



Australian Government



Guideline:

# How people access NEIS and participate in NEIS Training

New Business Assistance with New Enterprise Incentive Scheme (NEIS) supports people who want to start and run a business. NEIS assists people to turn their good ideas into viable businesses and assists existing micro-business owners to refocus their business to meet new areas of demand.

NEIS support includes:

- NEIS Training
- NEIS Assistance—business mentoring and support for up to 52 weeks
- NEIS Allowance—for up to 39 weeks (if eligible)
- Rental Assistance—for up to 26 weeks (if eligible)

Published on: 26 May 2021

Version: 6.0

Effective from: 1 July 2021

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## Changes from the previous version (Version 5.1)

### Policy changes:

Pages 4 and 7: Expanded eligibility to include veterans with a transition date.

### Wording changes:

Page 1: Inclusion of the NEIS Concurrency with DES Guidelines as a related document.

Pages 6, 10 and 11: Changes to reflect updates to the defined terms 'Digital Services Contact Centre', 'Digital Participant' and 'Other Provider'.

A full document history is available on [Provider Portal](#).

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## Related documents and references

### jobactive

- [Direct Registration Guideline](#)
- [Privacy Guideline](#)
- [Using the Employment Fund General Account Guideline](#)

### NEIS

- [Additional Services—Exploring Being My Own Boss Workshop and Complementary Placements 2016–2022](#)
- [Support NEIS Participants to start and run their small business Guideline](#)

### ParentsNext

- [Concurrent Referrals Guideline](#)

### DES

- [NEIS Concurrency with DES Guidelines](#)
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## 1. Accessing NEIS Services

### Ways people are referred to NEIS Providers

To access Exploring Being My Own Boss Workshops, NEIS Training and NEIS Assistance, a person can be Referred to a NEIS Provider or approach a NEIS Provider directly.

#### A person is registered and the Other Provider agrees NEIS is suitable

If a person and their Other Provider agree it may be appropriate for them to receive NEIS and related Services, the Other Provider must refer the person to a NEIS Provider in the relevant Employment Region.



**System step:** The Other Provider must use the Department's IT Systems to refer the person to a NEIS Provider for possible acceptance into NEIS and related Services.

#### A person is registered and approaches a NEIS Provider

If a person contacts a NEIS Provider directly and is already registered for employment services, the NEIS Provider can complete a 'self-referral'.



**System step:** The NEIS Provider must use the Department's IT Systems to refer the person to themselves for possible acceptance into NEIS and related Services.

#### A person contacts a NEIS Provider directly

If a person contacts a NEIS Provider directly and is not registered for employment services, or has an inactive registration, the NEIS Provider must follow the procedure in the [Direct Registration Guideline](#) to Directly Register the person.



**System step:** If the person is not registered, the NEIS Provider can Directly Register the person for possible acceptance into NEIS and related Services.



**System step:** The NEIS Provider must identify Volunteers by selecting the 'NEIS Volunteer' check box in the Department's IT Systems.

### Assess if a person is NEIS Eligible

The NEIS Provider assesses if a person is eligible for NEIS and related Services. To be NEIS Eligible, a person must:

- be at least 18-years old when they commence NEIS Assistance
- be available to participate in NEIS Training (if relevant) and work the required hours in the proposed NEIS Business
- not be prohibited by law from working in Australia
- not be an overseas visitor on a working holiday visa or an overseas student studying in Australia
- not have received NEIS Assistance in the past year
- not be an undischarged bankrupt
- be any other person or persons the Department advises the NEIS Provider in writing from time-to-time.



**System step:** If a person is registered, the Department's IT Systems automatically indicates if the person is at least 18-years old and has not received NEIS Assistance in the past year.

### Early access to NEIS for veterans

Serving Australian Defence Force (ADF) veterans with a confirmed transition date are eligible to access NEIS Training prior to exiting the ADF. A veteran's 'transition date' is the date they will exit the ADF.

These Participants must not start running their business through NEIS Assistance until they are NEIS Eligible.



**System step:** The NEIS Provider must identify eligible veterans by applying the 'NEIS—veteran' special placement flag in the Department's IT Systems.



**Documentary Evidence:** The NEIS Provider must retain evidence of a veteran's transition out of the ADF. For example, a letter confirming the anticipated transition date.

### Early access to NEIS for family members of serving ADF personnel

The partners and adult children of serving members of the ADF (with or without a transition date) are eligible to access NEIS Training. Adult children are those of the serving member or the serving member's partner.

These Participants must not start running their business through NEIS Assistance until they are NEIS Eligible.



**System step:** The NEIS Provider must identify eligible partners and adult children of serving members of the ADF by applying the 'NEIS—veteran' special placement flag in the Department's IT Systems. Note: if the partner or adult child is already NEIS Eligible without this exemption, this flag must not be applied.



**Documentary Evidence:** The NEIS Provider must retain evidence confirming the relationship between a partner or adult child of a serving member of the ADF, including:

- evidence of current service or transition out of the ADF, and
- proof of the family relationship, such as birth certificate, marriage certificate, bills in joint names, or joint bank account statements.

### Early access to NEIS for retrenched workers

Retrenched workers are eligible to access NEIS three months before their employment ends. To confirm their eligibility, the retrenched worker must supply a retrenchment letter to the NEIS Provider identifying their retrenchment date.



**System step:** The NEIS Provider must identify the retrenched worker by applying the 'NEIS—early access retrenched worker' special placement flag in the Department's IT Systems.



**Documentary Evidence:** The NEIS Provider must keep a copy of the retrenchment letter.

### Capacity to work in the NEIS Business

NEIS Providers should carefully consider whether the person has the capacity to work in their proposed NEIS Business and that the proposed business idea is Commercially Viable based on the hours the person will work in the business.

Generally, NEIS Participants are expected to work in their businesses for at least 35 hours each week.

NEIS Participants may operate their NEIS Business part-time for a minimum of 25 hours per week (unless otherwise specified in the Department's IT Systems) if they are:

- engaging in employment or accredited education up to 25 hours per week; or
- unable to participate in NEIS for 35 hours each week due to a documented medical condition, disability and/or caring responsibilities.

For Participants engaging in part-time work or study, the NEIS Business must be their primary activity. The Participant must record how many hours each week they will work on their NEIS Business in their NEIS Business Plan.

### Participants with a Partial Capacity to Work

The Participant cannot be required to participate beyond their Partial Capacity to Work hours. However, if the Participant's NEIS Business requires them to work more than their minimum required hours as determined by their Partial Capacity to Work, the Participant may volunteer to work the additional hours. The NEIS Provider must obtain voluntary written agreement from the Participant to undertake additional hours.

The Participant may be required to obtain a medical clearance stating they are able to work additional hours in their NEIS Business, if they choose to do so.

NEIS Providers are encouraged to collaborate with the referring Other Provider when providing services to a Participant with a Partial Capacity to Work to ensure that NEIS is appropriate and accessible for the person.



**Documentary Evidence:** Providers must retain Documentary Evidence confirming the medical condition, disability, caring responsibilities or other activities of a NEIS Participant who wishes to operate their NEIS Business part-time (if not detailed in the Department's IT Systems). This can include but is not limited to:

- Birth certificates for children
- Evidence of adoption or foster care agreements
- Medical certificate (or other relevant documentation) outlining primary caring responsibilities for a family member
- Medical documentation confirming the Participant's requirement to work part-time due to a disability/medical condition
- Education enrolment forms
- Payslips
- A statutory declaration.

### Assess NEIS Business idea

Once a person is assessed as NEIS Eligible, the NEIS Provider will discuss the person's business idea with them (referred to in this document as a NEIS Business idea), including ideas for new businesses and ideas for how an existing micro-business can be retained and refocused.

The NEIS Provider must assess the person's NEIS Business idea to ensure it meets the NEIS Business Eligibility Criteria.

NEIS Business Eligibility Criteria are that the proposed NEIS Business:

- is either not currently operating on a commercial basis or is an existing micro-business owner seeking to refocus their business in response to COVID-19
- has an independent business structure
- is lawful and capable of withstanding public scrutiny
- has been assessed as Commercially Viable by the NEIS Provider
- will be established, located and operated solely within Australia
- will be structured so the person has and will maintain a controlling interest over the NEIS Business for the duration of the person's NEIS Participant Agreement.

Refer to [Attachment A](#) for further information.

### Outcome of NEIS Referral and Eligibility Check

If the NEIS Provider has determined the person is NEIS Eligible and their NEIS Business idea meets the NEIS Business Eligibility Criteria, the NEIS Provider must consider and recommend whether they should undertake NEIS Training.

The NEIS Provider must ensure the NEIS Prospective Participant completes and signs an Initial NEIS Eligibility Form before commencing in NEIS and related Services.

The NEIS Provider should ensure the NEIS Prospective Participant understands that participating in an Exploring Being My Own Boss Workshop or NEIS Training does not guarantee they will receive NEIS Assistance.

The NEIS Provider should also tell the NEIS Prospective Participant that, if they are accepted into NEIS Assistance, they must:

- agree to/sign the NEIS Participant Agreement
- participate in NEIS Business Mentoring
- work in their NEIS Business as outlined in their approved NEIS Business Plan
- tell the NEIS Provider about any changes that affect them or their NEIS Business.



**System step:** The NEIS Provider must accept or reject all NEIS contract referrals in the Department's IT Systems.



**Documentary Evidence:** The NEIS Provider must keep the signed Initial NEIS Eligibility Form or a file note to support the provider's initial eligibility check.

### Advise Other Provider of activities

If a NEIS Prospective Participant is being concurrently serviced, the NEIS Provider must advise the Other Provider to update the Participant's Job Plan with relevant details of any activities (for example, attendance in an Exploring Being My Own Boss Workshop Activity or NEIS Training Activity).



**System step:** The Other Provider must update the Participant's Job Plan to include relevant details of NEIS Activities.

### Manage Digital Participants

If a NEIS Prospective Participant is also a Digital Participant, the NEIS Provider must tell them to call the Digital Services Contact Centre to update their Job Plan.



**System step:** The NEIS Provider must check the NEIS Prospective Participant's referral history screen in the Department's IT Systems. If the NEIS Prospective Participant is connected to the site codes 'JOBS/ASDS (Adelaide South Digital Service)', 'JOBS/MCDS (Mid North Coast Digital Service)' or 'JOBS/JOBS (Online Employment Services Canberra)', the NEIS Provider must advise them to contact the Digital Services Contact Centre to update their Job Plan.



**System step:** The NEIS Provider must ensure there is an open NEIS contract referral and a NEIS Training Activity record before advising the NEIS Prospective Participant to contact the Digital Services Contact Centre.

(Deed references: Clause 78, Clause 97, Clause 127, Clause 127.4, Clause 127.5)

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## 2. Arrange NEIS Training

Once a NEIS Provider has ensured a person is NEIS Eligible and has a NEIS Business idea that meets the NEIS Business Eligibility Criteria, they can arrange NEIS Training.

If a NEIS Prospective Participant has previously completed NEIS Training and obtained their certificate, they do not need to undertake NEIS Training again, but they will still need to develop a NEIS Business Plan.

NEIS Training is a Services Australia approved Activity for a maximum of 13 weeks.

For NEIS Prospective Participants in the Work for the Dole Phase, the hours of participation in NEIS Training contribute to their Annual Activity Requirement (AAR). Job Search requirements for NEIS Prospective Participants undertaking NEIS Training are reduced to zero while participating in NEIS Training.

While completing NEIS Training, the NEIS Prospective Participant develops a NEIS Business Plan.

### Determine appropriate NEIS Training

NEIS Prospective Participants undertaking NEIS Training will participate in one of the following:

- Certificate IV in Entrepreneurship and New Business (BSB40320)
- Certificate III in Entrepreneurship and New Business (BSB30220)
- other training advised by the Department.

The NEIS Provider must discuss with the NEIS Prospective Participant which NEIS Training certificate is more appropriate given the NEIS Prospective Participant's:

- proposed NEIS Business idea
- learning capabilities
- capacity to complete NEIS Training.

There are no educational prerequisites for a NEIS Prospective Participant to participate in NEIS Training. However, academic abilities should be considered when deciding which training certificate is more appropriate.

Serving ADF veterans with a transition date, partners and adult children of serving ADF personnel, and retrenched workers may be employed while participating in NEIS Training. NEIS Providers should consider what flexibility they can offer when delivering training to accommodate these participants.

## NEIS Training for existing micro-businesses



**System step:** NEIS Prospective Participants operating an existing micro-business affected by COVID-19 may not require a NEIS Training certificate. They will need to develop a NEIS Business Plan for assessment and approval prior to commencement into NEIS Assistance. The business plan can be developed during the NEIS Training Activity.

## Arrange and pay for NEIS Training

NEIS Training must be delivered by a Registered Training Organisation (RTO) (accredited with the Australian Skills Quality Authority (ASQA) and/or the relevant State Training Authority). The RTO must have the NEIS qualifications 'in scope' in the relevant states/territories where they deliver the NEIS Training.

The NEIS Provider meets the upfront costs of NEIS Training and must arrange and pay all fees associated with NEIS Training to the selected RTO. The NEIS Provider and selected RTO should negotiate the fee structure, timing of payment and administrative processes.

If the NEIS Provider is also an RTO and offers the identified NEIS Training courses, the NEIS Provider may choose to deliver NEIS Training.

NEIS Prospective Participants may be exempt from part, or all, of NEIS Training if they have the necessary competencies as a result of work or life experiences, previous training or qualifications (Recognition of Prior Learning (RPL) or credit transfer). If an RTO applies RPL, or if a NEIS Prospective Participant has completed training that meets the requirements of NEIS Training, the NEIS Provider can commence the NEIS Prospective Participant into NEIS Assistance if their NEIS Business Plan is approved.

The NEIS Training Commencement portion of the NEIS Fee can only be paid for a NEIS Prospective Participant once in a 12 month period.



**System step:** The NEIS Provider must enter the following details into the Department's IT Systems:

- details of the NEIS Training being undertaken (including Certificate name)
- the NEIS Training start and end dates (including updates to the expected end date where training extends beyond 13 weeks)
- whether there is RPL
- any credit transfers from other RTOs.



**System step:** The Other Provider must update the NEIS Prospective Participant's Job Plan to include relevant details of NEIS Activities including any NEIS Training undertaken, the certificate level and expected start and end dates.



**Documentary Evidence:** NEIS Providers must keep the following Documentary Evidence for NEIS Prospective Participants commenced in NEIS Training:

- confirmation of the NEIS Prospective Participant's enrolment with a relevant RTO
- evidence that the NEIS Prospective Participant has participated in NEIS Training—for example the NEIS Prospective Participant's:
  - attendance records
  - completed sign-in sheets



- electronic correspondence showing participation
  - assessment records for the competencies assessed
  - copy of statement of attainment
  - copy of certificate (if successfully completed)
- copy of draft NEIS Business Plan.



**System step:** The Department's IT Systems use the NEIS Training Commencement to trigger payment of the NEIS Fee. Refer to the 'Claiming the NEIS Fee' section in the 'Support NEIS Participants to start and run their small business'.

### Deliver training

NEIS Providers must deliver the service delivery model for NEIS Training prescribed in their tender, or as directed by the Department.

NEIS Training must be delivered face-to-face in a traditional classroom environment unless:

- the NEIS Provider proposed (in their tender response) to deliver NEIS Training using a mixed-mode delivery approach; and/or
- otherwise advised by the Department.

NEIS Providers may change their NEIS Training delivery model with approval from their Account Manager.

All NEIS Prospective Participants must achieve the required competencies to be awarded the relevant NEIS Training Certificate, but may commence NEIS Assistance before completing training.

### Provide additional assistance

NEIS Providers should identify any additional assistance needs before the NEIS Prospective Participant starts NEIS Training. If a NEIS Provider assesses that a NEIS Prospective Participant needs additional support during NEIS Training, the NEIS Provider should consider providing this assistance (for example, with literacy or numeracy) and/or contacting the NEIS Prospective Participant's Other Provider (if applicable).

If an Other Provider is servicing a NEIS Prospective Participant, they may be able to use the Employment Fund to cover the costs of some assistance. Use of the Employment Fund is at the discretion of the Other Provider and in line with the [Using the Employment Fund General Account Guideline](#).

### Monitor attendance

A NEIS Provider is expected to monitor the NEIS Prospective Participant's attendance at NEIS Training.

If the NEIS Prospective Participant's attendance is unsatisfactory, the NEIS Provider should:

- arrange a meeting with the NEIS Prospective Participant
- inform the Other Provider of any concerns (if applicable).

If the non-attendance continues and the NEIS Prospective Participant is connected to an Other Provider, the NEIS Provider must:

- advise the Other Provider that the NEIS Prospective Participant can no longer participate in NEIS Training, and refer the NEIS Prospective Participant back to their Other Provider for alternative Services in accordance with the jobactive Deed 2015–2022 (the Deed).

If the non-attendance continues and the NEIS Prospective Participant is a Digital Participant, the NEIS Provider must:

- advise the NEIS Prospective Participant they can no longer participate in NEIS Training and tell them to call the Digital Services Contact Centre
- advise the Digital Services Contact Centre via email ([DESE-BookTrainingOnline@dese.gov.au](mailto:DESE-BookTrainingOnline@dese.gov.au)) that the NEIS Prospective Participant is no longer participating in NEIS Training.

The Digital Services Contact Centre will inform the NEIS Prospective Participant that they are aware of the change in the Participant's circumstances. The Digital Services Contact Centre will request the NEIS Prospective Participant to update their Job Plan within two business days to reflect the Participant's change in circumstances.

If the non-attendance continues and the NEIS Prospective Participant is not connected to an Other Provider, the NEIS Provider must:

- advise the NEIS Prospective Participant they can no longer participate in NEIS Training.



**System step:** If the NEIS Prospective Participant's non-attendance continues, the NEIS Provider must end the NEIS Training Activity and end the NEIS contract referral in the Department's IT Systems.



**Documentary Evidence:** The NEIS Provider must keep Documentary Evidence that the NEIS Prospective Participant has participated in NEIS Training—for example the NEIS Prospective Participant's:

- attendance records
- completed sign-in sheets
- electronic correspondence showing participation.

(Deed references: Clause 78, 87, 97, 127, 128)

### Complete Training

NEIS Training is a key component of the NEIS program and as such the Department expects Participants to have undertaken a substantial amount of the accredited NEIS Training before commencing in NEIS Assistance.



**System step:** If the NEIS Prospective Participant takes longer than 13 weeks to complete the relevant NEIS Training certificate, the NEIS Provider should reflect the NEIS Prospective Participant's expected training end date in the Department's IT Systems.



**Documentary Evidence:** The NEIS Provider must keep the following Documentary Evidence about the NEIS Prospective Participant's NEIS Training:

- assessment records for the competencies assessed
- copy of statement of attainment
- copy of certificate (if successfully completed).

### 3. Develop and assess the NEIS Business Plan

The NEIS Provider must proactively assist the NEIS Prospective Participant to develop a NEIS Business Plan that satisfies the NEIS Business Eligibility Criteria.

The NEIS Business Plan is used for assessing compliance with the NEIS Business Eligibility Criteria (see [Attachment A](#)) and should contain:

- a title page
- an executive summary of the NEIS Business Plan that includes information on how NEIS Business Eligibility Criteria have been met
- an overview of the NEIS Business idea
- a political, economic, social and technological (PEST) analysis
- a marketing plan
- any Work Health and Safety requirements
- an operations plan
- the hours per week the NEIS Prospective Participant intends to work in their NEIS Business and details of any business travel
- a financial plan that includes second-year cash flow
- a management plan
- appropriate business insurance and
- appendices that support the content of the NEIS Business Plan.

(Deed references: Clause 128)

#### Assess and approve a NEIS Business Plan

The NEIS Provider must assess the NEIS Business Plan and only approve it when satisfied that the NEIS Prospective Participant is NEIS Eligible and all NEIS Business Eligibility Criteria (see [Attachment A](#)) have been met and noted in the NEIS Business Plan.

If the NEIS Prospective Participant has previously participated in NEIS Assistance, the individual's NEIS Business Plan needs to demonstrate the lessons learnt from the previous period of NEIS Assistance. This is regardless of whether the proposed NEIS Business idea is a similar or different business. Examples may include revised strategies to market to, or deliver services to, customers.

NEIS Providers may approve a NEIS Prospective Participant's NEIS Business Plan before or after the NEIS Prospective Participant completes the NEIS application process.



**Documentary Evidence:** The NEIS Provider must keep a copy of the NEIS Prospective Participant's approved NEIS Business Plan.



**Documentary Evidence:** The NEIS Provider must keep written correspondence to the NEIS Prospective Participant regarding approval of their NEIS Business Plan.



**System step:** The NEIS Provider must record the following information in the Department's IT Systems:

- the outcome and date of the decision to approve the NEIS Business Plan
- the NEIS Business identifier
- the proposed start date of the NEIS Business.

Note: The NEIS Provider will not be able to record this information until the NEIS Prospective Participant has completed the NEIS application process.

### Rejecting a NEIS Business Plan

Before rejecting a NEIS Business Plan, the NEIS Provider must first proactively assist the NEIS Prospective Participant to further develop their business plan to satisfy the NEIS Business Eligibility Criteria (see [Attachment A](#)).

If the NEIS Business Plan cannot be further developed to meet all of the NEIS Business Eligibility Criteria and/or the NEIS Prospective Participant is not NEIS Eligible, the NEIS Provider must reject the NEIS Business Plan.

If the NEIS Business Plan is rejected, the NEIS Prospective Participant will not continue in NEIS Training or continue on to NEIS Assistance.

The NEIS Provider must explain in writing to the NEIS Prospective Participant why their NEIS Business Plan is not eligible and inform them of their right to have the decision reviewed. The NEIS Prospective Participant must be referred back to their Other Provider (where applicable).

If the NEIS Prospective Participant is a Digital Participant, the NEIS Provider must advise the Digital Services Contact Centre via email ([DESE-BookTrainingOnline@dese.gov.au](mailto:DESE-BookTrainingOnline@dese.gov.au)) that the NEIS Prospective Participant is no longer participating in NEIS.



**System step:** The NEIS Provider must:

- record the outcome and date of the decision to reject the NEIS Business Plan
- end the NEIS contract referral in the Department's IT Systems
- refer the NEIS Prospective Participant back to their Other Provider (where applicable) in the Department's IT Systems.



**Documentary Evidence:** The NEIS Provider must keep a copy of the NEIS Prospective Participant's rejected NEIS Business Plan.



**Documentary Evidence:** The NEIS Provider must keep written correspondence to the NEIS Prospective Participant regarding the rejection of their NEIS Business Plan and the reasons for the decision. The written correspondence must also note the NEIS Participant's right to have the decision reviewed.

### Ineligible NEIS Business

If the Department identifies that an ineligible NEIS Business has commenced, the Department may direct the NEIS Provider to either suspend or terminate the NEIS Participant Agreement and advise the NEIS Participant of the action.

If the NEIS Provider has not carried out thorough eligibility checks or business monitoring, the Department may recover fees paid to the NEIS Provider.

(Deed reference: Clause 128.5, 128.6)

## Attachment A: NEIS Business Eligibility Criteria

The NEIS Provider must ensure a proposed NEIS Business idea meets the following NEIS Business Eligibility Criteria:

### The business must not already be operating on a commercial basis

A business is considered to be operating on a commercial basis if:

- it has been in operation for more than three months, and
- its net income over the past twelve months (or since the business began operating – whichever is less) exceeds the equivalent amount of the single 22 or over, no children Basic Rate of JobSeeker Payment that could have been paid over that period.

The purchase or takeover of a non-operational business is allowed if all of the other requirements are met, including Commercial Viability.



**Documentary Evidence:** The NEIS Provider must keep an accurate and complete record of their decision on whether the business activity was operating on a commercial basis or not. For businesses that have been undertaking activities for over three months, this should include an estimation of the business' average fortnightly net income. Relevant Documentary Evidence could include, but is not limited to:

- bank statements
- profit and loss statements
- balance sheets
- income statements.

### Existing micro-businesses impacted by COVID-19

Existing micro-business owners may be eligible for NEIS Services if they are seeking to refocus their business to adapt to economic pressures created by COVID-19.

A micro-business is generally defined as between 1 and 4 employees ([www.abs.gov.au](http://www.abs.gov.au)), however a NEIS Provider should consider the size on a case by case basis to ensure they are satisfied that the business is small, for example that it is not receiving assistance through industry programs geared towards larger businesses. A micro-business may be any of the four identified possible NEIS Business structures – a sole trader, a partnership, a trading trust or a company.



**System step:** The NEIS Provider must identify the existing micro-business by selecting the 'existing micro-business' check box in the Department's IT Systems.



**Documentary Evidence:** The NEIS Provider must retain on file documentation from existing micro-businesses confirming that their business income was substantially reduced as a result of COVID-19. This could include:

- profit and loss statements from two comparable periods
- income statements
- bank statements
- where quantitative data is not readily accessible, a statutory declaration confirming the reduction in business income and the cause

- confirmation that the business has received a JobKeeper payment from the ATO.

### The business must have an independent structure

NEIS Prospective Participant/s must hold and maintain a controlling interest over the NEIS Business for the duration of the person's NEIS Participant Agreement.

It is possible for two or more people to form a partnership, company, group enterprise or cooperative enterprise. A NEIS Prospective Participant can form a joint enterprise with:

- one or more other NEIS Participants, and/or
- one or more other person/s external to NEIS.

A NEIS Prospective Participant must provide detail of the proposed business structure of their NEIS Business in their NEIS Business Plan, including the decision-making responsibilities and the controlling interests of all parties. The NEIS Provider must be satisfied that NEIS Prospective Participant/s:

- are in a position to assert 'managerial control' over the direction of the NEIS Business
- maintain a controlling interest that is greater than or equal to the non-NEIS Participants'
- maintain an interest in the ownership of the working capital and the income of the business that is greater than or equal to the non-NEIS Participants'.

### Possible NEIS Business structures

**Sole trader:** A NEIS Prospective Participant should provide evidence that they are self-employed and entitled to all profits and responsible for all losses of the NEIS Business.

**Partnership:** A NEIS Prospective Participant should provide evidence that they are a partner in the business. Evidence should include a signed partnership agreement with all business partners. A marriage certificate is not a sufficient partnership agreement where the NEIS Business partners are a married couple.

**Trading trust:** A NEIS Prospective Participant should provide evidence that they are a trustee of a trading trust.

**Company:** A NEIS Prospective Participant should provide evidence that they are a director of the company, and that the NEIS Prospective Participant/s collectively hold a controlling interest in the company as directors.

### Business structures that are not considered independent

A proposed NEIS Business must not be:

- a subsidiary
- an agent for another enterprise
- a part of a multi-level marketing arrangement (including pyramid schemes)
- a supplier of labour, products or services to one business in an exclusive contractual arrangement.

**Note:** Mortgage Broker businesses and independent contractors are allowed where all other eligibility criteria are met. Family Day Care businesses are allowed where they are registered with an approved Family Day Care service, that is, the service is approved under the Education and Care Services National Law.

### The business must be lawful and capable of withstanding public scrutiny

The NEIS Provider must ensure the proposed NEIS Business is capable of withstanding public scrutiny.

The proposed NEIS Business must not bring NEIS, the NEIS Provider or the Australian Government into disrepute. The NEIS Business must:

- comply with relevant local, state and territory and Australian Government regulations
- be lawful
- be operated under appropriate qualifications.

If a proposed NEIS Business requires certification, the NEIS Prospective Participant must hold and maintain appropriate professional body certificates and/or active memberships. The NEIS Provider must see evidence of this certification to assist in satisfying the 'public scrutiny' requirement.

The types of NEIS Business ideas that may not meet the criterion of being capable of withstanding public scrutiny include, but are not limited to:

- psychic related businesses (such as mobile Tarot reading, psychic or hypnotic surgery, aura washing, clairvoyance, numerology)
- gambling
- managing greyhound or other racing syndicates
- graphic or violent films and violent multimedia material
- sales or distribution of weapons (for example, guns)
- providing a platform for promoting political, religious (for example, theology, teaching of beliefs, evangelistic ministries) or philosophical points of view
- racial or religious vilification
- sex industry related activities, products or publications (print and electronic)
- businesses that use offensive language or genitalia, or any other part of the anatomy in an offensive way, in their names or describe or display logo graphics
- businesses that support illegal drug use or the construction or sale of equipment that could be used for illegal drug use
- tattooing that is not compliant with legislation, including health regulations.

If approving a NEIS Business idea for a business that provides alternative natural therapies, the NEIS Provider should ensure they have a full understanding of the services to be delivered, to ensure risks to the Commonwealth are minimised.

The NEIS Provider must ensure the participant holds appropriate certifications or qualifications where appropriate. The NEIS Provider must also ensure the business will be Commercially Viable and operate under state/territory and Commonwealth legislative requirements.

### The business must have appropriate insurance

The NEIS Provider must talk to the NEIS Prospective Participant about the requirement to take out appropriate insurance for the proposed NEIS Business idea. This discussion must include that the:

- NEIS Participant needs to have insurance from the NEIS Business start date (date they commence NEIS Assistance),

- insurance needs to provide recognised industry standard cover for the industry the NEIS Business will operate in
- insurance policy must be maintained during the term of the NEIS Participant Agreement.

All NEIS businesses must have public liability insurance. Depending on the business type, other appropriate insurances should be considered including professional indemnity, product liability or any other relevant insurance. Such policies normally provide insurance covering the NEIS Participant's legal liability if someone who is not an employee or a family member (third party) suffers injury, damage to property, or death as a result of their business operations.

Some individuals may find it difficult to obtain insurance either due to personal circumstances or the nature of their NEIS Business idea. Individuals should check whether insurance is likely to be available for their proposed NEIS Business before NEIS Training. This will avoid the situation where the NEIS Prospective Participant completes NEIS Training but cannot start the NEIS Business due to lack of insurance.

(Deed references: Clause 128.1A, 128.3, Chapter C1)

### The business must be lawful

The NEIS Provider must ensure the proposed NEIS Business is lawful. This includes:

- conducting relevant police and other checks where the business involves working with children, the elderly or other vulnerable persons, as required by the Deed or state or territory law
- registering business name
- holding an ABN or Australian Company Number that is current and relates to the NEIS Business
- registering GST (if applicable).

The NEIS Business Plan should include evidence that the NEIS Prospective 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.

### The business must be Commercially Viable

The NEIS Provider must assess if the proposed NEIS Business will be Commercially Viable.

The Commercial Viability of the NEIS Business idea can be determined through the forecast cash flow of the first and second year of the NEIS Business operation. This is a mandatory element of all NEIS Business Plans.

In assessing whether the NEIS Business Plan is Commercially Viable, the NEIS Provider must consider:

- **Revenue from sales**—this should be based on thorough market research and realistic sales forecasts. This must allow for seasonal fluctuations and low initial sales.
- **All relevant cost factors**—this should be included in the expenses section of the cash flow. In particular, any borrowings required to start up the business must



be included as outgoings. However, these borrowings may be spread across several years if necessary. The cash flow projection should extend for the period of loan repayments.

- **Personal living costs**—this should be included as a separate budget covering personal living costs of each NEIS Prospective Participant.

The NEIS Provider should also consider how the following aspects affect the Commercial Viability of the proposed NEIS Business:

- **Knowledge of local region**—the NEIS Provider needs a comprehensive knowledge of business activity in the relevant region and/or industry to make an informed decision about the impact of the proposed NEIS Business on other businesses.
- **Competition issues**—the NEIS Provider should consider the financial viability impact if the proposed NEIS Business will be located near an existing business.
- **Nature of labour market**—the NEIS Provider should take into account labour market factors and the size of the customer base. For example, is there a large enough customer base to support a new business?
- **Industry knowledge**—the NEIS Provider should consider if the proposed NEIS Business will be operating in an industry that is growing or in decline, to inform whether there are opportunities for a new business.
- **Similar product or services**—the NEIS Provider may decide to allow a business with similar products or services to compete with existing businesses if the proposed NEIS Business is innovative or focuses on a specialised component.

In assessing whether a not-for-profit NEIS Business Plan is Commercially Viable, the NEIS Participant must demonstrate that the business will generate sufficient income for the NEIS Participant to pay themselves an income (or wage) equivalent to the fortnightly rate of JobSeeker Payment (based on the rate for a single person, aged 22 years or over, with no children).

The NEIS Provider must ensure a not-for-profit NEIS Business has a revenue source that is not solely derived from grants/fundraising/crowd funding. Not-for-profit NEIS Business Commercial Viability checks must not take these sources of revenue into account.

### The business must be in Australia

The NEIS Business must be controlled, managed and physically located in Australia.

NEIS Participants may travel overseas to purchase stock, make sales or earn business income as long as management and control remain in Australia.

NEIS Participants must organise travel so that they are available for monthly contacts and NEIS Business Mentoring visits. NEIS Participants must not work on an ongoing basis overseas. The NEIS Business Plan must identify all business travel (with appropriate travel insurance), with reasons for the travel.

For NEIS Participants receiving NEIS 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.

All capitalised terms in this Guideline have the same meaning as in the jobactive Deed 2015–2022 (the Deed).

This Guideline is not a stand-alone document and does not contain the entirety of Employment Services Providers' obligations. It must be read in conjunction with the Deed and any relevant Guidelines or reference material issued by Department of Education, Skills and Employment under or in connection with the Deed.