads to reflect a total Net Profit available to the owners.

### Net Profit Margin after owners' notional salary as % of total income

This is the Net Profit (as defined above), less a notional owner wage. In this calculation, we used a notional hourly rate of \$30 for each hour worked by the owners. This ratio is an effective way to compare the performance of different Centres, even though some might have active, working owners while others might be managed by an employed Director.

### Total Income per Person

This is the Total Income divided by the number of working owners and employees, in Full Time Equivalents. See *Personnel* for the definition of the term. Higher results are considered better.

### Total Income per Child Enrolled @ June 30

This is the Total Income divided by the number children enrolled as at 30 June in each year. Where a Centre offers occasional childcare, enrolments are converted to full day, full week numbers of children.

### Total Income per \$ of Wages

$$\frac{\text{Total Income}}{\text{Employee Wages} + \text{Notional Owner Wages}}$$

Higher figures reflect better overall control of the personnel cost of the Centre. Again, we have costed an active owner's time at the rate of \$30 per hour worked to make these figures comparable between different types of Centre.

### Non Personnel-Related Overheads per Person, per Child Enrolled, per \$ of Wages

The calculation is similar to those preceding it but the numerator (the top line of the calculation) is made up by adding together all the non-personnel overheads. Essentially this is all the overheads except wages and staff on-costs. Lower costs would normally be considered better, as long as current professional standards are being maintained.

### Personnel

Personnel are calculated in terms of Full Time Equivalents (FTEs). This means that if an employee or owner works in the business, say 2 days per 5-day week, this person has a FTE of 0.4. Similarly if a full time position started half way through the year, the person in it would have an FTE of 0.5.

### Hours Worked per Owner per Year

This is the total hours worked in the business by all owners within the financial year, divided by the number of working owners (in FTEs).

**Owners' Equity as % of total assets** is the proportion of assets which are funded by the owners.

$$\frac{\text{Total Assets} - \text{Total Liabilities}}{\text{Total Assets}} \times 100$$

When arriving at Total Assets and Total Liabilities both here and elsewhere in the figures, loans to and from owners and related companies are excluded. We treat them as drawings (reduces equity) or contributed capital (increases equity) respectively.

**Assets (excluding buildings) per Person** are calculated by dividing Total Assets by the total number of employees and working owners (expressed in FTEs). The value of any buildings owned by a Centre is removed from the total asset base, leaving the equipment, cash, debtors and so on needed by any Centre to run efficiently. Excluding the value of buildings makes the results more comparable among the various groups. Lower results are generally better, but too low a result indicates that you may be under capitalised.

**Assets (excluding buildings) per Enrolled Child** is the Total Assets less buildings, divided by the number of children enrolled (after conversion to full-day, full-week equivalents). Again, lower figures are better.

**Subsidies Received as a % of Total Income** is the proportion of income derived from subsidies (ie not paid by parents).

**Indoors Area as a % of Total Area to which Children have Access** is the indoor area to which children have access divided by the total area accessible to children, then expressed as a percentage.

**Indoor Area per Child (sq mtrs), based on Maximum Enrolments**

This is the indoor area to which children have access, divided by the maximum number of licensed places for the Centre.

**Operating Hours per Week, Weeks Centre Open per Year, Maximum Enrolments at Any One Time** are as reported by the individual Centres. They describe some physical attributes of each Centre.

**Children @ June 30 as % of Maximum Enrolment Capacity**

This is the number of children enrolled at 30 June, expressed as a percentage of total licensed capacity. Higher results indicate that you are utilising your facility more efficiently.

**Children @ 30 June per Person** is the total number of children enrolled as at 30 June, divided by the total number of employees and working owners.

**Children @ 30 June per Qualified Pre-school Person** is the total number of children enrolled, divided by the total number of qualified pre-school staff, including working owners.



# 9

# Child Care Centres

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## Average Results for businesses grouped as indicated

	All Firms Average	Turnover: Less than \$600,000	Turnover: \$600,000 to \$899,999	Turnover: \$900,000 or more
<b>Income</b>				
Total Income	\$1,351,121	\$435,684	\$761,303	\$1,942,949
<b>Less Overheads as %'s of Total Income:</b>				
Accounting & Legal Fees	0.65%	0.80%	0.61%	0.58%
Consumable Items & Educational Resources	2.02%	2.15%	1.13%	2.14%
All Insurance	1.78%	2.35%	1.84%	1.47%
Interest, Bank Charges etc	1.26%	0.90%	2.77%	1.14%
Food & Drink	1.78%	1.05%	1.55%	2.20%
Rent of Premises	7.67%	6.49%	4.44%	8.94%
Other Occupancy Costs	2.11%	2.20%	2.21%	2.05%
Other Depreciation, Lease and HP	1.26%	0.89%	1.98%	1.30%
Repairs, Maintenance, Hire of Plant & Equipment	1.38%	1.55%	1.37%	1.29%
Staff On Costs	7.14%	6.77%	7.74%	7.21%
Telephone & Fax	0.49%	0.73%	0.46%	0.38%
Employees' Wages & Salaries	54.98%	57.60%	57.68%	53.08%
Vehicle Operating Costs	0.48%	0.58%	0.71%	0.38%
All Other Expenses	4.55%	4.26%	4.48%	4.72%
Total Overheads	87.57%	88.33%	88.97%	86.89%
Net Profit (bos*)	12.43%	11.67%	11.03%	13.11%
Net Profit Margin after owners' notional salary#	9.17%	5.42%	7.08%	11.53%
<b>Total Income per....</b>				
Person	\$118,951	\$66,367	\$124,470	\$144,944
Child Enrolled @ June 30	\$15,437	\$9,905	\$14,104	\$18,560
\$ of Wages #	\$1.74	\$1.54	\$1.64	\$1.86
<b>Non Personnel-Related Overheads per....</b>				
Person	\$31,422	\$16,142	\$20,481	\$41,523
Child Enrolled @ June 30	\$4,100	\$2,312	\$3,558	\$5,132
\$ of Wages #	\$0.45	\$0.38	\$0.40	\$0.50
<b>Personnel (fte personnel numbers)</b>				
Working Owners	0.87	0.73	0.89	0.94
Employed Director	0.75	0.81	0.76	0.72
Other Qualified Pre-school Staff	8.39	3.77	7.16	11.02
Any Other Staff	5.13	1.45	2.34	7.59
Total Personnel	15.14	6.77	11.16	20.26
Hours Worked per Owner per Year	1,628	1,753	1,841	1,528
<b>Other Information</b>				

Owners' Equity as % of Total Assets	21.22%	35.87%	12.56%	15.42%
Assets (exc buildings) per Person	\$54,351	\$24,168	\$19,517	\$71,057
Assets (exc buildings) per Enrolled Child	\$7,917	\$5,573	\$9,483	\$8,503
Subsidies Received as a % of Total Income	29%	36%	30%	26%
Indoors Area as a % of Total Area to which Children have Access	38%	37%	50%	36%
Indoor Area/Child (sq mtrs) based on Maximum Enrolments	4.87	4.74	10.65	3.54
Operating Hours per Week	46	44	52	45
Weeks Centre Open per Year	47	47	49	48
Maximum Enrolments at Any One Time	73	42	41	96
Children @ June 30 as % of Maximum Enrolment Capacity	102%	125%	100%	90%
Children @ June 30 per Person	4.99	7.35	3.81	3.96
Net Profit (*bos) per owner	\$174,046	\$84,435	\$71,466	\$241,088
Current ratio	2.59	2.58	4.60	2.20
Acid test	2.65	2.58	4.44	2.32
Asset turnover	\$5.35	\$3.70	\$3.01	\$6.68
Liability turnover	\$12.48	\$8.74	\$16.19	\$13.65
Interest cover: business	32.56	29.69	2.54	40.14

\* bos - before owners' salaries and benefits

# including owners' notional wage of \$30 per hour

Please note certain mathematical operations with benchmark averages will not yield the results you may be expecting. For more info please see the Ratio Calculations section of this report.

## Average Results for businesses grouped as indicated

	All Firms Average	Net Profit (bos) Under 2.00%	Net Profit (bos) 2.0% to 14.99%	Net Profit (bos) 15.0% or more
<b>Income</b>				
Total Income	\$1,351,121	\$782,745	\$1,257,248	\$1,603,153
<b>Less Overheads as %'s of Total Income:</b>				
Accounting & Legal Fees	0.65%	0.85%	0.64%	0.66%
Consumable Items & Educational Resources	2.02%	1.83%	2.37%	1.89%
All Insurance	1.78%	2.26%	1.80%	1.60%
Interest, Bank Charges etc	1.26%	0.50%	1.77%	1.20%
Food & Drink	1.78%	1.65%	1.75%	1.61%
Rent of Premises	7.67%	8.49%	6.75%	8.56%
Other Occupancy Costs	2.11%	2.37%	1.99%	2.10%
Other Depreciation, Lease and HP	1.26%	1.13%	1.58%	1.01%
Repairs, Maintenance, Hire of Plant & Equipment	1.38%	1.29%	1.55%	1.32%
Staff On Costs	7.14%	10.10%	8.10%	5.26%
Telephone & Fax	0.49%	0.45%	0.60%	0.46%
Employees' Wages & Salaries	54.98%	66.32%	56.00%	48.11%
Vehicle Operating Costs	0.48%	0.32%	0.63%	0.52%
All Other Expenses	4.55%	6.41%	3.62%	3.51%
Total Overheads	87.57%	103.96%	89.14%	77.81%
Net Profit (bos*)	12.43%	-3.96%	10.86%	22.19%
Net Profit Margin after owners' notional salary#	9.17%	-6.09%	6.09%	18.88%
<b>Total Income per....</b>				
Person	\$118,951	\$143,950	\$77,202	\$113,065
Child Enrolled @ June 30	\$15,437	\$8,468	\$16,305	\$18,602
\$ of Wages #	\$1.74	\$1.49	\$1.62	\$1.93
<b>Non Personnel-Related Overheads per....</b>				
Person	\$31,422	\$54,185	\$20,536	\$24,041
Child Enrolled @ June 30	\$4,100	\$2,371	\$4,465	\$4,719
\$ of Wages #	\$0.45	\$0.42	\$0.42	\$0.48
<b>Personnel (fte personnel numbers)</b>				
Working Owners	0.87	0.61	0.98	1.00
Employed Director	0.75	0.81	0.84	0.74
Other Qualified Pre-school Staff	8.39	6.45	7.87	8.88
Any Other Staff	5.13	2.49	6.15	4.77
Total Personnel	15.14	10.35	15.84	15.38
Hours Worked per Owner per Year	1,628	1,474	1,678	1,594
<b>Other Information</b>				

Owners' Equity as % of Total Assets	21.22%	2.25%	13.83%	33.35%
Assets (exc buildings) per Person	\$54,351	\$225,806	\$30,572	\$29,007
Assets (exc buildings) per Enrolled Child	\$7,917	n/a	\$8,544	\$7,646
Subsidies Received as a % of Total Income	29%	36%	35%	24%
Indoors Area as a % of Total Area to which Children have Access	38%	35%	36%	42%
Indoor Area/Child (sq mtrs) based on Maximum Enrolments	4.87	7.60	4.09	4.62
Operating Hours per Week	46	43	47	42
Weeks Centre Open per Year	47	44	47	49
Maximum Enrolments at Any One Time	73	55	70	78
Children @ June 30 as % of Maximum Enrolment Capacity	102%	134%	103%	90%
Children @ June 30 per Person	4.99	7.65	4.66	4.46
Net Profit (*bos) per owner	\$174,046	\$10,915	\$106,717	\$335,079
Current ratio	2.59	2.68	2.67	2.89
Acid test	2.65	2.67	2.73	2.99
Asset turnover	\$5.35	\$5.68	\$5.83	\$5.65
Liability turnover	\$12.48	\$6.73	\$10.94	\$18.69
Interest cover: business	32.56	-19.77	21.21	64.98

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\* bos - before owners' salaries and benefits

# including owners' notional wage of \$30 per hour

Please note certain mathematical operations with benchmark averages will not yield the results you may be expecting. For more info please see the Ratio Calculations section of this report.

## Average Results for businesses grouped as indicated

	Location: Capital City CBD	Location: Suburban Major Regional	Other: Rented Premises	Other: Moderate subsidy
<b>Income</b>				
Total Income	\$1,931,413	\$1,483,945	\$1,444,303	\$1,223,661
<b>Less Overheads as %'s of Total Income:</b>				
Accounting & Legal Fees	0.60%	0.64%	0.70%	0.63%
Consumable Items & Educational Resources	1.34%	1.84%	2.03%	2.22%
All Insurance	1.52%	1.63%	1.75%	2.08%
Interest, Bank Charges etc	1.21%	0.63%	0.87%	1.60%
Food & Drink	1.89%	1.82%	1.76%	1.48%
Rent of Premises	10.01%	8.83%	9.38%	7.24%
Other Occupancy Costs	1.73%	2.12%	1.93%	2.19%
Other Depreciation, Lease and HP	0.82%	0.80%	1.27%	1.11%
Repairs, Maintenance, Hire of Plant & Equipment	1.40%	1.41%	1.29%	1.54%
Staff On Costs	5.73%	8.50%	7.15%	6.71%
Telephone & Fax	0.25%	0.43%	0.51%	0.52%
Employees' Wages & Salaries	53.15%	54.00%	52.49%	59.11%
Vehicle Operating Costs	0.10%	0.26%	0.51%	0.49%
All Other Expenses	8.54%	4.67%	4.70%	3.63%
Total Overheads	88.32%	87.56%	86.34%	90.55%
Net Profit (bos*)	11.68%	12.44%	13.66%	9.45%
Net Profit Margin after owners' notional salary#	10.83%	10.38%	10.33%	6.66%
<b>Total Income per....</b>				
Person	\$198,894	\$117,347	\$130,466	\$110,580
Child Enrolled @ June 30	\$14,623	\$15,295	\$15,386	\$16,633
\$ of Wages #	\$1.93	\$1.81	\$1.80	\$1.63
<b>Non Personnel-Related Overheads per....</b>				
Person	\$78,080	\$26,708	\$35,493	\$35,258
Child Enrolled @ June 30	\$4,507	\$4,172	\$4,332	\$4,205
\$ of Wages #	\$0.58	\$0.46	\$0.49	\$0.41
<b>Personnel (fte personnel numbers)</b>				
Working Owners	0.67	0.98	0.97	0.61
Employed Director	0.69	0.75	0.74	0.84
Other Qualified Pre-school Staff	9.09	9.37	8.59	6.82
Any Other Staff	9.94	4.17	5.15	5.97
Total Personnel	20.38	15.26	15.46	14.25
Hours Worked per Owner per Year	1,616	1,423	1,630	1,912
<b>Other Information</b>				

Owners' Equity as % of Total Assets	40.03%	15.27%	17.25%	16.65%
Assets (exc buildings) per Person	\$283,645	\$34,544	\$57,319	\$94,596
Assets (exc buildings) per Enrolled Child	\$8,045	\$8,303	\$7,415	\$7,258
Subsidies Received as a % of Total Income	14%	27%	28%	55%
Indoors Area as a % of Total Area to which Children have Access	38%	32%	40%	32%
Indoor Area/Child (sq mtrs) based on Maximum Enrolments	2.93	3.59	4.60	6.52
Operating Hours per Week	42	44	46	43
Weeks Centre Open per Year	38	47	47	45
Maximum Enrolments at Any One Time	91	71	76	69
Children @ June 30 as % of Maximum Enrolment Capacity	93%	111%	102%	113%
Children @ June 30 per Person	4.89	5.00	5.08	5.64
Net Profit (*bos) per owner	\$125,287	\$150,105	\$190,292	\$220,901
Current ratio	1.33	2.85	2.49	3.00
Acid test	1.33	3.03	2.55	2.91
Asset turnover	\$3.18	\$5.84	\$6.28	\$5.72
Liability turnover	\$8.45	\$15.14	\$14.56	\$11.60
Interest cover: business	-9.73	51.82	42.55	14.19

\* bos - before owners' salaries and benefits

# including owners' notional wage of \$30 per hour

Please note certain mathematical operations with benchmark averages will not yield the results you may be expecting. For more info please see the Ratio Calculations section of this report.