

# Self-Employment Assistance Business Eligibility Criteria

To access Self-Employment Assistance, Participants must have a business or business idea that meets the Business Eligibility Criteria outlined below. The Provider must support Participants to develop or adjust Business Plans to meet the Business Eligibility Criteria and include an appendices in the Business Plan identifying how the Business Eligibility Criteria have been met. The Provider must reject a Business Plan that does not meet the below Business Eligibility Criteria and should not accept Participants into services.

## 1. The business must be Viable

A business is Viable if it will provide the Participant with a minimum net income equal to the current Basic Rate of JobSeeker Payment within:

**New Business:** 12 months of the business commencing, or

**Existing Business:** 12 months from the Provider's assessment of viability.

The decision as to whether a business is Viable is assessed by the Provider. The consideration in the assessment of a business' Viability will depend on the service the participant wishes to access and whether the assessment is conducted before or after the Participant has drafted a Business Plan.

*Note: A not-for-profit may be assessed as Viable if it generates enough income for the Participant to receive an annual salary equivalent to the Basic Rate of JobSeeker Payment and revenue is not solely derived from grants/fundraising/crowd funding.*

### Assessing Viability before the development of a Business Plan

To access Small Business Training, Business Plan Development, a Business Advice Session, or a Business Health Check the Participant must have a Viable business or business idea.

In making this assessment, the Provider must consider:

- **the business idea:** whether it will be feasible, market research including local demand and competition, the participants experience/qualifications, and the jurisdictions regulations
- **the business' expected revenue:** revenue source/s, whether it will be sustainable and whether there is supply and demand in the business' footprint
- **the business' key expenses:** whether the Participant has access to funding, or financing, for start-up costs

### Assessing the Viability of a draft Business Plan

The Provider must carry out, an assessment of a business' Viability when a Participant submits a Business Plan for assessment or commences a Participant in Small Business Coaching, which must consider:

- **the business' expected revenue:** based on market research and realistic sales forecasts and consider seasonal fluctuations and expected growth
- **the business' expenses:** identified in the cash flow forecast, including projected/forecast cash flow. Where a business plan involves a business loan, the expenses must include loan repayments
- **competition strategy:** whether the business has a strategy to compete with established competitors, to achieve its sales forecasts

- **industry and labour market:** whether the industry of the business is growing or in decline and whether there are opportunities for the business
- **risk management plan:** to determine if all risks which could impact the business have been considered and the strategies in place to minimise these risks are reasonable

## 2. The business is new or operated by an Eligible Business Owner

To meet the Business Eligibility Criteria, a business must either be a new business or be operated by an Eligible Business Owner.

Where a Participant's operates multiple businesses, only one business can be claimed under the program at a time. Consideration should be given to the Participants' commitment to the requirements in their Small Business Coaching Agreement. A Business may pivot or diversify during participation if it aligns with the existing Business Plan and continues to meet all eligibility requirements and continued viability. A participant that wishes to exit one business to focus on a second business should be terminated from the program.

### New businesses

A new business has not yet sold goods or services to its customers, or only began doing so in the past 6 months.

### Eligible Business Owners

An Eligible Business Owner is a business with five or less employees (including the owner) that is not currently Operating Commercially or is at risk of not Operating Commercially within the next 12 months.

#### *Identifying that a business is not currently Operating Commercially*

The Provider must confirm, and document, that the business' net income in the last full Financial Quarter was less than Basic Rate of JobSeeker Payment.

#### *Identifying that a business is at risk of not Operating Commercially*

A business that is at risk of not Operating Commercially is a business that may not be Operating Commercially in 12 months' time without intervention.

The Provider should assess and document the reason the business is at risk of not Operating Commercially which may include a recent event (natural disaster or economic/labour market disruption), change in the business' circumstances (partnership to solo trader) or change in the business' operations (supply issues or a new competitor).

## 3. The business must have an independent structure

Participants must hold and maintain a controlling interest over their business while accessing Self-Employment Assistance. A business is considered to have an independent structure if the Participant operating the business:

- can assert 'managerial control' over the direction of the business, and
- maintain a controlling interest that is greater than or equal to the interests of individuals who are not accessing Self-Employment Assistance.

### Business structures that may be considered independent

So long as the Participant/s maintains managerial control and a controlling interest in business operations, it is possible for a Participant to join or form:

- a partnership
- a company
- a sole trader
- a group enterprise, hub, or cooperative enterprise
- a brokerage
- a family day care educator
- a franchisee
- independent contractor

Other members of the joint enterprise do not need to be Participants in Self-Employment Assistance.

## Business structures that are not considered independent

- a subsidiary
- a multi-level marketing arrangement (including pyramid schemes)
- a supply of labour, products or services to a single customer/business (independent contractor for a rideshare or delivery company).

## 4. The business must be lawful and withstanding public scrutiny

The Provider must ensure that Participants' business is lawful capable of withstanding public scrutiny. This means that a business must not bring Self-Employment Assistance, the Provider or the Australian Government into disrepute and is operating within local, state and territory and Australian Government legislative and regulatory requirements with appropriate qualifications.

The types of businesses, or business activities, that may not meet the criterion of being capable of withstanding public scrutiny include, but are not limited to:

- psychic related businesses (such as Tarot reading, aura washing, clairvoyance, numerology, Soul Expansion, Spiritual Life Counselling, Vedic Counselling)
- hypnosurgery (hypnotherapy is allowed in line with the Complementary/Alternative Medicine provision below)
- gambling (generated or derived income from the Participant or its clients)
- managing greyhound or other racing syndicates
- graphic or violent films and violent multimedia material
- manufacture, sale or distribution of weapons prohibited under State or Territory legislation, including firearms and ancillary components such as firearm parts or ammunition
- providing a platform for promoting political, religious, or philosophical points of view
- promoting racial, religious, gender, or identity vilification
- nudity or the sex industry related activities, products, or publications
- the use of offensive language or images
- support of illegal drug use and the construction or sale of equipment used for illegal drug use
- illegal activities
- activities that target or take advantage of vulnerable people
- businesses that derive income by renting real property (eg AirBNB, private rentals)
- Complementary/Alternative Medicine that claim to heal or cure

*Note: Complementary and Alternative Medicine (CAM), Complementary Medicine (CM) or Natural Therapy, are broad terms used to describe a wide range of health care and therapies that do not involve medicines. These include hypnotherapy, naturopathy, and other therapeutic offerings that are not currently regulated under the Australian Health Practitioner Regulation Agency (AHPRA). Businesses that deliver complementary or alternative medicine **must not** claim to heal or cure any physical, mental, or other health issue or trauma. Instead, Businesses may 'assist' or 'manage' and can make referrals to other health professionals. References to "cure", "curing", or "healing" must not be made in any Business material including the Business Plan, promotional material, social media, or business information.*

## Checking insurance and lawfulness in a draft Business Plan

The Provider must undertake additional checks when approving a Business Plan to ensure that the business is lawful and is capable of withstanding public scrutiny.

If a business requires certification, the Participant must hold and maintain appropriate professional body certificates and/or active memberships (where applicable or mandatory). The Provider must see evidence of this certification to assist in satisfying the 'public scrutiny' requirement.

### *The business must have appropriate insurance*

The Provider must ensure that a Business Plan specifies the appropriate insurance(s). This must include public liability insurance and may include other appropriate insurances such as professional indemnity, product liability, or any other relevant insurance. Such policies must provide insurance covering the Participant's legal liability if an employee or a third party suffers injury, damage to property, or death due to their business' operations.

### ***The business must be lawful***

The Provider must ensure that the business, and the Participant, meets all legislative requirements in the jurisdiction.

The Business Plan should include evidence that the Participant has researched, and will comply with, any Commonwealth, state, territory, and local government legislative requirements affecting their business operation. This includes checking work health and safety regulations, environmental, equal employment opportunity, industrial relations, anti-discrimination requirements, and relevant industry codes of practice or regulation.

The Provider must also check that the business holds an Australian Business Number or Australian Company Number that is current and relates to the business and is registered for Goods and Services Tax (GST) (if applicable).

### ***The Participant must hold appropriate qualifications and accreditations***

Where relevant the Provider must ensure that the business, or the Participant, holds all qualifications and accreditations necessary to operate the business. This includes ensuring that the Participant holds an appropriate tertiary qualification or equivalent vocational qualification relevant to the business as well as ensuring any licensing or registration requirements have been met.

If the Participant's business is subject to a code of conduct or practice by an accreditation body, the Provider must be satisfied that the Participant or business maintains membership with the appropriate professional association.

The Provider must ensure that the Business Plan identifies general regulatory requirements to operate or deliver services, including relevant working with children or vulnerable people checks where necessary.

## **5. The business must be located in Australia**

A Participant's business must be controlled, managed and physically located in Australia. Participants may travel overseas to purchase stock, make sales or earn business income as long as management and control remain in Australia. Participants in Small Business Coaching must organise travel so that they are available for monthly contacts and Business Mentoring and must not work overseas on an ongoing basis. Participants in Small Business Coaching must ensure that all business travel (with appropriate travel insurance) and the reason for the travel is included in their Business Plan. For Participants receiving Self-Employment Allowance, overseas travel could be longer than the four-week period allowed by Services Australia for those participants who remain on an Income Support Payment