

Encouraging Entrepreneurship and Self-Employment Initiative 2016–2019 Evaluation Report

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The document must be attributed as the Encouraging Entrepreneurship and Self-Employment Initiative 2016–2019 Evaluation Report.

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Executive summary

Background

In December 2016, the Australian Government commenced the Encouraging Entrepreneurship and Self-Employment Initiative (Entrepreneurship Initiative) as part of the Youth Employment Package announced in the 2016–17 Budget.

The Entrepreneurship Initiative comprised 4 components to encourage Australians to consider selfemployment:

- 1 Entrepreneurship Facilitators appointed in Cairns, the Hunter Valley (including Newcastle), and Launceston and North East Tasmania. Facilitators promote entrepreneurship and support individuals to establish their own businesses, including connecting them to existing services, with a focus on young people
- 2 expansion of New Business Assistance with the New Enterprise Incentive Scheme (NEIS) by broadening the eligibility criteria and increasing the number of places available by 2,300, to a total of 8,600 each financial year
- 3 Two-week Exploring Being My Own Boss Workshops (the workshops) aimed at giving people a taste of self-employment and what is involved in starting a business
- 4 the SelfStart Online Hub to guide people through starting a business.

The evaluation

This evaluation aimed to explore the 4 components of the Entrepreneurship Initiative, to the extent that each is measurable. As the expansion of NEIS is part of these 4 components, this evaluation included a partial evaluation of the NEIS program.

Due to the varied nature of the initiative components, a variety of research methods were employed. Also due to this, the evaluation explored different measures and questions across each component.

The evaluation sought to explore:

- perceptions and experiences of NEIS and workshop participants, providers and stakeholders of the Entrepreneurship Initiative components, and the impact of these components on participants. The following evaluation questions outline the broad evaluative focus of each component:
 - What effect have Entrepreneurship Facilitators had on participants and the broader community in their service areas and the development of new businesses?
 - What has been the impact of participation in the New Business Assistance with NEIS program
 for participants? This included participant perceptions of the program and an analysis of
 program take-up and outcomes.
 - What has been the impact of participation in the **Exploring Being My Own Boss Workshops** for participants?
 - Are participants aware of the **SelfStart Hub** and promotional material, and what are their perceptions of these resources?

2. perceptions of, and attitudes towards, self-employment and entrepreneurship (including barriers and incentives) among NEIS and Exploring Being My Own Boss Workshop (workshop) participants to supplement the evaluation and provide additional context.

The research included qualitative interviews and focus groups with NEIS and workshop participants, surveys and analysis of existing administrative data.

Key findings

1. Entrepreneurship Facilitators

The 3 Entrepreneurship Facilitators (facilitators) introduced as part of the Entrepreneurship Initiative aimed to promote entrepreneurship and support people to establish their own business, including connecting them to existing services – such as New Business Assistance with NEIS – with a focus on young people. Facilitators appointed through the Entrepreneurship Initiative operated in Cairns, the Hunter Valley (including Newcastle), and Launceston and North East Tasmania. A total of 28,748 clients were assisted by the 3 youth-focused facilitators from their commencement in December 2016 to 31 March 2019, with facilitators assisting an increasing number of clients each year. Of total clients, 11,044 (or 38.4%) were young people.

Engaging young people presented new learnings

Young clients represented almost 4 in 10 (38.4%) of all clients assisted across all 3 Entrepreneurship Facilitators as at 31 March 2019. However, facilitators noted that engaging young clients with their services required new ways of thinking.

Some of the complexities noted by facilitators and their stakeholders in engaging young people included that young people can lack funds or commitment, or can be reluctant to undertake training at the expense of starting a business straightaway. Facilitators used a variety of strategies to engage more young people, including adjusting the types of events on offer, using a variety of information channels, talking to parents, booking young clients into activities as soon as possible and engaging schools.

Facilitators were seen to address a gap in services

Facilitators and stakeholders were positive about the program's unique service offer, particularly in that facilitators:

- address a gap in services, forming networks with local services and resources and linking people to these services based on their needs
- offer a personalised and localised service, offering tailored support and building personal relationships with clients
- are viewed as independent service providers, with stakeholders (including universities, local government and local industry organisations) seeing their flexibility in servicing (both types of activities and clients) as an advantage.

¹ In the 2018–19 Budget, the Australian Government announced facilitators in an additional 20 locations throughout Australia, with a focus on supporting mature-age Australians into self-employment.

Perceptions of the role of facilitators varied

There were some differences in perceptions of the facilitators' role between facilitators themselves and NEIS providers interviewed. Facilitators viewed their role as independent providers of, and connectors to, local services and as promoters of entrepreneurship in their regions. They developed networks with local organisations, services and resources to which they referred clients. Facilitators reported that it was important to refer people to services and resources based on their needs, but reported feeling pressure to refer to NEIS and the workshops.

On the other hand, NEIS providers viewed the facilitators primarily as sources of referrals to NEIS and the workshops. This led to negative perceptions of facilitators among NEIS providers, who felt they should have seen more referrals from facilitators. While some providers worked well with their local facilitator, a small number of NEIS providers viewed the facilitators and the services they offered as being in direct competition with NEIS.

2. New Business Assistance with NEIS

Running since 1985, the NEIS program provides accredited small business training, business mentoring and advice in the first year of a business, and, for those who are eligible, financial assistance.

The Entrepreneurship Initiative implemented the following changes to NEIS:

- 1. an increase in the capped number of places from 6,300 to 8,600 per year
- 2. eligibility expanded to those not registered with an employment service ('direct registrants'²).

Expanded number of places

There was an increase in NEIS Assistance commencements from 5,080 in 2015–16 to 6,861 in 2017–18, exceeding the old cap of 6,300 but still remaining 20% below the new cap of 8,600. Providers involved in the qualitative research were concerned about the low awareness of NEIS and were keen to see more promotion of the program.

Self-referral was just as common as referral from employment services

The majority of referrals to NEIS were from self-referrals (48.7%) and employment services (48.1%). Despite the expansion of eligibility to individuals not registered with an employment services provider, the cohort of direct registrants accounted for only 3.2% of all referrals.

Perceptions of NEIS were generally positive

Based on feedback from participants and stakeholders, the delivery of NEIS Training can differ markedly in terms of complexity, length and quality. While views were mixed due to this, the program was generally well received by qualitative research participants.

² There are 3 ways to be referred to access NEIS: a person is registered with an employment service and this provider agrees NEIS is a suitable option for them – employment services referral; a person is registered with an employment service and approaches a NEIS provider directly – self-referral; and a person who is not registered for employment services, or whose registration is inactive, approaches a NEIS provider directly – direct registration.

While the views of direct registrants were similar to those of other participants, it was clear that NEIS Training had value for these participants. They generally spoke highly of the NEIS providers, their trainers and the course content.

Satisfaction with NEIS components was also examined. A net satisfaction rate of 62.4% was recorded against 'Small business management training', 49% for quality of mentoring, 48% for overall quality of assistance and 35% for 'tailoring to support your needs'. The latter result mirrors the feedback provided qualitatively about the limited ability of the NEIS Training to tailor each aspect to individual businesses. Unsurprisingly, those not still running their business at the time of the survey recorded lower satisfaction levels than those who were still running their business.

The business planning process was useful, though rigid

Overall, participants valued the experience of creating a business plan, with those who had completed one having a sense of accomplishment about doing so and some noting that they had continued to use it in running their business outside of NEIS.

However, participants generally indicated that the business plan was more in-depth than was necessary – particularly the budgeting process. Participants commonly reported feeling pressured to create budgets that would pass assessment but that may not be realistic or relevant to their business. This was also the view of providers, who noted the difficulties of delivering course content that could be relevant to each participant's business while also trying to cover requirements set by the qualification.

Business survival rates dropped over time but employment increased

Three months after exiting NEIS Assistance, 68.4% of participants were still running their NEIS business. This dropped to 48.4% at 12 months post participation and 43.4% at 24 months. These levels were lower than business survival rates recorded for all Australian non-employing business entries in 2015–16 surviving to June 2017 (ABS 2019). However, the data for all businesses shows a similar decrease in business survival rates over time.

However, total employment 3 months post participation (including running a NEIS business, running another business or employed elsewhere) was recorded at 80.6%, which is consistent with previous research into NEIS outcomes. The proportion of those employed elsewhere increased from 3 months (12.2%) to 24 months (22.1%), resulting in a small drop in total employment over time. This is outlined in Figure 1.

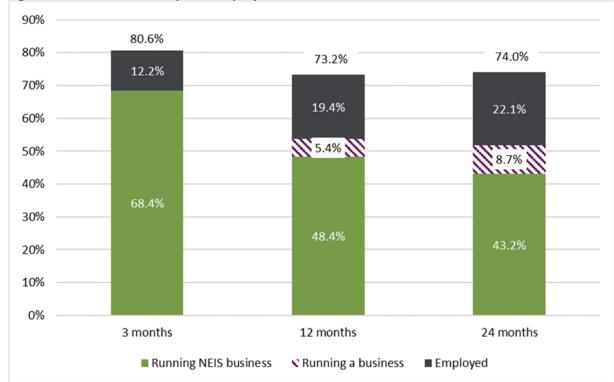


Figure 1. Business ownership and employment over time

Source: Post-Program Monitoring (PPM) survey data. *Total employment is the sum of running a NEIS business, running a business, and employment. NB: Participants are not given the option to select 'running a business' as part of the 3-month PPM survey.

The analysis found differences in business survival and employment rates by key demographic markers at 3 months post participation. Participants aged 25 to 34 were most likely to be running a NEIS business (71.8%), while those aged 15 to 24 were most likely to be employed (15%) but least likely to be running a NEIS business (at 63.9%). Sole parents (at 69.7% still running a NEIS business and 13.4% employed) scored higher rates than the total (at 68.4% and 12.2%, respectively). Both rates were lower for Indigenous people, those from culturally and linguistically diverse (CALD) backgrounds, ex-offenders, refugees and people with disability.

A small number of secondary employment opportunities were created

Of businesses still running 3 months after completing NEIS Assistance, 9.4% had one or more paid employees. On average, as at 31 March 2019, NEIS businesses had created 0.33 additional paid positions (0.12 full-time equivalent and 0.21 part-time equivalent) after 3 months, increasing to 0.49 after 12 months and 0.70 after 24 months.

3. Exploring Being My Own Boss Workshops

The 2-week workshops are intended to introduce people to the idea of starting a small business as an alternative pathway to employment. They focus on soft and technical skills development, covering 10 topics relating to starting a business including risk, digital literacy, financial management, sales and marketing.

Since the program started in December 2016, 1,620 participants had commenced a workshop as at 31 March 2019, of whom 91.8% had completed.

Perceptions of the workshops were very positive

The Exploring Being My Own Boss Workshops were viewed very positively by participants, providers and facilitators. The principal advantage of the workshops for these participants was the opportunity to assess whether they wanted to pursue self-employment further and, if so, to gain an understanding of what they needed to prepare. While some may go on to start a business directly from the workshop, it is also a feeder program for the longer and more complex NEIS program. Almost half (49.6%) of the participants who commenced a workshop went on to commence NEIS Training, and about a third (36.2%) went on to NEIS Assistance (the mentoring assistance component of NEIS).

Almost all (95%) workshop participants not already self-employed indicated that they were interested in starting their own business at completion of the course and, of these, 86% reported that the advice and information received during the workshop had influenced this decision.

The 2-week duration of the workshops assisted in making them accessible, particularly for participants who were unable to commit to longer amounts of time or were unsure about whether to pursue a business at all.

4. SelfStart Online Hub website

SelfStart connects people to existing services and provides information to assist them to start a business.

The website is overall well used, recording a higher number of views every year to a total of 299,603 views since launch. The most popular pages of the SelfStart website according to view numbers are 'Getting started' (possibly due to its placement on the welcome page) and 'Connecting to the ecosystem'. Of the latter, 70% of views were attributed to links for state-specific resources and support, indicating a demand for local information and support.

However, participants involved in the qualitative research were largely unaware of the SelfStart website. This might have been more reflective of a lack of awareness of the brand 'SelfStart' or an inability to recall accessing the site than a lack of interaction with the site.

5. Perceptions of entrepreneurship and self-employment

The qualitative fieldwork with NEIS and workshop participants explored self-employment as an option, as well as the drivers for starting a business and barriers to doing so. Participants generally used the term 'business owner' or 'self-employed' to describe themselves, seeing 'entrepreneur' as more closely aligned with innovative services or products.

Self-employment appeals to those looking for a job, to test an idea or for control over their work

Participants noted a variety of reasons for looking into self-employment as an alternative to traditional employment. They generally fell into 3 broad categories: those looking for a job; those with an idea, hobby or skill; and those seeking control over their work.

Participants face multiple barriers to starting a business

Four key barriers to starting a business were raised by workshop and NEIS participants, facilitators, providers and stakeholders. These were:

- access to starting funds, particularly coming from unemployment or underemployment
- a lack of time to start and maintain a business
- a lack of the required skills and education
- doubt and anxiety.

Components of the Entrepreneurship Initiative were mentioned by research participants as enablers to overcome each of these barriers (for example, NEIS Allowance giving NEIS participants the opportunity to spend more time working in their business through financial assistance).



Departmental response to the evaluation findings

Context

The Encouraging Entrepreneurship and Self-Employment Initiative comprised 4 elements – Exploring Being My Own Boss Workshops; 3 Youth Entrepreneurship Facilitators; SelfStart; and an increase in the number of places available under the New Business Assistance with NEIS program. Participation in each of these elements increased steadily during the time of the evaluation. In particular, after the onset of COVID-19 in March 2020, interest in self-employment programs increased as an alternative option to employment when there was a decline in some traditional jobs.

The unemployment rate declined from 5.8% in December 2016 to 5.2% in March 2020. Over the same period, the participation rate increased by 1.1 percentage points to stand at 65.9% in March 2020. The onset of the COVID-19 pandemic, however, had a profound impact on the Australian labour market, with employment falling sharply, by 872,800 (or 6.7%) between March 2020 (when Australia recorded its 100th case of COVID-19) and the trough in May 2020.

While the unemployment rate rose from 5.2% in March 2020 to 7.1% in May 2020, the significant decline in employment did not translate into a similar increase in unemployment at that time, due to the large number of people who left the labour force over the period. The initial shutdown in non-essential services and trading restrictions resulted in 667,300 people leaving the labour force between March 2020 and May 2020. These people had been recently employed job seekers, many of whom had never engaged with employment services. With current work experience, many of these job seekers were ideally placed to participate in self-employment. The department communicated the benefits of self-employment to these job seekers.

The department notes the importance of self-employment as an alternative to traditional employment and agrees that continuous analysis of performance and improvement in program management is critical to the ongoing management of any program. The department continued making improvements to elements of its self-employment programs in preparation for the transition to the Workforce Australia model from 1 July 2022.

Subsequent design changes

The objective of self-employment services is to help participants become financially independent by creating their own employment.

Changes were made to the Encouraging Entrepreneurship and Self-Employment Initiative to improve the operations and management of the self-employment programs subsequent to the implementation of the initiative in 2016–17.

Subsequently, expanding NEIS eligibility in the 2020–21 Budget allowed more people to access the program. This meant that:

- from 15 October 2020, people who are studying, are working part-time or have caring responsibilities (up to 25 hours a week) can participate in NEIS on a part-time basis
- from 7 December 2020, existing microbusiness owners (with up to 4 employees) that have been impacted by COVID-19 can access NEIS to receive services that help them to remain commercially viable
- from 1 July 2021, Australian Defence Force (ADF) veterans with a confirmed discharge date and their immediate family members can participate in self-employment training and workshops prior to transitioning to civilian life. This measure was implemented under the Broadening the Prime Minister's Veteran's Employment Program measure and is funded by the Department of Veterans' Affairs over 4 years.

Policy and IT changes were also implemented in April 2020 in response to COVID-19 to allow NEIS participants to either remain on, or transfer to, an eligible income support payment in order to access the Coronavirus Supplement while they were participating in the program. This measure ensured NEIS participants were able to access the additional financial support available from the government while the NEIS program continued to support them to operate their business in a difficult and changing economic landscape. These arrangements ceased on 31 March 2021 when the Coronavirus Supplement ended.

The department regularly consults with a range of stakeholders to canvass opportunities for improvement and promotion of self-employment. Program changes in response to stakeholder feedback meant that:

- in the 2020–21 Budget, \$5.7 million was provided to increase NEIS provider fees by 7.8% to ensure the ongoing viability of providers
- in March 2021, an increase in the number of NEIS and workshop places by 1,000 and 350, respectively, for the remainder of the 2020–21 financial year in response to an unprecedented surge in demand for services.

The Entrepreneurship Facilitator Initiative expanded in 2018–19 to an additional 20 locations, with a focus on assisting older Australians into self-employment. The new facilitators commenced in January 2019.

Performance of the elements under the Encouraging Entrepreneurship and Self-Employment Initiative

The evaluation was conducted on 4 components of the Encouraging Entrepreneurship and Self-Employment Initiative between April 2018 and August 2019.

Following the evaluation, in the quarters between 1 July 2019 and 30 June 2022:

- 22,350 people commenced a new small business through NEIS, taking the total number of people assisted by the program to 47,259 since 1 July 2015
- 2,706 people participated in a workshop, taking the total number of workshop commencements to 4,552
- 47,804 clients were assisted by Youth Entrepreneurship Facilitators. Since being introduced in 2016, the Entrepreneurship Facilitators have assisted 177,308 people. Of these total clients, 103,025 (or 58%) were young people
- post-program monitoring shows that around 82% of people continue to run their small business, or a new business, or remain in employment 3 months after exiting the NEIS program.

The department noted there are continued challenges and barriers for people participating in self-employment such as access to finance for start-up costs, and the onset and residual impacts of COVID-19, which impacted the financial viability of small businesses. For participants concerned by uncertain or changing economic conditions, providers were encouraged to help them remain in the former NEIS program and adapt and refocus their business to operate in the current economic environment to ensure they remained agile and improved their chance of long-term success. Providers were also encouraged to help participants tap into industries that continued to grow during the pandemic such as health and aged care, transport and logistics, deliveries and packaging, call centre supplies, website development, online fitness and wellbeing, and online classroom or tutoring.

Starting a new small business can be a daunting prospect for people who don't have experience, and some participants express anxiety about the uncertainty of becoming a small business owner and running a new business. While the programs are designed to help people who may already have an interest in running a small business, rather than helping people overcome fear and anxiety, workshops have given people a chance to consider what self-employment might be like for them. In addition, the Entrepreneurship Facilitator initiative provides early information and advice for people considering self-employment to help alleviate their fears by addressing some of these uncertainties, including advice on what is involved in starting a business, assistance in generating and testing a business idea and assistance in determining if self-employment is the right fit for them.

Next steps and future policy development

Subsequent to the 2016 Encouraging Entrepreneurship and Self-Employment Initiative, the department underwent a period of consultation with stakeholders to inform the development of future self-employment programs. The Self-Employment Services 2022–2027 Consultation Paper and public submissions received are available at tenders.employment.gov.au.

The 2021–22 Budget announced significant changes to the Australian Government's self-employment programs. From 1 July 2022, the Self-Employment Assistance program replaced the NEIS program and workshops as part of Workforce Australia. The Self-Employment Assistance program now assists more people to start and run their own business by:

- increasing the number of comprehensive services places each financial year to accommodate growth in demand
- streamlining the 2 programs and increasing the number of workshop places each financial year
- supporting a person's business needs at each stage of the business life cycle by offering flexibility in the services people wish to access to meet their individual needs. For example, people can

choose to access all or some elements of the program such as business health checks, business planning, training or mentoring (for up to 12 months).

In addition, the SelfStart website will be redesigned to help people self-service by providing self-employment information and resources through a new digital hub.

Entrepreneurship Facilitators continue to provide information to people who are considering selfemployment and owners of existing microbusinesses that need support to stay in business.

The Self-Employment Assistance and Entrepreneurship Facilitator programs are complementary, with providers of both programs working collaboratively to promote self-employment to key local stakeholders, as well as ensuring participants receive the services they need for their business.

The department will continue to monitor these programs and recent changes and will continue to make policy and program changes to deliver the outcomes for participants planning to establish and operate a small business to achieve financial independence and assist to build a strong labour market.

Conclusion

The Encouraging Entrepreneurship and Self-Employment Initiative commenced in 2016. The evaluation of the initiative took place from April 2018 to August 2019. Since the evaluation a number of changes have been made to raise awareness and increase uptake of the self-employment services delivered by the department to achieve sustainable employment outcomes for job seekers. The department will continue to monitor outcomes from the changes made under Workforce Australia since July 2022 to ensure the continued success of self-employment programs.

1. Introduction

1.1 The Encouraging Entrepreneurship and Self-Employment Initiative

In December 2016, the Australian Government introduced the Encouraging Entrepreneurship and Self-Employment Initiative (Entrepreneurship Initiative) as part of the Youth Employment Package (a measure announced in the 2016–17 Budget). The Encouraging Entrepreneurship and Self-Employment Initiative was targeted primarily towards reducing youth unemployment and assisting young people into self-employment; however, the program is accessible to people in all age groups.

The 2016–17 Entrepreneurship Initiative comprised 4 components to encourage young Australians to consider self-employment:

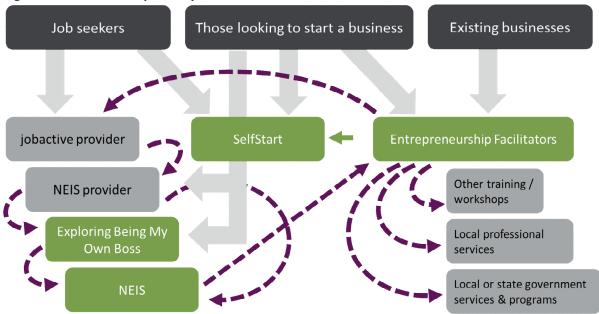
- Entrepreneurship Facilitators were appointed in 3 regions with high rates of youth unemployment and low rates of youth self-employment: Cairns; the Hunter Valley (including Newcastle); and Launceston and North East Tasmania. The Entrepreneurship Facilitators aim to promote entrepreneurship and support individuals to establish their own businesses, including connecting them to existing services such as NEIS.
- New Business Assistance with NEIS was expanded by broadening eligibility to allow individuals
 not in employment, education or training who are not on income support to access the program.
 An additional 2,300 NEIS places were funded each financial year, making a total of 8,600 places
 available annually.
- Exploring Being My Own Boss Workshops were introduced to provide individuals with a taste of
 what is involved in self-employment and entrepreneurship. Workshops are delivered nationally
 by NEIS providers, with 1,000 places available each financial year. In order for workshop
 participants to experience first-hand what it takes to run a business, Complementary
 Placements³ were available for up to 500 workshop participants.
- The SelfStart Online Hub website was introduced to provide a starting point for individuals to explore and develop their ideas into a successful business.

Components of the Entrepreneurship Initiative interact with each other in a non-linear manner, and participants can access components in various ways and at various stages. There is no one pathway to self-employment.

Figure 2 outlines the main referral pathways between the components of the initiative and service providers.

³ A Complementary Placement is an additional activity arranged by a workshop provider and Employment Services provider. Only workshop participants who have successfully completed the full 2-week workshop and are registered with an employment services provider or Disability Employment Services (DES) provider are eligible to participate in a Complementary Placement.

Figure 2. Main referral pathways



1.1.1. Entrepreneurship Facilitators

Three Entrepreneurship Facilitators (facilitators) were placed in areas of high youth unemployment in regional Australia. Like the wider Entrepreneurship Initiative, the facilitators primarily target young people aged 18 to 24; however, the service is accessible by people of all ages.⁴

The intent of the program is to raise awareness of and reduce barriers to self-employment opportunities, and help people turn ideas into viable businesses. This service is free of charge, and there is no cap on the amount of assistance accessible by any one individual.

Facilitators provide direct business development advice to clients, raise awareness of and refer clients to local services, and actively engage with the community to promote entrepreneurship as a viable employment option. Mentoring services are available to clients at any stage in the idea development, early-stage start-up and growth phases of their enterprise. In addition to the mentoring service and conducting their own events and workshops, facilitators maintain a network of services available in their location and provide tailored referrals to clients based on their needs.

1.1.2. New Business Assistance with NEIS

As at 31 March 2019, the New Business Assistance with New Enterprise Incentive Scheme (NEIS) had assisted over 173,800 participants to start their own businesses since 1985. The program provides accredited small business training, business mentoring and advice in the first year of a business and, for those who are eligible, financial assistance. At that time, the program was delivered by a national network of 20 providers.

Over this time, the department has tendered out for the delivery of the program. The most recent contracts, for 2015 to 2020, have varied the way NEIS services are funded. Providers are encouraged to achieve longer term outcomes for NEIS participants, with provider payments linked to small

⁴ In the 2018–19 Budget, the Australian Government announced facilitators in an additional 20 locations throughout Australia. These facilitators commenced on 2 January 2019 and focus on providing support to mature-age Australians. As with the original 3 facilitators, the services are available to anyone residing in the location and wanting to start their own business.

business commencements (rather than to training), and there are also incentives for NEIS participants to remain off income support for 3 months after exiting the scheme (certain exceptions apply). The model also focuses on cutting red tape and simplifying previous payment arrangements to a single fee paid in 2 instalments.

Participants can undertake a Certificate III in Micro-Business Operations or a Certificate IV in New Small Business. Participants also develop a business plan with the support of their NEIS provider. After undertaking the training and once the participant's provider approves their business plan (including confirming they meet all NEIS eligibility criteria), the participant will receive up to 52 weeks of mentoring and assistance and, if eligible, up to 39 weeks of income support (NEIS Allowance) and up to 26 weeks of NEIS Rental Assistance. The number of NEIS places was expanded under the 2016–17 Entrepreneurship Initiative by an additional 2,300 places, bringing the annual number of places up to 8,600 across Australia.

To be eligible for NEIS a person must:

- be at least 18 years old when they start NEIS Assistance
- be available to participate in NEIS Training (if relevant) and work full time in their NEIS business
- not have received NEIS Assistance in the past year
- 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 be an undischarged bankrupt.

1.1.3. Exploring Being My Own Boss Workshops

The Exploring Being My Own Boss Workshops are intended to introduce people to the idea of self-employment as an alternative pathway to employment. The workshops are a short-term training option for people who would like to start their own business but are not yet ready to commence the NEIS program. They focus on soft and technical skills development, covering 10 topics relating to starting a business including risk, digital literacy, financial management, sales and marketing. A total of 1,620 participants had commenced the workshops as at 31 March 2019, with 91.8% completing.

The workshops are short courses, run over 2 weeks (at 25 hours per week). To participate in a workshop, a person must not be in employment (for 15 hours or more each week), full-time education or training.

1.1.4. SelfStart website

SelfStart connects people to existing services and provides information to assist them to start a business. SelfStart can be found at https://jobsearch.gov.au/selfstart.

1.2. The Australian Government employment services framework

NEIS operates independently of mainstream employment services (jobactive) and targeted employment services such as DES and the Community Development Program.

The government's employment service, jobactive, was implemented in July 2015. Services are delivered through a network of providers located throughout the country, and include training and intern programs, initiatives that connect participants with employers, financial incentives for

employers who hire participants, and seasonal and remote worker assistance and coordination. The program aims to:

- help job seekers find and keep a job
- help job seekers move from welfare to work
- help job seekers meet their mutual obligations
- ensure that jobactive organisations deliver quality services.⁵

At the time of the evaluation, targeted programs designed specifically for youth included:

- Youth Jobs PaTH (Prepare, Trial, Hire), which helps young people gain skills and work experience they need to get and keep a job. It also supports businesses to trial young people in the workplace and offers a financial incentive when they hire. Youth Jobs PaTH has 3 elements:
 - Prepare: Employability Skills Training helps young people understand what employers expect in the workplace and supports them to get job ready.
 - Trial: PaTH internships enable businesses to trial young people to see if they are the right fit for the business, before they hire. Young people gain valuable work experience and can demonstrate their skills to businesses looking to hire.
 - Hire: Youth Bonus Wage Subsidies of up to \$10,000 may be available to businesses that hire eligible young people in ongoing work
- Transition to Work, which provides intensive pre-employment support to improve the work-readiness of young people and help them into work (including apprenticeships and traineeships) or education. From January 2020, eligibility for this service was expanded from those aged 15 to 21 to those aged 15 to 24. As part of the service, providers assist disadvantaged participants in developing practical skills, engaging with employers and pursuing opportunities in the area (including placements), and exploring and undertaking further education or training.

1.3. Background

With changes occurring in large-employing industries, such as the resources sector, the Australian economy has been adapting from a reliance on commodities to the services and technology sectors. Advancements in technology present an opportunity for Australia to pursue different avenues for economic growth and prosperity.

As part of this transition, the Australian Government renewed its focus on innovation and entrepreneurship through the *Industry Innovation and Competitiveness Agenda* (Commonwealth of Australia 2015). This agenda outlined innovation and entrepreneurial activities as key creators of jobs and drivers of growth. This is reflected in the successive development of programs such as the Entrepreneurship Initiative and the Entrepreneurs Programme, which was intended to drive growth and competitiveness of eligible existing businesses through innovation and commercialisation assistance (Commonwealth of Australia 2016).

⁵ Department of Employment Budget Statements 2017–18, page 23. Available at: https://docs.employment.gov.au/system/files/doc/other/2017-18_employmentpbs_department.pdf

The United Nations 2030 Agenda for Sustainable Development (United Nations 2015) also outlined the promotion of entrepreneurship and small business growth as a vehicle for job creation and economic growth. Small to medium enterprises (SMEs) play a significant role in sustainable job creation globally (OECD 2017) – even microbusinesses can contribute substantial employment opportunities to the wider economy (ILO 2017b). Not only that – microbusinesses have the additional ability to provide a livelihood to people otherwise unable to gain employment or where opportunities are lacking (ILO 2015).

SMEs are an important contributor to the Australian economy. Non-employing businesses made up 63% of all businesses in Australia in 2018–19, with 1,490,932 such businesses recorded⁶ (ABS 2020). The second-largest group of businesses for the same year was microbusinesses (those employing one to 4 employees), with 611,468 of this type of business recorded – representing 26% of total businesses and 69% of employing businesses. Figure 3 shows the split of all Australian businesses by business size for the 2018–19 financial year.

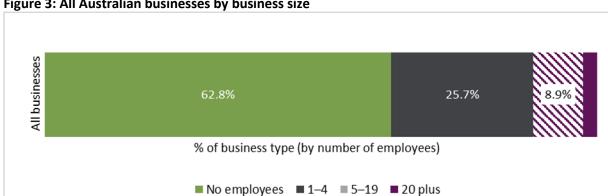


Figure 3: All Australian businesses by business size

Source: ABS 2020, 8165.0 Counts of Australian Businesses, Including Entries and Exits, June 2015 to June 2019. Labels for figures under 5% have been removed.

Further, microbusinesses recorded the strongest growth of all employing businesses in terms of new entries into the market in the 2018–19 financial year (ABS 2020), with a 13.5% increase in new entries of businesses on the previous year and a 9.3% exit rate. This is well above the second-highest rate of new entries (businesses with 5 to 19 employees, at 4.1%) and represents the only type of employing business to record a higher rate of entries into than exits from the economy.

Hendrickson et al. (2015) found that young SMEs (defined as up to 2 years old) were responsible for a disproportionate number of new jobs compared to large firms. The same study found that, in the period 2006 to 2011, young SMEs were the only enterprise group to maintain growth during the economic downturn seen after the Global Financial Crisis.

Given the potential of new enterprises to boost growth and provide employment opportunities, governments internationally turned their attention to encouraging the creation of new enterprises (Congregado, Golpe & Parker 2012). The OECD and European Union report The Missing Entrepreneurs 2017 outlines the role of governments in facilitating employment participation by addressing barriers faced by unemployed people and others looking to start their own business (OECD/EU 2017, p. 27). Many governments have trialled or implemented entrepreneurship programs

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⁶ Those businesses operating at the end of the 2018–19 financial year.

and resources, such as the UK's New Enterprise Allowance program⁷; the Canada Business Network (Government of Canada 2014); and the Small Business Administration network of partnerships providing entrepreneurial mentoring, training and advice in the United States (US Small Business Administration n.d.).

According to Hendrickson et al. (2015), entrepreneurship and self-employment rates are declining in Australia and in many OECD countries. There is evidence to suggest that, at least in Australia, this could result from a lack of new enterprise creation and fewer people moving into self-employment, rather than a higher rate of business failure or closure. Using 2001–2010 Household, Income and Labour Dynamics in Australia (HILDA) data, Atalay et al. (2014, p. 477) found an overall decrease in the rate of entry into self-employment during this period (from both paid employment and unemployment), while exit rates from self-employment remained relatively steady. This suggests an opportunity for government programs to assist people to get started in self-employment. The Entrepreneurship Initiative is an example of such programs, aiming to encourage self-employment by building individual capacity in creating and maintaining people's own employment opportunities.

1.3.1. Youth

High unemployment is a challenge for young people⁸ in particular, with rates remaining higher for youth than for the general population globally (ILO 2014, 2017a).

Active labour market policies for young people are often similar to those targeting wider population groups, and self-employment is again a recurring theme in these policies for youth. The 2017 Youth 20 Summit position paper called on G20 governments to encourage the growth of micro-, small and medium enterprise through policy interventions and resources as a solution to high youth unemployment across G20 countries (Y20 2017). Though many programs and initiatives to encourage entrepreneurship exist internationally, most of these are not specifically targeted towards job seekers and even fewer appear to have been designed for youth. Only a quarter of entrepreneurship programs and policies globally are targeted towards young people, according to one review (Cho et al. 2016, p. 8).

A lack of the required skills is a particular barrier for young people getting into self-employment, who typically have fewer skills than older age groups (ILO 2015) and are more likely to be unsure of their capability to start a business (OECD/EU 2017, p. 69).

A meta-analysis of 107 interventions targeting youth (defined in this study as those aged 15 to 35) across 31 countries found better employment outcomes for those who participated in active labour market policies compared to those who did not (Kluve et al. 2016). They found that skills training and entrepreneurship promotion programs were particularly effective in low-income and middle-income countries, while the difference is less clear in high-income countries. This is possibly due to the higher incidence of self-employment in low-income and middle-income countries (Cho et al. 2016, p. 2). In high-income countries like Australia, Kluve et al. (2016) found well-targeted participants and incentivising participants and providers to be key factors for program success, regardless of the type of program. Generally, interventions targeting disadvantaged youth produced the biggest impacts in all country types.

⁷ Program information available at https://www.gov.uk

⁸ In this context, the term 'young people' generally refers to people aged 15 to 24 years old.

1.4. Supports for new business owners/entrepreneurs

1.4.1. Building capability

Through the provision of training, mentoring and access to appropriate resources, the components of the Entrepreneurship Initiative aim to give people the tools they need to create their own employment opportunities. While there have been few studies on the impact of training programs, there is some evidence to suggest that government interventions can build capability in self-employment and entrepreneurship. Previous research on the NEIS program is at Appendix B.

Perhaps the most comparable is the UK's New Enterprise Allowance program. Similar to NEIS, this program provides unemployed and self-employed income support recipients with access to business mentors and financial assistance, in addition to a weekly allowance. Once the completed business plan has been approved, participants can access financial support in the form of a weekly allowance over 26 weeks and can continue to access business mentoring for the first 6 months. Financial rewards to providers participating in the New Enterprise Allowance are, as in NEIS, based on off-benefit outcomes (UK Department for Work and Pensions 2016).

An evaluation of the New Enterprise Allowance program interviewed 1,500 participants approximately 12 to 18 months after business commencement (Atkinson & McKenna 2016). Results for the mentoring support were positive, with 83% of those receiving mentoring support rating it as helpful in developing a business plan. Further, at the time of the survey, 80% of businesses that commenced under the program were still operating, with 94% of participants having started a business in the program.

Some programs have not recorded such encouraging results. A randomised trial in the US between 2003 and 2005 called Project GATE (Growing America Through Entrepreneurship) offered needs assessment, training, and business counselling to individuals looking to start their own business, through a network of providers in both urban and rural areas (Fairlie et al. 2015). Evaluations of the trial found significant positive effects of participation in the program on business ownership, but these effects were not upheld long term (Fairlie et al. 2015; IMPAQ International 2008).

However, the trial did affect training participation. The study by Fairlie et al. found that in the first 6 months those in the treatment group were 37% more likely – almost twice as likely as the control group – to undertake training, with almost 90% of the treatment group in training. This evened out by the 18-month and 60-month marks of the study, with the treatment group 23% more likely to participate in training overall (Fairlie et al. 2015, p. 133).

An evaluation of another US government partnership providing mentoring, training and business advice to small businesses and entrepreneurs found positive results for mentoring (Concentrance Consulting Group 2013). The study found a positive relationship between hours of counselling/mentorship completed (specifically assistance with business planning and marketing, and financial management) and both self-reported increases in profit margins and hiring increases.

1.4.2. Providing support and building confidence

There is evidence to suggest that, in addition to providing guidance in navigating the steps involved in starting a business, mentoring (which is offered as part of the NEIS program and through

Entrepreneurship Facilitators) may develop participant self-esteem and confidence in their skills and knowledge (St-Jean & Audet 2012).

Samujh (2011) interviewed 19 microbusiness owners in New Zealand and surveyed another 91. Interview participants commonly reported a lack of time in the day to achieve all that was required in running a business, though few had implemented strategies to combat this. Many of those interviewed recorded experiencing anxiety and isolation. Only 17% of survey respondents had studied business subjects, placing greater importance on the development of skills such as time management and customer support than on traditional business skills. These results provide insight into the pressures faced by small and microbusiness owners and the range of support they might need to continue running their businesses.

The mentoring available through the Entrepreneurship Facilitators and long-term assistance from the NEIS program may be particularly useful in providing this. One study of note is an early investigation into mentoring support for NEIS participants that highlighted the importance of mentors in providing psychological support. Waters et al. (2002) recruited 77 mentees (70% male, with a mean age of 37) who had completed the training component of NEIS and were now in the mentor stage. Mentors (n = 68) also participated in the study. Regression analysis found that mentor support significantly predicted the level of mentees' perceived business success. Perhaps related to this, mentoring support also predicted an increase in mentee self-esteem. Furthermore, both mentees and mentors recorded higher levels of psychosocial support (emotional support and personal development) than career support (advice on business-related topics).

The Entrepreneurship Initiative also provides opportunities to network (such as through learning in a classroom setting, workshops, seminars and events) and, particularly through the facilitators, encourages access to community-wide assistance. This may address feelings of isolation, help people looking to start a business feel more supported, and motivate them to explore self-employment options or get started, as well as assisting those already running a business.

1.4.3. Gaining self-employment from unemployment

Building a business and entering into self-employment from unemployment has particular challenges. Studies have found that those who are unemployed have a lower probability of transferring into self-employment than those who are employed (Atalay et al. 2014, p. 479), and are less likely to remain self-employed if they do make the transfer (Millán et al. 2010, p. 246). This could be due to financial capital access or to other compounding factors driving – or being driven by – unemployment. Interventions that propel previously unemployed people into self-employment risk leaving these people vulnerable to returning to unemployment once the support has ceased (Millán et al. 2010). People also need the skills and knowledge required to run a business, and ongoing support, to succeed in the medium and longer term.

The Entrepreneurship Initiative was designed primarily to assist unemployed or underemployed individuals to create their own employment opportunities through owning a business. As a package of interlinked measures that provides training, information resources, mentoring and first-hand entrepreneurial experience, it aims to provide individuals with the skills they need to start their own business.

Outcomes of programs similar to the Entrepreneurship Initiative have varied for unemployed individuals. The abovementioned study on the large-scale US GATE program by Fairlie et al. (2015,

p. 148) found that those who were unemployed at baseline (55%) recorded significantly better results from participating in the program than those who were employed at baseline. Almost all (96%) participants were unemployed when entering the UK's New Enterprise Allowance program mentioned above, which recorded positive results for business creation and longevity.

Even if initial self-employment attempts fail, the experience of running a business may have a positive impact on future attempts at self-employment. Experience in self-employment may increase a person's chances of shifting into the wider employment market (OECD/EU 2017).

1.4.4. Finances and seed funding

A lack of financing is a common barrier to creating or maintaining a small business. In a survey of young entrepreneurs from 21 countries, 55% recorded a lack of access to finance as the biggest constraint facing their business growth (Youth Business International 2011). This can also include a lack of confidence in managing financial matters or knowledge about where to go for assistance.

The Entrepreneurship Initiative is focused on cultivating the skills required by individuals to start a business. It does not include subsidies or loans, but does provide financial assistance to eligible NEIS participants during their participation. Through facilitators and the NEIS program, support is provided to participants on how to build a financially sustainable business, manage business finances and access appropriate additional services as required (for example, loans, grants or professional finance advice). The impact of these measures is examined in this report.

2. Research objectives

The broad research objectives of the Entrepreneurship Initiative evaluation were to explore:

- 1 perceptions and experiences of NEIS and workshop participants, providers and stakeholders of the 4 Entrepreneurship Initiative components, and the impact of these components on participants
- 2 perceptions of, and attitudes towards, self-employment and entrepreneurship (including barriers and incentives) among NEIS and Exploring Being My Own Boss Workshop (workshop) participants to supplement the evaluation and provide additional context to inform the evaluation.

2.1 Evaluation questions

This evaluation aimed to explore the 4 components of the Entrepreneurship Initiative, to the extent that each is measurable. As the expansion of NEIS is part of these 4 components, this evaluation included a partial evaluation of the NEIS program.

Due to the varied nature of the initiative components, a variety of research methods were employed. Also due to this, the evaluation explored different measures and questions across each component.

- 1 What effect have **Entrepreneurship Facilitators** had on participants and the broader community in their service areas and the development of new businesses?
- What has been the impact of participation in the **New Business Assistance with NEIS** program for participants? This included participant perceptions of the program and an analysis of program take-up and outcomes.
- 3 What has been the impact of participation in the **Exploring Being My Own Boss Workshops** for participants?
- 4 Are participants aware of the **SelfStart Hub** and promotional material, and what are their perceptions of these resources?
- 5 What characteristics and attitudes drive self-employment in participants?

2.2 Data sources

The evaluation used a variety of sources and methods to answer the evaluation questions. See Appendix A for further detail.

Qualitative research

Wallis Market and Social Research was commissioned by the department to conduct research with Entrepreneurship Initiative participants, providers and stakeholders. A total of 39 in-depth interviews and 9 focus groups were conducted in Cairns, the Hunter Valley, Melbourne and Launceston with NEIS and Exploring Being My Own Boss Workshop participants and providers.

Research was conducted with NEIS and workshop participants only, due in part to the difficulty in identifying Entrepreneurship Facilitator clients (who were not recorded on the departmental system).

The research also included the 3 current facilitators and community stakeholders with whom they had established relationships.

Quantitative sources

- Entrepreneurship Facilitator quarterly reports facilitators provide details of their networking events and engagement activities, in addition to specific data on clients assisted and services referred to during the quarter as part of their funding deed.
- Workshop survey at completion of the workshops, participants are given the opportunity
 to fill out a paper-based self-report survey. This survey covers basic demographics, current
 work status, reasons for attending the workshops, perceptions of each topic covered in the
 workshops and their usefulness and intentions in relation to starting a business and
 continuing to NEIS.
- Administrative data administrative or program data is information collected via the Employment Services System on the administration of the program and its delivery to participants and other eligible individuals.
- Post-Program Monitoring (PPM) survey data a mail-out survey is conducted with NEIS
 participants at 3, 12 and 24 months after leaving NEIS Assistance, whether they have
 completed the program or not.
- Google Analytics data for the SelfStart website.

3. Promotion and awareness of Entrepreneurship Initiative components

The Entrepreneurship Initiative comprised a multi-faceted approach to raise awareness of self-employment, including the development of the SelfStart Online Hub, the use of Entrepreneurship Facilitators in 3 communities to advertise and promote their services and self-employment more generally, and the traditional promotion of and referral to NEIS through the employment services network.

3.1 Previous and current communication activities

Over 4 years, \$3.08 million was invested to promote NEIS services, with a particular focus on young people. For the first year, this included:

- a national launch media release in December 2016
- social media content developed and shared with other government agencies to support the launch with relevant youth and influencer audiences
- a media event with NEIS businesses in February 2017 and a NEIS digital case study piece developed and used to promote the program through the jobactive website and social media platforms and shared with local government and business stakeholders
- a digital kit (social media content, article, fact sheet and NEIS video) sent to local government associations, youth bodies, business organisations and other government agencies to promote SelfStart and NEIS
- an information package (with fliers, posters, postcards and introduction letter) sent to secondary schools and tertiary institutions, employment providers, youth bodies and business organisations from May 2017.

3.2 Entrepreneurship Facilitators

A key responsibility of the facilitators is to promote entrepreneurship and their own services in their region. The 3 initial facilitators engaged with local communities through a wide range of media, including:

- social media (Facebook, Snapchat, Instagram)
- radio
- online articles
- online promotional videos
- newspapers
- newsletters
- magazines
- email newsletters.

This communication included advertisements for their services and informative posts. According to facilitators, social media and radio were particularly effective.

The traction that was generated from that [radio ad] was huge, and we still have people almost a year later coming in saying 'oh we heard you guys on the radio'. –

Entrepreneurship Facilitator

The facilitators also ran a range of networking and community engagement events including workshops, seminars, information sessions, social events, school talks, boot camps, expos and conferences. Facilitators and their stakeholders interviewed as part of the qualitative research were positive about their local impact on awareness.

I do think there has been an increase in awareness around [entrepreneurship and innovation and self-employment as a career pathway], because we have schools actively asking us to come in and talk on these issues and so I think that has started to turn. – Entrepreneurship Facilitator

... the other thing [the Entrepreneurship Facilitator] does really well is she gets speakers that are in the business community, so there's relationships forming there and mentorships and that is very important for such a small community that everyone, as I said everyone's connected. – *Community stakeholder*

The scope of this research did not include an exploration into levels of awareness of the facilitators among locals in their respective regions. Qualitative research conducted with NEIS and workshop participants (in 2 of the 3 facilitator locations), however, indicated that awareness of the Entrepreneurship Facilitators for these specific groups was low. This could be due to the fact that participants in NEIS are at a different stage of their self-employment journey, or simply due to the relatively short amount of time the facilitators had been in operation at the time of the research.

3.3 New Business Assistance with NEIS

3.3.1 Sources of awareness

While participants commonly cited their jobactive provider as their initial source of awareness of the program (either directly or through seeing promotional material displayed while visiting their offices), word of mouth was a particularly strong source of awareness.

NEIS participants, and workshop participants who had heard of NEIS, reported hearing about the program from family, friends, colleagues, neighbours, or education providers. A number of participants had known about the program for multiple years and even decades. The variety of sources suggests that people were willing to recommend NEIS to others in their community looking to start their own business. Some participants had taken part in NEIS previously and had embarked on a subsequent journey through the program, looking to start a new business or try again after an unsuccessful attempt.

I knew a friend of mine who had been through the process who was starting his own shoe making business ... then I just looked into it myself. – *NEIS participant, current*

I was getting my nails done, so [the technician] does nails and stuff from home and she was completing the course as well. I started talking about my cooking and stuff and she told me all about [NEIS] and gave me all the details. — NEIS participant, current

I've actually recommended a few people to the NEIS yeah ... My friend in [location] is on NEIS currently, and he's opened a coffee shop which is an amazing

3.1.1 Working with jobactive providers

As providers received the majority of their referrals to NEIS from jobactive, they actively networked with these agencies to source individuals. This posed challenges for recruiting NEIS direct registrants, who may not have had involvement with a jobactive provider and were therefore less likely to be reached through this type of promotion. Some NEIS providers had success in promoting through career services at educational institutions such as TAFEs and universities (where that institution is not also a NEIS provider itself).

... We do a lot of marketing with the jobactive providers and community groups all around the place, and just lots of different companies who deal with specialists in certain areas, people who are working with youth or those sorts of things ... and Centrelink. – *NEIS provider*

NEIS providers noted challenges resulting from their reliance on jobactive providers. One of these was cited as the fee structure, with NEIS providers suggesting this did not incentivise referrals to NEIS. Some providers also mentioned that due to staff turnover in jobactive provider offices, building relationships with and keeping awareness high among jobactive providers was a difficult and an ongoing task.

The referrals from jobactive are not as high as they should be ... But jobactives don't refer to us because they don't get paid for it. We used to get a lot of - it was just 'tell the jobactive we're here' and they'd just send them all the time. - NEIS provider

I got to know the managers of the jobactives really well, so especially later last year we had a lot of people coming through from the different jobactive providers. Turnover is so high in the jobactive organisations, so a lot of the managers that I was working really closely with are not there ... – *NEIS provider*

The principal goal for NEIS providers is increasing the pool of referrals so that they can have the initial conversation regarding NEIS. Even though candidates may not be ready for the program, if they are given some information and have an initial discussion with a provider, they are likely to return to the program when they are ready. This is supported by the high prevalence of word of mouth as a source of awareness of NEIS among individuals.

I honestly believe that if we got a 30% increase in enquiries, we would find a much deeper and richer pool of people that we can work with. – *NEIS provider*

Entrepreneurship facilitators also contributed to awareness of the NEIS program, with NEIS being one of the main services they promoted to people in their regions. This worked particularly well where NEIS providers were co-located with facilitators, with providers in such circumstances noting they got 'a lot' of referrals through this avenue.

While participants often reported they had heard about the program through word of mouth, there was a perception among NEIS providers that NEIS required more promotion, with some feeling that jobactive received most of the marketing focus. As a result, many thought that the NEIS program was

not well known, was under-subscribed and could benefit from additional referrals. Some also commented on the term 'NEIS' being unfamiliar to those in their community. This could be the case, as participants hearing about the program through word of mouth does not necessarily mean the program is well known throughout the general population.

You have to be a good networker to be a NEIS provider, because if you're not then forget it ... there's no marketing out there from the department. — NEIS provider

NEIS is ... not known by a huge amount of [the] population ... – NEIS provider

While the scope of the current research did not include an analysis of wider community awareness, previous research conducted on behalf of the department found low levels of awareness of NEIS. One study by ChatHouse (2018) surveyed job seekers aged 25 to 65 years old and found an overall awareness level of just 26%, with awareness levels highest among older age groups. Another study found that young people were largely not aware of NEIS, with only 12% of young people surveyed being somewhat familiar with it or having heard the name (AMR 2017).

3.2 Exploring Being My Own Boss Workshops

The workshops, delivered nationally by a subset of NEIS providers, are targeted towards people who have an interest in starting their own business but are not ready or not able to undertake NEIS. As with NEIS, workshop participants reported becoming aware of the program through a variety of sources, including through word of mouth, advertisement materials in government offices, counsellors, and social media. As participants in the research either had attended the workshops or were involved in NEIS, it is difficult to determine general awareness of the program outside of these groups.

I was a registered nurse and I had a workplace injury, can't get back to it, too over qualified, nobody else would take me on because I can't work full-time. So I had caught up with a girlfriend and she's an accountant and she had said 'there's this great course, you should look at it'. — Workshop participant

I found out through the [Entrepreneurship Facilitator], because I started going to them for mentorship ... – Workshop participant

NEIS providers and Entrepreneurship Facilitators were generally aware of the workshops and were positive about their place in the microbusiness training space. While both providers and facilitators refer people to the workshops, referral to workshops is perhaps more ad hoc than referral to NEIS, and individuals who attended the workshops were not necessarily engaged with jobactive providers.

Well I didn't realise it was a government program, like I read a small ad in the paper, actually my wife read the small ad in the paper, we went to a little meeting in the library ... and then from that one I went to Explore [Being] Your Own Boss, and from Explore [Being] Your Own Boss I'm doing the NEIS course, and it's just seamless. — Workshop participant

3.3 SelfStart website

Though the website is well used, participants involved in the qualitative research were largely unaware of the SelfStart website (let alone promotional material for the site), though this might be more reflective of a lack of awareness of the brand 'SelfStart' or an inability to recall accessing the site. The research did not include a deep dive into this issue or include recognition testing (for example, by showing participants screenshots of the website or branding).

Low awareness could also reflect the number of websites visited by participants, who may use SelfStart only briefly for directions to other services and therefore do not commit the name to memory. Some workshop and NEIS participants mentioned using other government websites but could not recall the names or substantive details of these websites.

Another possible explanation for these awareness levels is related to how people seek information on starting a business. While participants may do some searching of the internet prior to engaging with elements of the Entrepreneurship Initiative, much of the interaction appears to be face to face (with some exceptions where services are delivered online). Engagement with entrepreneurship services, either parts of the initiative or provided by other levels of government or other organisations, is often through workshops, meetings or training courses. NEIS and workshop participants may not seek out the SelfStart website given they are accessing other, likely more tailored, support through these programs.

4. Entrepreneurship Facilitators

The Entrepreneurship Facilitators funded through the 2016–17 Budget were intended to promote entrepreneurship and support people to establish their own business, with a focus on young people. The 3 facilitators operated in Cairns, the Hunter Valley (including Newcastle), and Launceston and North East Tasmania from their commencement in December 2016.

Facilitators provide direct business development advice to clients, raise awareness of and refer clients to local services, and actively engage with the community to promote entrepreneurship as a viable employment option. They also offer mentoring assistance to clients at any stage of their business, hold events and workshops and maintain a network of local services.

4.1. Participation

4.1.1. Clients engaged

In total, 28,748 clients were assisted to 31 March 2019, including 11,044 youth clients. The number of facilitator clients assisted (both general and comprehensive⁹ assistance) grew sharply in the second year of the program, and appears to have steadied in its third year (Table 1).

A total of 5,042 clients were provided with general assistance from program commencement to the end of the 2016–17 financial year, increasing to 13,159 clients assisted in the following financial year. Monthly averages for each period clearly show an increase in clients in the first 18 months of the program, with an average of 720 new clients per month for general assistance in the first 7 months and 1,097 per month during the following financial year (2017–18). In the first three-quarters of the 2018–19 financial year, facilitators provided general assistance to 9,016 people, a slight decrease in monthly average to 1,002 clients.

Facilitators continued to increase the number of comprehensive assistance clients from an average of 40 clients in 2016–17 up to 64 in 2018–19. Facilitators also provided comprehensive assistance to 926 ongoing clients¹⁰ in the first three-quarters of the 2018–19 financial year.

This may indicate that program participation has steadied, though it is difficult to determine a clear pattern over this time frame.

⁹ 'General assistance' is categorised as one-off services provided over the phone or in person and other one-off assistance provided at larger workshops or events, such as through a booth at a career expo. This does not include mentoring. 'Comprehensive assistance' refers to one-on-one assistance to individuals or assistance provided in small group based sessions by facilitators.

¹⁰ Ongoing comprehensive assistance clients are not counted towards the comprehensive assistance client total, which only counts new clients. Ongoing clients were not recorded prior to 1 July 2018.

Table 1. Number of clients assisted, by financial year

-	2016–17*	2017–18	2018–19**
General assistance	5,042	13,159	9,016
Average per month – general assistance	720	1,097	1,002
Comprehensive assistance	282	672	577
Average per month – comprehensive assistance	40.3	56.3	64.1
Total	5,324	13,831	9,593

Source: Entrepreneurship Facilitator quarterly report data since program commencement. *Data for the 2016–17 financial year starts on 5 December 2016, the program start date. **The total for the 2018–19 financial year reflects new client data from 1 July 2018 to 31 March 2019.

4.1.2. Engaging young people requires a different approach

In total, almost 4 in 10 clients (38.4%) assisted were young clients (Table 2). This is well above the proportion of under 25 year olds among participants in the workshops (at 10.5%) and NEIS (8.6%), and is higher than that recorded for the whole jobactive caseload (18.5%).

Even with a relatively high proportion of young clients, facilitators commented during the qualitative research on the complexities in attracting young people to their services and activities. Facilitators and stakeholders offered that young people often had a desire to get out and start running their business immediately, or lacked funds, interest and/or commitment to start a business. In the experience of one facilitator, young people who would normally be suitable for entrepreneurship tend to be 'the ones who are getting employed'.

The target cohort, which is 18 to 24 year-olds, not in education not in employment – we found them really hard to find. – *Entrepreneurship Facilitator*

As with other cohorts, the majority of young clients accessed general assistance as opposed to seeking the comprehensive mentoring and other services. This could be due to the number of careers and schools expos that facilitators attend in their locations to promote entrepreneurship and self-employment as a career. The number of young clients assisted varied across facilitators/regions.

Table 2. Number of clients assisted, total

Type of assistance	Youth (%)	Other (%)	Total (%)
General assistance	10,706 (39.3)	16,511 (60.7)	27,217
Comprehensive assistance	338 (22.1)	1,193 (77.9)	1,531
Total	11,044 (38.4)	17,704 (61.6)	28,748

Source: Entrepreneurship Facilitator quarterly report data from 5 December 2016 to 31 March 2019.

Facilitators and their stakeholders discussed the various strategies they used to engage this group, which may explain the higher number of young clients relative to other participant cohorts of the Entrepreneurship Initiative. These strategies included adjusting the types of events available to better suit young people, talking to parents, booking young people into activities early on and finding new ways to provide information.

... one of the benefits I see [of] the small groups that started ... they're all youth focussed so they've got a lot of things in common and they tend to bounce ideas off one another. – Entrepreneurship Facilitator stakeholder

I'm finding that by offering boot camp, start-up boot camps, that seems to engage the younger cohort more than an information session. – Entrepreneurship Facilitator

One facilitator suggested targeting people younger than 18 years and noted that they had started to talk to parents to increase their awareness of opportunities available to their children.

4.1.3. Services have been accessed more by women than by men

While details of clients accessing wider services provided by facilitators (such as receiving general assistance or participating in a workshop or event) are not available, demographic information is collected for those accessing comprehensive assistance services. Comprehensive assistance has been accessed more frequently by women, who represent 60.8% of total comprehensive assistance clients. The numbers of young comprehensive assistance clients were relatively equal in terms of gender.

The proportion of women among facilitator clients is similar to the proportion recorded among workshop participants (55.7% of the total). This is compared to the NEIS caseload, which records equal numbers of women and men (50.7% female clients) but is a much larger sample. It is likely that the relatively low sample sizes of facilitator clients (1,467 clients for whom gender information is available) and workshop participants (1,620) create the appearance of a gender difference, as opposed to an actual tendency for more women to access the service. The qualitative fieldwork provided no indication that there were any differences in the numbers of men and women accessing facilitator services or in how they did so.

Table 3. Number of clients receiving comprehensive assistance, by gender

-	Youth	Other	Total (%)
Female	148	744	892 (60.8)
Male	145	430	575 (39.2)
Total	293	1,174	1,467

Source: Entrepreneurship Facilitator quarterly report data from 1 April 2017 to 31 March 2019. Gender information was not collected by facilitators prior to 1 April 2017. Comprehensive assistance clients only (total n = 1,531).

4.1.4. Lack of skills was a key barrier for facilitator clients

As per reporting requirements under the funding agreement, facilitators provide details of the barriers faced by each client in starting their own business, and the support provided to overcome these barriers, as part of their quarterly reports. Prior to 1 July 2018, facilitators recorded a summarised list of barriers faced by their clients in that reporting period. After this date, facilitators used a standard list of barriers against which to record barriers expressed by or identified in relation to their clients.

Consistent with the literature, a lack, or perceived lack, of the right knowledge, support, skills and experience appears to be a critical factor for facilitator clients considering self-employment. The most commonly reported barrier from 1 July 2018 to 31 March 2019 was (a lack of) 'business experience', followed by 'core entrepreneurial skills' and 'business skills'. Together, these barriers accounted for almost a third (31.6%) of total barriers reported by facilitators. While a different recording system was in place prior to 1 July 2018, a clear focus on skills and experience was evident during this time with (a lack of) 'education/training' the most commonly reported barrier since program commencement.

The qualitative research also highlighted a lack of access to finance, mental health issues, time constraints and personal circumstances as barriers that facilitators and NEIS providers commonly saw in addition to a lack of business skills or experience – barriers that are similar to those reported by NEIS and workshop participants.

Obviously the key barrier for anybody starting a business is usually money, money and knowing what to do. Now the 'knowing what to do' problem is great, because that's what we're here for and we can certainly, that's not a huge issue as far as I'm concerned ... I think the key issue for people is money, and like we've got many people who want to start a business, but they also have to live ...

— Entrepreneurship Facilitator

Lack of knowledge, lack of education, lack of experience [among facilitator clients] ... we're very wary about who we refer to and making sure that we understand the costs and things associated with those referrals. How there's time barriers for a lot of people, particularly if they've got families and then some people are just low in confidence, self-esteem, we coach a lot of people around that. –

Entrepreneurship Facilitator

As part of their service offer, facilitators work to build business skills in their clients by providing tailored advice on the identification and implementation of business ideas (from planning and budgeting to logo design and marketing) and addressing client barriers by directing them to the most appropriate local resource.

4.1.5. Barriers for young people

As part of the qualitative research, facilitators noted the additional barriers faced by young clients, including a lack of financial independence and start-up funds (even more so than other cohorts), limited life skills, reluctance to take on such a commitment, or community perceptions of young people.

... To get youth you really need to start to develop that much earlier than 18 to 25 ... So to me, I suppose the issue is that trying to get young people engaged in something – they don't know what they don't know and that they don't know what sort of business they could start, they have no clue. – Entrepreneurship Facilitator

[Young people] don't have any money to at least kind of start something, they are usually just more interested in having a good time ... running a business isn't easy

4.2. Referrals to other services

In addition to providing direct assistance with business mentoring and one-off assistance, facilitators refer clients to a range of services within a wide community network developed and maintained by the facilitator.

Facilitators record the number of referrals to various local services, government programs and other stakeholders they have identified in their quarterly reports to the department. While facilitators may make and/or record referrals to general assistance clients, this would be unlikely due to the time required to establish an in-depth understanding of a client's needs. Therefore, the referrals discussed in this section should be considered as part of the comprehensive assistance client pool rather than all clients.

Clients have been referred to a range of local services since the program began in December 2016. Referrals for the period 1 July 2018 to 31 March 2019 are detailed in Table 4, with referrals prior to July 2018 recorded against the other components of the Entrepreneurship Initiative.

Table 4. Entrepreneurship Facilitator onward referrals

Service type	Prior to July 2018	1 July 2018 to 31 March 2019
SelfStart	333	1,256
Local workshops/events (internal)		930
Software packages		126
Internal referral		121
Specialist mentor		85
Local workshops/events (external)		82
Community or industry association, or business		74
Online program/course		64
NEIS	158	62
Local government program/services		58
Professional services		53
AusIndustry		41
Employment		33
Exploring Being My Own Boss Workshops	101	31
Health professional		30
State government program/services		27
Local workshop or event		24
Other Entrepreneurship Facilitator, jobactive provider, or government initiative		21
Other		26
Total 1 July 2018 to 31 March 2019		3,144

Source: Entrepreneurship Facilitator quarterly report data 5 December 2016 to 30 June 2018, and 1 July 2018 to 31 March 2019. Changes in reporting requirements from 1 July 2018 require facilitators to report against the above categories. Prior to this, facilitators recorded referrals under broader categories. Some categories have been aggregated. Clients may have been referred to multiple services.

4.2.1. Referrals to New Business Assistance with NEIS

Referrals to NEIS were some of the most common across facilitators in terms of government programs. According to quarterly report data, facilitators had made a total of 220 referrals to the NEIS program since the program started in December 2016, representing just under 15% of all comprehensive assistance clients. While one facilitator interviewed as part of the qualitative research noted a natural tendency to refer to NEIS as the obvious next step after working with clients, 2 of the facilitators perceived a greater emphasis on their role as a source of NEIS referrals and promotion than they expectedwhen setting up the program.

... I felt that all of a sudden I was becoming – instead of being an Entrepreneurship Facilitator where I was creating awareness, where I was engaging in the community and I was doing all those things, I felt like I had to be a funnel for the NEIS program. – Entrepreneurship Facilitator

I feel like sometimes [the department has] these expectations on us particularly for marketing NEIS programs and stuff like that where I feel like the NEIS provider is adequately compensated from this. — Entrepreneurship Facilitator

Facilitators reported that clients should be referred to the most appropriate service available to them at that time. There was also a view that individuals may not yet be ready for NEIS but that the intention would be to refer them into that program after they completed lower level training or advanced their business plans.

So in some cases people didn't need NEIS ... so I would refer them to Business Connect, or I would refer them to Exploring Being My Own Boss, or I would refer them to an incubator or whatever it may be. – *Entrepreneurship Facilitator*

4.2.2. Referrals to Exploring Being My Own Boss Workshops

The facilitators have made a total of 132 referrals to the workshops since the program commenced, or 8.6% of comprehensive assistance clients. Referrals to the workshops by facilitators dropped in the second and third quarters of the 2018–19 financial year (with both quarters recording 7 referrals across facilitators) compared to the first quarter, in which 17 referrals were recorded.

While the number of referrals to the Exploring Being My Own Boss Workshops varied between facilitators, facilitators reflected positively on the program during qualitative fieldwork.

... we tend to find if they do Exploring Being My Own Boss first and then go onto NEIS, which a lot of them do – not always immediately, sometimes they wait a couple of rounds and then start – they feel a lot more prepared, they feel like they're a lot more on top of things – Entrepreneurship Facilitator

... I think [Exploring Being My Own Boss is] a fabulous program, because it's short and sweet, it's two weeks and people can really commit to that.

— Entrepreneurship Facilitator

Further research could explore potential reasons why facilitators have decreased their referrals to the workshops since this work was undertaken.

4.2.3. Referrals to SelfStart Online Hub

The SelfStart website was the resource to which clients were most commonly directed, with 333 referrals to the site from program commencement to 30 July 2018, and 1,256 referrals recorded in the first three-quarters of the 2018–19 financial year (totalling 1,589). This is perhaps unsurprising as the website is easily accessed and is suitable for a wide range of clients at various stages of the business start-up process.

Facilitators differed in their opinion of the SelfStart website. While the facilitators were generally positive on the range of content available on the site, one facilitator noted the content was too general and preferred to print material from the website and provide it in person to clients along with tailored advice. It was mentioned that the website was difficult for clients to find, with one noting that the site's address could be simplified and made more memorable.

There's a huge spectrum of stuff on there, and the great resources, lots of videos sharing, people getting started and all of that. – Entrepreneurship Facilitator

I've had to re-format a lot of [the SelfStart website content] and we print a lot of stuff because it's not an easy website to use nor find. – Entrepreneurship

Facilitator

4.3. Perceptions of the Entrepreneurship Facilitator program

Facilitators view their role as:

- a starting point for individuals looking to start a business
- a community networking hub
- promoting entrepreneurship and self-employment as employment options more widely.

I point out that my role isn't to run [a client's] business for them, my role is to connect them, is to mentor them when they need it and to provide them with ongoing services if they need, or to put them in the right direction of different information. – Entrepreneurship Facilitator

So it's very much connecting different organisations as well, and there was a gap before that because there was no one to do that, and there's no one who can work across all of the different things ... – Entrepreneurship Facilitator

4.3.1. Facilitators offer personalised assistance

The facilitators view their ability to provide one-on-one personalised service as a key part of their offering. All 3 facilitators commented on their personalised approach, assessing the needs of each person individually and developing a tailored course of action based on those needs.

So we do individual mentor[ing] and coaching or advice, depending on what the client needs. We work out what they need through doing an assessment and having a bit of a chat with them, their first appointment usually takes about an hour. – Entrepreneurship Facilitator

I'm the only person allowed to mentor on the program so they only ever see me in this program, they obviously meet with other people that we refer them to, but I think knowing that they've got someone that they can just be like 'well this person knows my whole story and will understand where I'm at', has been huge.

- Entrepreneurship Facilitator

One facilitator further commented on the additional trust associated with the personal relationship with people and acting as a bridge to other services.

... I think sometimes people find it hard to trust different services. So when I say I really rate this service it's going to be awesome ... what we actually do with NEIS is we do a soft handover. I'll actually bring the NEIS trainer in, and they'll actually talk to you – Entrepreneurship Facilitator

4.3.2. The program addresses a gap in services

Linking people to relevant services

A general theme to come out of the qualitative research was a view of the facilitators as filling a gap in services in their region. This was most commonly in reference to their ability to direct people to appropriate services and link community, business and government organisations – increasing general awareness of self-employment in the process. There was also mention of the ease of access to the service and the advantage of being able to obtain quick advice or test ideas with a real person, when the client might otherwise be unsure of where to start.

... that's where I think the Entrepreneurship Facilitators are good, if they've got an overall knowledge of where things go they can fill the gaps or point the people in the right direction where they need to. – *Community stakeholder*

[The program is] also offering people that have no exposure to this space before ... it seems like they can just go and have a coffee with [the Entrepreneurship Facilitator] and shoot an idea off to her. – *Community stakeholder*

Another advantage of the program mentioned was the ability to assist people who needed limited assistance but would not be eligible for, or could not commit to, more comprehensive assistance such as NEIS.

... unfortunately [some] people don't meet the criteria for NEIS but they're looking to [the facilitator] for advice and guidance to get that mentoring support or advice and guidance ... So [the Entrepreneurship Facilitator is] finding people that are looking for a service similar to ours [NEIS], but are at a different place to what we're looking for within our program. – NEIS provider

... [the Entrepreneurship Facilitator] program fulfils an incredible gap. No way it replaces it but [Entrepreneurship Facilitators and NEIS] together is awesome, it is incredible for the stakeholders that I am supporting in this region to have the two on offer. I know students with disability who can absolutely do NEIS, have the capacity, but I know more that don't have the capacity to do that long course.

Community stakeholder

In Melbourne, where there is no Entrepreneurship Facilitator, 2 of the 3 NEIS providers interviewed were aware of the program. All were supportive of establishing a facilitator in the area, highlighting facilitators' role in promoting and referring to NEIS, and in promoting the idea of self-employment more generally.

It sounds in theory to be a ripper idea to actually have people out there who are attached to various organisations and groups and so on, who are actively going out and promoting the concept of starting a business, because I think it's a very fuzzy concept for everybody ... So I think it's a good thing but we don't have one.

— NEIS provider, Melbourne

It's a great program, we should be working a lot more closely with them ... as long as they feed their people into NEIS, which they said they'd do, not an issue. - NEIS provider, Melbourne

Forming local networks within the community

Key to the facilitators' ability to refer people to appropriate services is the facilitators' local knowledge and connections in their communities. When asked to provide a list of stakeholders to potentially participate in the research, facilitators provided contacts for stakeholders from a wide range of organisations, reflecting their level of connections in their respective communities.

Several stakeholders interviewed praised how well connected their local facilitator was in the community.

... I think [the Entrepreneurship Facilitator] can relate to almost any person's passion or pursuit ... wherever they happen to be in their journey she can offer something of value to them which has been great to see, and she's very much got her finger on the pulse of what the community is looking for. – Community stakeholder

... it's great for us coming in from afar because we don't know that space, if you look at it, they've got the networks and they know what their ecosystem is, so they can link us to key people within that ecosystem. – *Community stakeholder*

4.3.3. Facilitators viewed as independent service providers

Stakeholders interviewed saw the facilitators as independent (though government funded) players in the ecosystem and impartial referrers to a range of services (having no obligation to refer to specific services). Both stakeholders and facilitators valued this neutrality and noted it as a particularly advantageous feature of the program. One facilitator noted that, despite the service being government funded, the perception in the community of facilitators as an independent organisation reduced the stigma associated with seeking government assistance for some people.

... [the best thing about being an Entrepreneurship Facilitator is] I think the flexibility that we have and the fact that we can help everyone who calls so we don't exclude anyone. – Entrepreneurship Facilitator

... the thing I like about the Entrepreneur Facilitators is their role is to basically link everyone, so they're a linkage, a conduit if I can say ... Because they've got no vested interest of their own ... And I think that's why it works well. – *Community stakeholder*

4.3.4. Views differ on how the Entrepreneurship Facilitators and NEIS work together

Facilitators do not function as or view themselves as competitors of NEIS providers. Overall, they see their services as complementary to NEIS and the workshops, either addressing an unmet need for those not ready for or in need of the full NEIS program, or providing supplementary support to participants as they undertake NEIS or the workshops.

It's a complement for sure because ... it is kind of a one way referral system, NEIS is a full program for a lot of people to go from doing nothing to doing a course which is really very heavy ... But there's certain people who learn on the job, learn as they go ... and it's almost like when they do a course like NEIS it damages their confidence even further. — Entrepreneurship Facilitator

We actually have a lady in this NEIS cohort who did Exploring Being My Own Boss with us at the start of the year, has been working with me now for about 3 or 4 months, and then now has just started NEIS and she's been at a lot of our events, so she's getting the full spectrum of what's out there. – Entrepreneurship Facilitator

For facilitators, the focus is on the individual's needs, and NEIS may not be the best option. Facilitators acknowledged that a lot of those referred to facilitators and NEIS were likely to be income support participants, but this is changing and NEIS is not necessarily appropriate for all individuals in scope of the services.

Even though the whole focus of NEIS has changed whereas before it was very much this is for people who are on benefits, and now it's changing, there's actually not very many people who are willing to give the time that's required if they're self-supporting, and I think that was a bit of a surprise to the department, that there weren't more people coming from those areas. Because it's full-time training course for 5 weeks, and a lot of people are going well in that 5 weeks I could be out there working on my business, earning money, or getting part-time work and stuff like that. So it's a big ask, so we don't have a lot of people from that self-funded area. — Entrepreneurship Facilitator

NEIS providers interviewed as part of this research generally referred to the facilitators as sources of referrals to NEIS and the workshops. This was the case for both providers in locations with facilitators and providers in Victoria, which currently does not have a facilitator located in the region.

The program is quite good at generating leads, we've only just come to the realisation ... that we should be working closely with each other, to get the clients to transition onto the NEIS program. – NEIS provider

... [the Entrepreneurship Facilitator program is] a great idea, they seem to be great advocates of the NEIS program. – *NEIS provider, Melbourne*

While it is not the case that facilitators must refer to any particular program, this confusion as to the purpose of facilitators has the potential to damage NEIS provider perceptions of the Entrepreneurship Facilitator program if providers feel they are missing out on referrals to NEIS.

... from what I've read about it, it [the Entrepreneurship Facilitator program] was actually supposed to be like a funnel network, so that the people that they brought in would actually have NEIS as an option ... the numbers that we're actually getting from [the facilitator] should be higher than what they are. – NEIS provider

However, of the NEIS providers who were unhappy with the number of referrals made by the facilitators to NEIS, some admitted they could not know for sure how many referrals they were receiving. This is because the facilitators were not connected to the department's Employment Services System, and referrals could not be tracked or followed up by providers using this system.

... [the Entrepreneurship Facilitator program] was meant to be a conduit into NEIS, but unless we're there we don't seem to be getting referrals. I mean we might be but we don't know, because we don't know who is on [the facilitator's]

books and technically [the facilitator] doesn't know who is on our books, so we don't know – *NEIS provider*

A small number of NEIS providers interviewed saw the facilitator as a source of competition, as opposed to a resource in the local network of services. There was concern among these providers that the Entrepreneurship Facilitator would impact the number of participants referred to NEIS.

... what we're finding though is that the clientele that we target and the client that [the facilitators] target is the same client, and at the end of the day while they're meant to be a conduit into NEIS and Explore Being Your Own Boss, they're going to want to keep that client within their own mentoring program. – NEIS provider

... in [some states], [the Entrepreneurship Facilitator program] is actually set up in competition to the NEIS program ... – NEIS provider

Other providers reported that the programs can work well together, with some detailing how their interaction with the facilitator had changed since the program commenced.

It's very, very important to work together and not see each of us as separate entities – that we're either competing or that one has to support the other, that just doesn't work ... It's also really supportive for people who are going through NEIS because they know that as well as getting all the support and the training for their business and setting it all up, they're getting business mentoring, they're getting personal mentoring from the Entrepreneur Facilitators ... – NEIS provider

We have gone into a lot of workshops and programs that [the facilitator] was delivering to sell the program [NEIS], whereas now we're treating it a little bit differently and having [the facilitator] sell the program in terms of the interest of people onto us. So we've just had a real shift in the last 2 months about how we're going to go about working with that program. – NEIS provider

A suggestion made by NEIS providers to ease the perception of low rates of referrals from facilitators was to connect the Entrepreneurship Facilitator to the Employment Services System.

... with the jobactive [providers] we can say 'this is where they're going', [with Entrepreneurship Facilitators] it's not the same reporting or referral system, so it means that we've literally got to be able to talk to the Entrepreneurship Facilitator and go 'okay so what happened' [with an individual referral]? ... If we had access to that data, had a shared pool of that data, fantastic ... – NEIS provider

While connecting the facilitators to the shared Employment Services System would not necessarily allow for NEIS providers to track the source of referrals, this point highlights that greater visibility of referrals may assist the relationship between providers and facilitators.

5. New Business Assistance with NEIS

New Business Assistance with NEIS provides assistance to people looking to start a business. It includes:

- 1. NEIS Training
- 2. NEIS Assistance (business mentoring and support) for up to 52 weeks
- 3. NEIS Allowance for up to 39 weeks (if eligible)
- 4. Rental Assistance for up to 26 weeks (if eligible).

This section examines referrals to and exits from the program, perceptions and take-up of the program, business survival and employment rates, and secondary employment effects post participation.

5.1. Referral to and exit from NEIS

From 1 July 2015 to 31 March 2019, a total of 46,102 referrals to NEIS were recorded, with 7,423 successful completions of NEIS Assistance during that time.

Figure 4. NEIS participation 1 July 2015 to 31 March 2019



Source: Departmental administrative data. Notes: some participants from 1 July 2015 to 31 March 2019 commenced training and/or assistance multiple times (around 4% for NEIS Training and 0.5% for NEIS Assistance). Participants can be exempt from completing the NEIS Training phase (and go straight to NEIS Assistance) if they have the necessary competencies, provided a business plan is approved.

To access NEIS, a person needs to be referred to a NEIS provider. There are 3 ways to be referred:

- A person is registered with an employment service and this provider agrees NEIS is a suitable option for them employment services referral.
- A person is registered with an employment service and approaches a NEIS provider directly self-referral.
- A person who is not registered for employment services, or whose registration is inactive, approaches a NEIS provider directly – direct registration. Direct registrants are provided with a job seeker ID when they commence NEIS or a workshop.

The most common source of referral to NEIS Assistance was self-referral, with 48.7% of referrals being of this type (see Table 5). This was followed closely by referrals from employment services providers, at 48.1%. This suggests a high level of interest in and demand for the NEIS program among job seekers. No major differences in characteristics between those who were self-referred and those who were referred by employment services were recorded.

Table 5. Referral sources for those who commenced NEIS Assistance

Referral type	Total	%
Self-referral	11,010	48.7
Employment services referral	10,877	48.1
Direct registration	719	3.2
Total	22,606	100

Source: Departmental administrative data from the 2015–16 financial year to 31 March 2019.

5.1.1. Direct registrants

Direct registrants (sometimes referred to as 'volunteers') are those who are not in employment, education or training and who are also not receiving income support. This may be because they are ineligible for income support due to family income, or they may not have needed to access employment services. These participants are not actively engaged with employment services when they enter NEIS and register directly with NEIS providers. The opening up of NEIS places to direct registrants was a key component of the Entrepreneurship Initiative.

Direct registrants may take part in NEIS and receive training and mentoring, but are not eligible for NEIS payment. Like others undertaking NEIS, they must be available for training and must work full time in their business for the duration of the NEIS Agreement.

So at the moment we actually have a high rate of people that are coming to us that aren't through that jobactive system, they are actually people that were either made redundant or for one reason or another and not want Centrelink payments, they could be parents that don't qualify for payments just because their partner, they actually have a partner or you know the partner earns too much. – *NEIS provider*

Expanding the eligibility criteria to include people who are not on income support (direct registrants) does not appear to have had a significant effect on referral numbers, with only 3.2% of NEIS referrals from direct registration. As mentioned at 4.3 above, it is possible that this is due to a lack of awareness – either of NEIS or of the expanded eligibility – among those not otherwise involved with employment services.

There were some differences between direct registrants and those self-referring or being referred by employment services. The direct registrants group contained higher proportions of women and people from culturally and linguistically diverse backgrounds, and lower proportions of sole parents and people with disability. Table 22 in Appendix D provides an overview of the demographic characteristics.

5.1.2. Perceptions of the referral process

The referral and sign-up process is straightforward from the participants' perspective. According to the NEIS and workshop participants involved in the qualitative research, all had successfully entered the training and noted no issues with the process. In some cases, participants sought out a referral to the program as they were aware of it and wanted to be enrolled (having heard from friends or seen promotional materials), while in other cases their jobactive consultant suggested the program to them (this was particularly the case where the jobactive provider was also a NEIS provider).

Facilitators working in the space reported having processes to assess applicants or mentees. This process may include an informal chat where the skills, goals and circumstances of a potential entrepreneur are discussed and options are presented to them. In some cases this may include a recommendation to gain additional skills or seek training, or even that regular employment might be more appropriate. For NEIS providers the process is more formal, as eligibility as well as suitability must be established. Participants may not expect the initial consultation and application to enrol in NEIS to be as in-depth as it can be; however, this assessment serves to ensure that they are referred to a service that will best suit their needs.

I wasn't really expecting at the application to have been as advanced as they were wanting – they were wanting financials and a business plan ... my understanding was the program was to learn and be mentored and you know explore it, do your business plan, then find out all your financials and everything from that. – NEIS participant, exited

The principal issue for NEIS providers was increasing the pool of referrals so that they could have more initial conversations regarding NEIS. Even though candidates may not be ready for the program, if they are given some information and, importantly, have an initial discussion with a provider, they are likely to return to the program when they are ready.

I don't even care if they're high quality referrals. I honestly believe that if we got a 30% increase in enquiries, we would find a much deeper and richer pool of people that we can work with. – *NEIS provider*

Referral sources remain a contentious issue for NEIS providers, as outlined at 5.3.4.

5.1.3. Exiting NEIS Assistance

Of the 22,606 participants who commenced NEIS Assistance over the period 1 July 2015 to 31 March 2019, nearly half (44.1%) received the full course of NEIS Assistance. Of those who did not, 13.5% withdrew voluntarily, 11.1% failed to lodge an Income Statement, 7.3% gained or returned to full-time employment and 5.6% cited personal or medical reasons. See Table 24 in Appendix D for a detailed breakdown of exit reasons.

Those not accessing the full limit of NEIS Assistance had diverse exit reasons. There is a distinction that could be made between reasons relating to matters within personal control (e.g. failure to lodge an Income Statement, which can be used by employment services participants as a means to exit assistance), and reasons relating to matters not within personal control (e.g. health reasons). The majority of early exit reasons were within the control of the participant and are possibly reflective of participants opting out of assistance when it is no longer required.

Exits occur at each stage of the program, with some leaving early on and others completing most of the program but disconnecting towards the end of the mentoring phase. This means that some participants who feel as if they have completed the program may be listed on the system as having exited.

Many qualitative research participants who exited NEIS before completion were still running a business. Some participants had put their businesses on hold while managing other commitments or issues, while others had dived straight into starting a business on their own or with the support of family and friends. Others had taken time to restructure their business idea or find another one. Of

those who had moved into paid employment or education, most referenced their NEIS business as a back-up option or side business, or had plans to continue the business at a later stage.

Providers are also able to terminate participants from the program. Termination was generally seen as a last resort by those involved in the qualitative research.

There's no one thing, I mean we very rarely terminate somebody and if we do it's because no matter what we do – we'll sit down and do action plans 'til they're coming out our ears with them but nothing happens, and ... with that attitude there's no hope of viability. – NEIS provider

5.2. NEIS Training

NEIS Training provides a Certificate IV in New Small Business or Certificate III in Micro-Business Operations and can assist an individual to improve their business practices and refine their business idea. The duration of the course varies from provider to provider.

The training is a key component of the NEIS program; therefore, the department expects participants to have undertaken a substantial amount of the accredited NEIS Training before commencing in NEIS Assistance. In taking part in the training, individuals learn about various aspects of running a business, including:

- introduction to small business
- business planning
- legal and administrative requirements of running a business
- marketing
- financial planning
- operational planning
- record-keeping.

Over the period 1 July 2015 to 31 March 2019, 30,752 unique participants commenced NEIS Training, with 65.3% of these completing the training. A further 27.8% commenced NEIS Training and commenced NEIS Assistance but did not have a completion date recorded, and 6.9% did not complete the training or were still undertaking the training.

5.2.1. Participant perceptions of NEIS Training

Based on feedback from participants and stakeholders, the delivery of training can differ markedly in terms of complexity, length and quality. This can be influenced by the person delivering the training, with participants quick to praise engaging and knowledgeable facilitators and to report a negative experience if the opposite was true.

The training provided as part of NEIS is a core component of the program. It is conducted prior to NEIS Assistance – where individuals run their business and receive mentoring – and, if they are eligible, NEIS payment. Successful completion of the course is not mandatory (though it has been mandatory in past iterations of the program).

Perception of course content

As many individuals have strong skills relating to the activity at the core of their business, the gaps that the training is filling are often the other skills that are required to run a business – planning the

business, understanding legal and regulatory requirements, bookkeeping, marketing, and managing clients and suppliers. This is where NEIS Training is most beneficial to individuals.

The overall feedback about the training component was positive, with participants commenting on the usefulness of the topics covered, particularly where practical guidance was provided.

I enjoyed the training, the thing with this training is like a little bit more hands-on ... [the trainers for the] NEIS program are qualified trainers but they have all ran [sic] several businesses in the past so a lot of the examples during the training which they brought were practical and personal as opposed to theoretical. – NEIS participant, completed

Participants were asked for their views on specific aspects of the training. Their views on these aspects are detailed below.

Complexity of content

Opinions varied on the difficulty and comprehensiveness of the course materials. While some participants were of the view that they had learnt how to run a business effectively, others reported that the program content was too simplistic, too theoretical or designed to get them through the course as efficiently as possible.

... [the content] could've just been more direct. I think it was trying to be a bit too clever, which would in turn be confusing, you know like for someone. So I'd often have to call the mentor and she'd just say look – because I'd be maybe trying to over think it, because it was described in that way. – NEIS participant, completed

Expectations of what to get out of the course also varied across participants. For example, some participants expected more hands-on assistance with their business than was delivered during the training, and found that there was too much focus on self-learning. This led these participants to view the program more negatively than others.

... one person would ask a question and it might've been about tax or something and we'd go 'oh yeah we wanted to know that as well', [and the response was] 'oh you all need to go and research that'. So even though we collectively as a group said that that's something that we need to learn, it was never addressed in the class. – NEIS participant, current

It is worth acknowledging that throughout the research it was clear that participants had had very different experiences of the delivery of training. This is discussed further below. Because of this, and natural variances in learning styles and abilities, it is difficult to assess whether the differences in content depth and comprehensiveness across courses were perceived or actual.

Targeted or flexible content

Many participants noted that some of the content was not specifically relevant to their business or industry, or that specific examples and exercises could be difficult to adapt to their own situations. While they understood that the course could not be tailored to fit the wide range of businesses and industries represented in any one NEIS class, participants suggested that it could be improved with knowledgeable staff, varied content and flexible assessments that acknowledge between-business variation.

... I understand that it's hard to give a practical side to everyone's business ideas. I think it was just a matter of it felt like they had their script that they ran through, it wasn't really, it didn't really necessarily have anything to do with our actual ideas. – NEIS participant, completed

Given that tailoring to each participant is unachievable, participants may benefit from supplementary materials or linkages to industry-specific mentors to assist them to complete course tasks and adequately plan their business.

Digital marketing and social media

Participants commented on the age of the training materials, with many stating they could be updated to better suit the current reality of running a business. Specific training related to marketing, and in particular online methods (including social media), was a recurring theme for NEIS participants, who commented that the content did not reflect modern businesses' reliance on these methods. Participants were generally very interested in learning more about this subject, with some stating that lack of knowledge in this area had particularly adverse effects on their business.

I would've been a lot more profitable if I had [assistance in digital marketing] when I started, because like I said there was like 5 or 6 months where I was using the wrong platform, and Google never found me, I didn't even make one sale the whole time in that time ... – NEIS participant, completed

I was being taught by people who were sort of in their 50s and over, talking about their small business that they've been running for, some of them had been running it for 20 or 30 years, and in the current climate, you know I'm in my mid 20s, I'm living in Melbourne, my marketing strategies are not business cards, they're Instagram and they're Facebook. – NEIS participant, direct registrant, completed

One participant said that they had learnt a sufficient amount about digital marketing but acknowledged that there is so much to cover on the topic that the course could only cover 'the tip of the iceberg'.

Providers generally agreed that marketing was a particular struggle for participants and were aware of the gap in addressing social media skills in the program, with some noting that their trainers have actively sought to include social media resources and make these available to clients.

Course delivery

Key to the perceived quality of the overall course was its delivery. As mentioned above, NEIS participants reported varying experiences in terms of course delivery, which ultimately impacted their experience of the training.

Training facilitators

The trainers were generally considered to be of high quality, with many participants giving very positive feedback and some doing so without prompting. Participants with positive experiences mentioned trainers, mentors and guest speakers who were inspirational and knowledgeable — be it on managing their tax obligations, setting their product pricing to be viable, or conducting their digital marketing activities.

The trainer is the key, I believe the trainer is the key, because when we've been to networking situations, the previous NEIS participants before us were taught by someone else, and our group was miles ahead of them. – *NEIS participant, exited*

On the other hand, participants who reported that their training facilitator lacked the experience or knowledge to assist them, was uninterested in assisting them or was unavailable generally had a negative experience of the training overall and were left feeling unprepared.

I found that with a lot of things [they] referred back to the businesses that [they] had done, instead of trying to make it transferring, it was 'oh well when we did this, when we did that', instead of saying 'well in your business this will be' ...

[They] couldn't transfer it from what [they] had done into our business. – NEIS participant, completed

In addition to training facilitators, guest speakers can have a great impact on participants.

He knew his stuff ... he just explained it really well, across the board he explained stories and put things to it, and for me that just helps because that side of things [tax matters] I just don't get. – NEIS participant, exited

Classroom environment

A common theme in regard to positive aspects of the training was the classroom environment and the opportunities this provided for peer-to-peer learning and networking. As being self-employed can be isolating and the classroom setting encouraged social contact, participants enjoyed the supportive environment this created.

... I enjoyed the learning, I've always enjoyed studying or learning things, and I enjoyed being in the classroom situation with other adults. It was fun, it was informative, it was great to hear other people's ideas about how they, about the business ideas that they had and how they would do certain things. Yeah I just thought it was a really good positive stimulating environment. – NEIS participant, exited

Providers also commented on the benefits of the classroom environment, with some leveraging the different skills in their classes to encourage peer learning. One provider had been a NEIS participant previously and noted the impact this had on their experience.

I think as a small business person they need to understand all sorts of other businesses and ramifications of what's going on and what is wonderful about the group environment is the sharing that goes on – one of them might be into social media, and you might have some older participants who are just so hesitant about it ... so that's why I wouldn't – I would be against a fully online system ...

— NEIS provider

Where participants were not in favour of the classroom setting, they mainly cited longstanding struggles with this type of learning.

Course duration

Reported durations for the NEIS Training component ranged from 5 to 13 weeks across participants. Generally, there was a greater preference for longer courses that took more time to explain concepts

and engage participants, though others preferred the free time to work on their business and/or just wanted to get through the course as soon as possible.

It was too fast, it was pushed through before Christmas and there was too much information to get down in those 5 weeks, and I like to know a subject, not just be able to answer questions, I could answer the questions but I didn't know what he was talking about. – NEIS participant, completed

... doing a Certificate IV in the space of two months you are pressed for what you can actually get out of it ... but I feel like if that training period went for maybe a month longer, you could get a lot more out of it in terms of more looking at each individual's business rather than just going these are the laws. I don't mean to sound negative about the training at all – I thought it was really good and really important stuff to learn. – NEIS participant, exited

Providers were conscious of the impact that shorter coursework periods could have on participant experience. Providers who offer short courses acknowledge that shorter courses limit the participants' ability to catch up or spend time researching concepts to apply to their businesses.

At the moment we're looking at running the courses rather than you know over a 5 week period for a full-time course, we're looking at doing the same amount of days but over a 7 week period, giving more research days, giving them more time to get their final business plan ready, and we're looking at only doing that platform. – NEIS provider

Class organisation

Some participants' negative experience of their courses was driven by other factors relating to poor organisation, including of facilities and materials.

... it was very rushed and it was very disorganised, which struck me because I knew the people running it, one in particular had been involved in it for a very long time, and even the communications by email it was here there and everywhere and there was different things being communicated ... Lost files, different dates, it was a mess. — NEIS participant, current

5.2.2. Perceptions of the business planning process

Throughout the training period, NEIS participants work on a major deliverable for the program: their business plan. At the completion of training, individuals must have developed a business plan. This is then assessed against a set of criteria to ensure it is viable. If the business plan is agreed, the individual may move to the NEIS Assistance stage, during which they start running their business in line with their business plan. During this stage, participants receive monthly mentoring and review sessions with their trainer, and eligible individuals receive 9 months of income support.

A typical business plan will include:

- a description of the business and administrative details
- details of the owner's background and experience
- a marketing plan including market analysis, market segmentation, marketing strategy, marketing mix and customer service

- details of legal aspects
- a financial plan
- a management plan
- an operations plan
- a business development plan.

Developing the business plan is very challenging for many individuals as it requires a broad level of knowledge about diverse topics ranging from market analysis and promotion to company law and regulatory compliance. As each individual's business is different, there is a great deal of work that goes into a business plan, even with the support of the trainers. Overall, participants valued the experience of creating the business plan, which required them to think deeply about aspects they may not have yet considered.

I think the fact that they forced you to create a business plan prior to even starting as part of the requirement of entry was for me personally a good skill to gain because I hate doing that kind of stuff and it forces you to actually write down numbers and make your sort of castle in the sky dream like a reality and put it onto paper. — NEIS participant, completed

Many of those who had completed a business plan indicated that they were very proud of their accomplishment and appreciated how far they had come in their business development from the early stages of the course. Some participants noted that they had continued to reference this plan in running their business, updating it as required or using it as a reference.

Outside of the budget the business plan is really good ... it really anchors you and it empowers you and it takes something that's grey and makes it black and white. $-NEIS\ participant,\ completed$

However, there was a general feeling that the business plan was perhaps more in-depth than was necessary. These participants were particularly frustrated by the budgeting process, and noted that the business plan's rigidity forced them to include estimated figures or were not relevant to their business. Participants commonly reported feeling pressured to create budgets that would pass assessment but might not be realistic.

... I felt like you're just going through the process just to do it but it didn't feel true at all in any way. I looked back and some of those figures were right but the rest of them were pretty way out there. – NEIS participant, exited

But what really bothered me is that I, and this bothers me still at this moment, was that we were basically advised to fudge our numbers on the paperwork [the business plan] to keep people in government happy as to what their expectations were in terms of anticipated expenses. – NEIS participant, completed

There can be negative impacts on participants where budgets are unrealistic and set unachievable goals.

I believe that the financial side of it, that they do need to be a little bit more realistic in what they set you up for, because you're expected then once you've been approved for your business plan, to report against those figures that you submitted in that business plan, and then you have to justify – and that can be

soul destroying when you're doing your financial returns every quarter as well.

- NEIS participant, current

This was also the view of providers, who noted the difficulties of delivering useful and relevant course content while also trying to cover aspects set by the qualification with which they might not necessarily agree.

There is a list of around seven things that must be in the business plan, and those are very realistic things to go in that. So real experiences. But then what we find is we're having to make the business plan twice as big because they've got to also cover all these other things from the certificate. – *NEIS provider*

An Entrepreneurship Facilitator noted the usefulness of the business plan as a motivator. She has business owners who feel they are struggling to see how far they have progressed compared to the earlier phases of the business. This demonstrates the importance of the business plan past NEIS Assistance.

It's working out where their goal point is ... people can forget how far they've actually come, so by having [set goals] in the beginning ... every time we see them or talk we can actually do an assessment of well where are you up to in finance, marketing, business plans, logistics and systems. – Entrepreneurship Facilitator

5.2.3. Direct registrants and NEIS Training

Changing eligibility to broaden the scope for potential participants to undertake NEIS as a direct registrant appeals to people who are interested in starting a business and would like the training and support that NEIS offers but are not dependent on government financial assistance.

Drivers for joining NEIS were broadly the same for direct registrants as for other participants. Participants mentioned that at the time of looking to join NEIS they were between jobs or contracts, struggling to get back into the workforce after caring/parenting responsibilities or migrating to Australia, or specifically looking for support to explore self-employment.

I have these ideas ... I needed guidance and I needed support to get it off the ground and that's what was missing. I also wanted a network of people who I could ask questions, who could help me – that's what I really needed NEIS for and that's what they gave me. – NEIS participant, direct registrant

The training clearly had value for direct registrant participants involved in the research. They generally spoke highly of the NEIS providers, their trainers and the course content, and on the whole the views of direct registrants did not differ greatly from those of other participants.

I must admit I've learnt things that I didn't even think about, yeah that's probably the best way to put it, you never go in with the attitude you know everything, because you don't, nobody does. And I think the program was brilliant because first of all it laid the platform as far as the business plan, that was crucial, that was absolutely brilliant, the way they delivered that and the emphasis they placed on it was fantastic. — NEIS participant, direct registrant

Direct registrants involved in the research understood that financial support was not available to them and were comfortable with this. However, as this research involved only participants who had

continued with the decision to apply to NEIS, it cannot say whether this is a barrier for others who fall into this group. Some NEIS providers observed the lack of financial assistance acting as a barrier for direct registrant participants.

... last week I had a direct registrant there and as soon as he found out he wasn't receiving any financial assistance, he said this is not for me, it's not what I wanted, we need the financial assistance. – NEIS provider

Because it's full-time training course for 5 weeks, and a lot of people are going well in that 5 weeks I could be out there working on my business, earning money, or getting part-time work and stuff like that. So it's a big ask, so we don't have a lot of people from that self-funded area. – NEIS provider

For some providers, another issue was direct registrant NEIS participants undertaking the training and, without the financial incentive to do so, choosing to opt out before heading to the NEIS Assistance stage. NEIS providers receive payment per NEIS Agreement signed, which means that they are not remunerated for participants who undertake the training and do not go on to NEIS Assistance.

... one of the issues we've found with the non-NEIS pay or the voluntary registrants is that they'll go through the whole program and get to the end and then not sign a NEIS contract because they're not receiving a NEIS payment, and we tried to stress the importance of the mentoring, we tried to stress the importance of the quarterly financial health checks and the other benefits of being involved in the NEIS program ... they get through the whole program, get to the end and then say 'thank you very much, I'm not going to sign a contract' and then they walk away. – NEIS provider

5.2.4. Provider perceptions of NEIS Training

Providers generally displayed a commitment to and passion for providing clients with quality training, and a genuine desire to assist participants in setting up a successful business. During the qualitative fieldwork, providers commonly mentioned the rewarding nature of their role, often unprompted by researchers.

Views differed somewhat on the level of training completed as part of NEIS Training. Some viewed the training as too comprehensive and rigid, making it difficult for some participants and presenting an unachievable or overwhelming workload for others. Others were supporters of the requirement for accredited training.

Our priority really is about sustainability into the future, not ticking boxes, which is what accredited training can be – so even though that's what we promote and that's what we do, that's what our contract says that we need to do ... it really has to be based around that client. – NEIS provider

Regardless of their overall opinion on the training course, NEIS providers (some of whom were also NEIS trainers) detailed the various ways they had attempted to make the training content relevant to each participant, increase engagement with the course, assist participants to learn complex information, and provide supplementary information where they viewed it necessary.

... we don't just deliver whatever resources we're given, if we find 'you know what, that unit doesn't really serve a purpose for 80% of our clients', while it's in there and [the trainers will] touch on it, [the trainers will] actually deliver a completely different unit. – NEIS provider

I put content [into my training] which isn't in the course, but stuff they really need to know. Because at the end of the day when you're running a small business you need to be able to do everything so that's the biggest problem. So you need a lot of skills in a lot of areas, and we talk a lot about just practical stuff like bank accounts, we talk about having an EFTPOS machine, where is the best place to go and get it, insurance ... – NEIS provider

5.3. NEIS Assistance

NEIS Assistance:

- is delivered over a period of up to 52 weeks
- involves a minimum of 5 visits to the NEIS business, with face-to-face mentoring
- · requires monthly contact with the NEIS provider
- requires ongoing commercial viability tests
- requires checks on other income sources, where NEIS Allowance is being claimed. The NEIS
 External Income Test checks income earned quarterly.

The following section focuses on changes to NEIS since the introduction of the Entrepreneurship Initiative, the characteristics of NEIS Assistance participants, and outcomes from NEIS Assistance.

5.3.1. NEIS Assistance commencement rates

From the introduction of the Entrepreneurship Initiative in December 2016 to 31 March 2019 there was a gradual increase in the number of NEIS commencements. The research was not able to isolate the cause of this increase to changes made as part of the Entrepreneurship Initiative. While commencement rates were still lower than the allocated total of 8,600 places, the number of commencements exceeded the original cap of 6,300 places for the first time in the 2017–18 financial year. NEIS Assistance referral and commencement rates are outlined in Table 6.

Table 6. NEIS take-up rates

	2015–16	2016–17	2017–18	2018–19*	Total
Total referrals	11,003	11,987	13,268	9,844	46,102
Allocated places	6,300	7,642	8,600	8,600	31,142
NEIS Assistance commencements	5,080	6,127	6,861	4,538	22,606
Youth commencements (%)	7.8	9	9	8.4	8.6

Source: Departmental administrative data. *to March 2019.

An examination of commencements by age shows there was an increase in NEIS Assistance commencements for those under 25 years of age from 7.8% to 9.0%, though NEIS Assistance remains primarily an activity undertaken by older Australians.

5.3.2. Characteristics of NEIS Assistance participants

Those commencing NEIS Assistance tended to be aged 35 to 49 years (40.4%). Only 8.8% of NEIS Assistance participants were recorded as youth (15 to 24 years), compared to 28.4% in jobactive from 1 July 2015 to 31 March 2019. Most participants have a Year 10 to 12 (27.8%) or Certificate (25%) level education. Equal numbers of men and women were recorded as participating in the program from 1 July 2015 to 31 March 2019.

Table 23 in Appendix D outlines the characteristics of NEIS Assistance participants since July 2015.

5.3.3. Perceptions of NEIS Assistance

Following completion of the business plan and approval of a NEIS Participant Agreement, participants progress through to the NEIS Assistance stage.

This period can be particularly challenging for participants, as they begin to run their businesses with the knowledge and skills gained during the training phase. Challenges encountered by participants involved in the qualitative research included:

- overrunning their research and development budget on intellectual property protection
- having to find money to put into the business
- realising that their proposed product is not feasible to produce and having to refocus the business on a different idea
- difficulty generating expected sales through their planned marketing strategy.

Participants can also find success during this phase. Examples from the qualitative research included:

- successfully building a food truck and getting it operational
- seeing sales build over time into a sustainable business
- having friends and family join in to help kickstart and grow the business.

Access to a mentor during this difficult period was found to be very important to participants. As with the training facilitators discussed above, the perceived quality of the mentoring varied and was impacted by the perceived quality of the mentors themselves. In judging the quality of the mentors, participants discussed level of knowledge and experience, relevance of knowledge and experience to their business, willingness to assist them, personal characteristics and ability to motivate. They also discussed the level of access they had to their mentor.

I really like my business mentor, I think she's fantastic, she's really passionate about helping people and encouraging and has a lot of time for her clients. She's got a good knowledge of how to run a business and what it takes ... – NEIS participant, current

In the period of nine months, I've gone through three mentors ... they talk to me sometimes, sometimes they don't, they're never there if I need them, to ring them to say 'hey look what do I do about this'. And it's just like 'well, great mentoring'. – NEIS participant, current

5.3.4. Satisfaction with NEIS

Participants were surveyed 3 months after exiting NEIS Assistance. Satisfaction rates with NEIS varied depending on the component (see Table 7), with the training receiving the highest rates of

satisfaction (net satisfaction rate of 62.4%), followed by quality of mentoring (at 49%). Respondents were least satisfied with the program's ability to be tailored to their needs, with this component receiving a 35% net satisfaction rate. This finding was supported by the qualitative fieldwork, during which NEIS participants noted a frustration with the general nature of the training (see 5.2.1).

Table 7. Net satisfaction with NEIS program (%)

	Still running NEIS business	Not running NEIS business	Total net satisfaction*
Small business management training received	67.6	50.8	62.4
Quality of mentoring	53.9	37.9	49.0
Overall quality of assistance	54.0	34.6	48.0
Tailoring to support your needs	41.4	20.4	35.0

Source: Post Program Monitoring (PPM) survey (n = 6,253). *Net satisfaction is calculated as Very satisfied/Satisfied minus Very dissatisfied/Dissatisfied.

Satisfaction rates were affected by whether the participant was still running their business, with lower rates of net satisfaction with the program components among respondents no longer running their NEIS business after 3 months. The largest of these differences was for 'Tailoring to support your needs', which scored a 41.4% satisfaction rate among those still running a business, compared to just 20.4% among those no longer in business.

5.4. Business survival and employment status

NEIS outcomes were measured using a survey conducted 3 months post participation. Two additional surveys were also used to measure longer term impacts, conducted at 12 and 24 months post participation. Details on the survey methodologies are in Appendix A.

Three months after exiting NEIS Assistance, 68.4% of participants were still running their NEIS business, with 12.2% being employed elsewhere (including in other businesses), 13.9% unemployed and 5.5% no longer in the labour force (see Table 8). At 12 and 24 months, NEIS participants were less likely to still be running their NEIS business.

Twelve months after exiting NEIS Assistance, just under half of NEIS participants (48.4%) were still running their NEIS business, dropping slightly again to 43.2% at 24 months. While NEIS business survival rates were below the 75.4% survival rate for all Australian non-employing business entries in 2015–16 surviving to June 2017,¹¹ the data for all businesses shows a similar rate of decrease in business survival over time (ABS 2020). The same data shows higher survival rates for medium and large businesses, but also with decreasing rates of survival over time.

While survival rates decreased over time, the proportion of participants employed elsewhere increased. Total employment 3 months post participation (including running a NEIS business, running another business or employed elsewhere) was recorded at 80.6%, which is consistent with results from 2008 (Department of Education, Employment and Workplace Relations) and 2002 (National

¹¹ Entries of Australian businesses with no employees in 2015–16 that survived to 2017. While this data does not necessarily capture businesses from commencement, and is not directly comparable to NEIS businesses, it shows the tendency for the number of microbusinesses to decrease over time.

NEIS Association) reports on NEIS (83% and 82% outcome achievement rates, respectively).¹² The total employment rate dropped to 74% at 24 months, driven by a decrease in business ownership; the proportion of those employed elsewhere increased from 12.2% at 3 months to 22.1% at 24 months post participation.

Employment rates over time indicate that many NEIS participants at some point swap self-employment for paid employment. This could be because the NEIS business did not work or they did not enjoy being self-employed, or potentially the NEIS business was a gap-filler in between employment opportunities or was not as attractive an option when compared to a paid employment opportunity.

Table 8. Breakdown of employment status over time (%)

	3 months (n = 6,253)	12 months (n = 2,177)	24 months (n = 1,233)
Running NEIS business	68.4	48.4	43.2
Running a business	NA**	5.4	8.7
Employed	12.2	19.4	22.1
Total employed*	80.6	73.2	74.0
Unemployed	13.9	14.2	13.2
Not in labour force	5.5	12.6	12.7

 $Source: PPM \ survey \ data. \ *Total \ employment \ is \ the \ sum \ of \ running \ a \ NEIS \ business, \ running \ a \ business, \ and \ employment.$

An analysis of NEIS participants by demographic characteristics showed that those surveyed with higher qualifications (see Table 9) were more likely to be running their NEIS business or employed after 3 months. For example, 71.4% of surveyed participants whose highest level of education was a degree were still running their NEIS business, whereas 60.6% of surveyed participants whose highest level of education was Year 10 to 12 were still running their NEIS business, 10.8 percentage points lower.

Table 9. Employment status by education level (%)

	-					
-	Year 10– 12	Certificate	Diploma	Degree	Other	Total
Running NEIS business	60.6	65.9	69.0	71.4	66.0	68.4
Employed	13.8	12.9	12.4	14.2	8.3	12.2
Total employed*	74.4	78.8	81.4	85.6	74.3	80.6
Unemployed	17.3	14.4	12.8	10.9	17.3	13.9
Not in labour force	8.4	6.9	5.8	3.6	8.3	5.5

Source: PPM survey data (post 3 months) and administrative data. *Total employment is the sum of running a NEIS business and employment elsewhere (including running a non-NEIS business) (n = 6,253).

Survey results also show differences by age (Table 10). Younger participants surveyed were less likely to be running their NEIS business (63.9%) and/or employed (78.9%) 3 months after participating, with those aged 25 to 49 being the most likely to still be running their business (71.8%) and/or employed (85.2%) at this point.

^{**}This question is not asked as part of the 3-month PPM survey.

¹² Note that the PPM survey, as a post-participation measure, did not record employment levels before NEIS participation. Hence, the evaluation was not able to compare employment levels pre and post participation.

Table 10. Employment status by age (%)

-	15 to 24	25 to 34	35 to 49	50 and over	Total
Running NEIS business	63.9	71.8	70.1	65.3	68.4
Employed	15	13.3	12.2	11.4	12.2
Total employed*	78.9	85.2	82.4	76.6	80.6
Unemployed	16.5	10.7	12.9	16.3	13.9
Not in labour force	4.6	4.1	4.8	7.0	5.5

Source: PPM survey data (post 3 months) and administrative data. *Total employment here is the sum of running a NEIS business and employment elsewhere (including running a non-NEIS business) (n = 6,253).

The location of the NEIS business (Table 11) also appears to affect business success. Participants in inner regional areas were more likely to be still running their NEIS business (and had higher total employment) after 3 months compared with those located in inner city, outer regional and remote areas.

Table 11. Location of NEIS business (%)

-	Major cities	Inner regional	Outer regional	Remote**	Total
Running NEIS business	68.2	70.1	65.9	54.3	68.4
Employed	12.2	11.8	13	8.7	12.2
Total employed*	80.4	81.9	78.9	63.0	80.6
Unemployed	14.3	12.3	14.7	26.1	13.9
Not in labour force	5.2	5.9	6.3	10.9	5.5

Source: PPM survey data (post 3 months) and administrative data. *Total employment here is the sum of running a NEIS business and employment elsewhere (including running a non-NEIS business). **Remote numbers were from 46 survey participants (n = 6,253).

Indigenous people, those from culturally and linguistically diverse backgrounds, ex-offenders, refugees and people with disability were less likely to be maintaining their NEIS business and less likely to be employed (see Table 12). However, sole parents were more likely to be employed (at 13.4%) and more likely to be maintaining their NEIS business (69.7%) than the total NEIS population (at 12.2% and 68.4%, respectively).

Table 12. Employment status by key demographics (%)

a	Indigenous	CALD	Refugee	Ex- offender	Sole parent	Person with disability	Total
Running NEIS	60.8	66.4	60.7	63.0	69.7	60.9	68.4
business							
Employed	4.1	12.9	14.6	12.1	13.4	9.7	12.2
Total employed*	64.9	79.3	75.3	75.1	83.1	70.6	80.6
Unemployed	24.3	15.4	15.7	20.6	10.7	19.2	13.9
Not in labour	10.8	5.3	9.0	4.3	6.2	10.2	5.5
force							

Source: PPM survey data (post 3 months) and administrative data. *Total employment here is the sum of running a NEIS business, running a business, and employment (n = 6,253).

Comparison of NEIS with other employment services such as jobactive is not necessarily appropriate as the referral populations are different (NEIS has a diverse pool of referrals, including those not in receipt of income support payments). The jobactive PPM survey for 2017–18 (Department of Employment, Skills, Small and Family Business 2019) found that 81.8% of participants were employed 3 months after commencing in a job placement. For Disability Employment Services (Department of Social Services 2019), the result was 30.2% in employment after 3 months.

Drivers of business closure

Of those who exited NEIS Assistance, 31.6% were no longer running their NEIS business after 3 months. On a total level, the primary reason for closing a NEIS business was lack of profit (at 73.4%), followed by lack of market demand (at 57.7%). Other reasons included ill health (37.1%) and poor-quality mentoring (32.4%).

Table 13. Reasons for closing NEIS business (%)

	Yes, a lot	Yes, a little	Yes, total
Not enough profit	49.7	23.7	73.4
Lack of market demand	24.1	33.6	57.7
III health	19.6	17.5	37.1
Poor-quality mentoring	13.4	19	32.4
Poor location	11.6	19.9	31.5
Poor-quality business training	8.2	19.3	27.5
Other	35.3	12.4	47.7

Source: PPM survey data (n = 6,253). Multiple response. Note: the 'Other' category was provided as a survey option and cannot be broken down further.

Of participants surveyed, 32.4% indicated 'poor quality mentoring' as a reason for closing their NEIS business, with 27.5% indicating 'poor quality business training'. While these were the views of a minority of respondents, they contrast with sentiments shared by participants during the qualitative research, which were positive about both aspects on the whole.

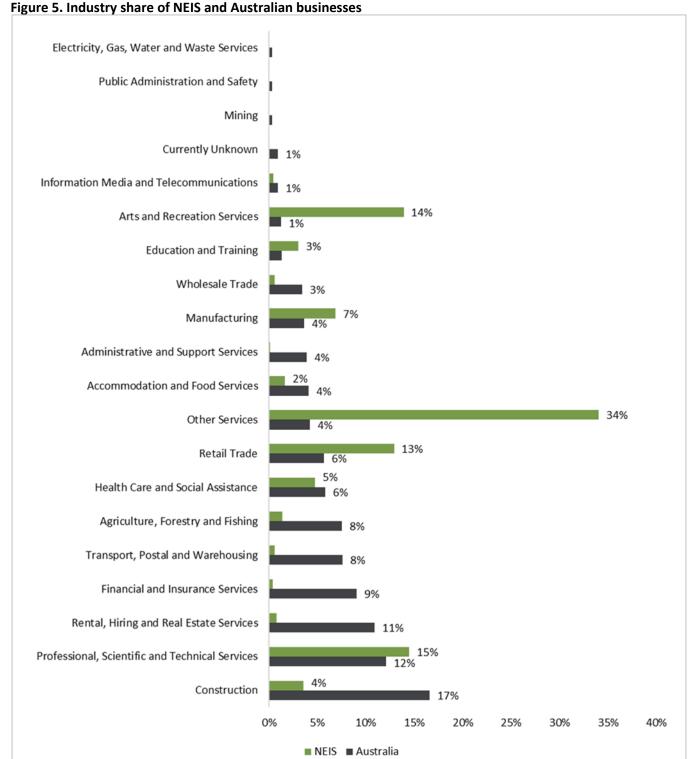
NEIS businesses by industry

At 34%, the highest proportion of NEIS businesses were classified under Other Services, which includes repair and maintenance and personal services. Professional, Scientific and Technical Services (14.5% of NEIS businesses); Arts and Recreational Services (13.9%); and Retail Trade (12.9%) were the second, third and fourth most represented industries among NEIS businesses.

In terms of total NEIS business share, a number of industries differ markedly in comparison to their share of the wider Australian business sector. While Other Services makes up the highest proportion of NEIS businesses, this contrasts with the proportion of Other Services at a country level, which is just 4.6%. The reverse is true of Construction, which makes up the largest proportion of Australian businesses at 16.6%, but only the seventh-largest proportion of NEIS businesses (3.5%). This is likely due to the relatively high skills and costs required to start a business in this industry, particularly compared to industries highly represented among NEIS businesses, such as Other Services and Professional, Scientific and Technical Services.

An examination of the status of NEIS businesses over time by industry showed that businesses in certain industries had higher rates of closure than those in other industries. At the 3-month mark, businesses in Administration (at 50% survival), Agriculture (60.6%), Retail Trade (62.2%), Accommodation and Food Services (63.9%), Other Services (64.5%), Construction (65%), Arts and Recreational Services (65.5%) and Professional, Scientific and Technical Services (68.3%) all had survival rates below the average of 68.4%.

Figure 5 shows the percentage of NEIS businesses by industry compared to all Australian businesses.



Source: ABS 2019; departmental administrative data. Note: 634 NEIS participant records were missing industry data. These records were removed from the calculation. Labels for items under 5% have been removed.

5.4.1. Hours worked in NEIS business

NEIS participants were heavily invested in their business. As indicated above, 3 months after completing NEIS Assistance, 68.4% of participants were still running their NEIS business. Of these, just under a third (38.9%) were working 35 hours or more in the business. The distribution of hours worked in the NEIS business is presented in Figure 6 below.

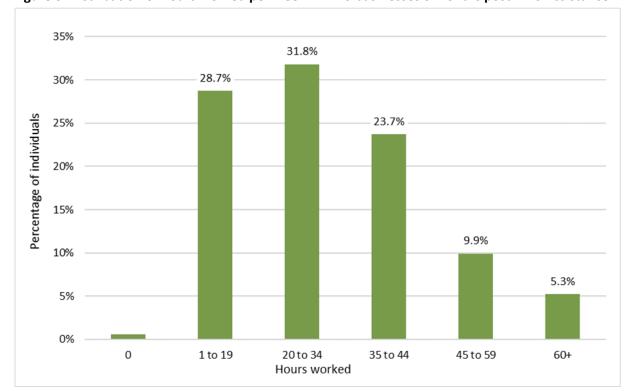


Figure 6. Distribution of hours worked per week in NEIS businesses 3 months post NEIS Assistance

Source: PPM survey data (n = 4,170).

Many NEIS participants were undertaking other work. Of the 68.4% of participants who were still running their NEIS business, 30.7% did other paid work. Most (67%) of those doing other paid work were part time in their other job (less than 35 hours per week). Only 2% indicated they were working 35 hours or more in their NEIS business and 35 hours or more in another job(s).

Hours in the NEIS business were also driven by the business industry. Figure 7 provides a snapshot of the average hours NEIS participants indicated they worked in their NEIS business, as well as in their other work, based on the 3-month PPM survey. Business owners in Information Media and Telecommunications work the longest hours in total (70 hours on average). Business owners in Administrative and Support Services work the most hours in their NEIS business (45.8 hours on average) and those in Health Care and Social Assistance work the fewest hours (22.4 hours on average).

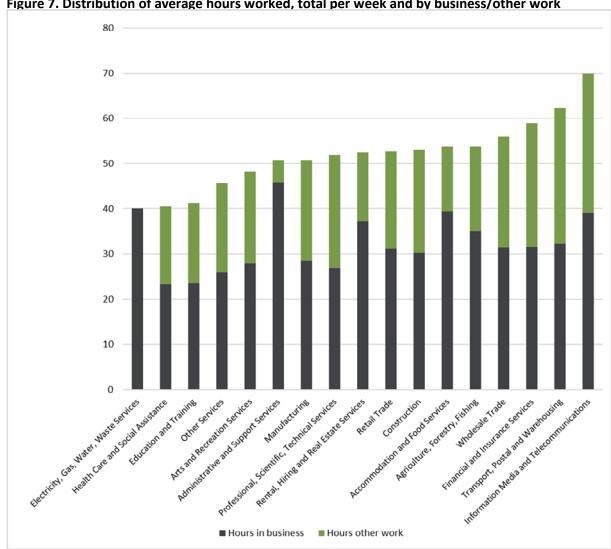


Figure 7. Distribution of average hours worked, total per week and by business/other work

Source: PPM survey data (n = 4,170).

5.5. Secondary employment outcomes

Of businesses still running 3 months after their owners completed NEIS Assistance, 9.4% had paid employees, with 35.7% of these businesses reporting having one or more full-time employees apart from themselves (35 hours or more per week). On average, NEIS businesses after 3 months generated about 0.33 paid positions. This increased to 0.49 positions after 12 months and 0.70 after 24 months.

This is consistent with other small businesses in Australia, with non-employing businesses making up the majority of all businesses in Australia (63%) in 2018–19 (ABS 2020). Further, microbusinesses made up the majority (69%) of all employing businesses in the same year.

The increase in secondary employment among NEIS businesses over time is difficult to unpack. It could be due to NEIS businesses increasing the number of employees in the 12 months and 24 months after exiting NEIS. However, it could also be the result of unsuccessful NEIS businesses reducing the total number of businesses included in the calculation.

Table 14. Average number of employment positions created by NEIS businesses

	3 months (persons)	12 months (persons)	24 months (persons)
Part-time equivalent	0.21	0.39	0.46
Full-time equivalent	0.12	0.10	0.24
Total estimated secondary employment	0.33	0.49	0.70

Source: Departmental administrative data (n = 4,303).

Secondary employment generated by NEIS businesses differed by business industry. There were higher levels of secondary employment in Accommodation and Food Services (see Table 26 in Appendix D).

6. Exploring Being My Own Boss Workshops

The workshops provide people who may not have previously thought about starting their own business with an introduction to self-employment as an alternative employment option.

6.1. Participation

Since the program started in December 2016, 1,620 participants have commenced a workshop as at 31 March 2019, of whom almost all (91.8%) have completed the course.

Workshop participants had slightly different characteristics compared to NEIS participants. The largest difference between the 2 participant groups was the proportion of culturally and linguistically diverse people, representing 29.1% of workshop participants compared to only 16.6% of NEIS participants. Slightly more young people commenced a workshop (at 10.5%) than commenced NEIS (8.8%), as did people with disability (24.6% compared to 19.3%) and Indigenous participants (3.6% compared to 2.7%). It is important to note, however, that the difference in sample size between workshop and NEIS participants could be skewing these apparent differences. Table 22 in Appendix D provides a further breakdown of participant groups by demographics.

6.2. Awareness of Complementary Placements

The qualitative research found a low level of awareness of Complementary Placements among workshop participants. This could be due to the relatively small number of workshop participants involved in the research, or participants may not have recalled hearing about them.

A small number of participants in one focus group had a vague recollection about a work experience opportunity, though they did not recall any details. These participants were positive about the option, noting that it would be a good opportunity to 'get exposure'.

This result is consistent with the small number of Complementary Placements undertaken by workshop participants – only 3 workshop participants were recorded as participating in these to 31 March 2019.

6.3. Transition from workshops to NEIS

The workshops provide a solid foundation on which to build as part of the full NEIS Training. Participants praised the workshops for giving them an introduction to business skills before commencing more advanced studies, or for giving them the confidence or motivation to do so. This is perhaps the reason why, of those who completed the workshop survey, 9 out of 10 (90%) participants who were not already self-employed and were interested in starting a business indicated that they were considering participating in NEIS.

It was a great precursor, particularly for us with the NEIS when we did ours, because you know it was just you have that intense two weeks so that when you actually went on to do the NEIS you had a better understanding of what was coming. – Workshop participant

It gave me a lot more of excitement to carry on and get it done, and that's why
I've got onto the next NEIS which I think it was a week, the next NEIS course
started after I'd done the Explore Being Your Own Boss and I got straight onto it.—

Workshop participant

My brain fog has lifted thanks to this program ... I have had so many 'lightbulb' moments throughout the two-week program and feel very confident going forth into the NEIS program and beyond. – *Workshop participant (survey comment)*

According to administrative data, almost half (49.6%) of the participants who commenced a workshop did go on to commence NEIS Training, and about a third (36.2%) went on to NEIS Assistance.¹³ The difference between those who intended considering NEIS and those who commenced is most likely the result of the relatively small sample size of the workshop participants surveyed, compared with the large number of NEIS commencements. It could also be that a large number of workshop participants did consider NEIS but decided that they could not commit, that it was not for them or that they wanted to test out their business first. Figure 8 shows the number of weeks participants took between completing the workshop and commencing NEIS Training or NEIS Assistance. The majority of entries to NEIS Training occurred within 5 weeks of completing a workshop, with entries to NEIS Assistance much more evenly distributed across time.

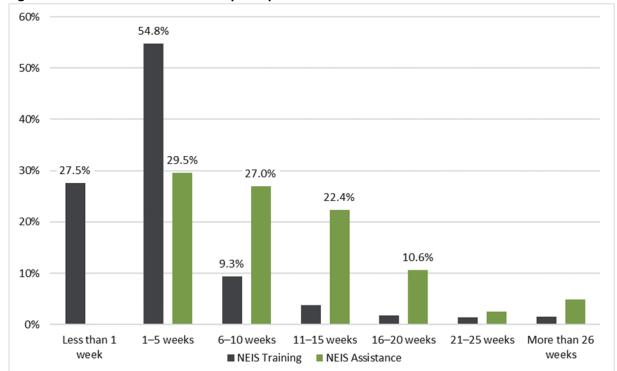


Figure 8. Duration between workshop completion and NEIS commencement

Source: Departmental administrative data. NEIS Training n = 803; NEIS Assistance n = 586. Labels for figures under 5% have been removed.

6.4. Perceptions of the workshops

Perceptions of the workshops were explored through qualitative fieldwork with participants, providers and Entrepreneurship Facilitators and a short survey provided to workshop participants on completion.

The Exploring Being My Own Boss Workshops were viewed very positively by participants, providers and facilitators. The principal advantage of the workshops for participants is the opportunity to

¹³ Note: the total number of workshop participants who commenced NEIS Assistance includes those who might have completed NEIS Training and those who went straight on to NEIS Assistance.

assess whether self-employment is something they want to pursue further and, if so, gain an understanding of what they need to prepare. While some may go on to start a business directly from the workshop, it is also a feeder program for the longer and more complex NEIS program.

You talk to other people and they give you so much fake information that's saying it was hard to do, you know having your own business is terrible, you won't be able to do it. But talking to [the trainer] or doing that two-week course, it made me aware that it's very, very possible to have your own business. – Workshop participant

The Exploring Being Your Own Boss starts a lot of those topics, so you're actually getting a good grounding in it before you start to get into the more depth. But the other thing it does is it's allowing people to understand if I go into business what's going to be involved. And if they decide it's not for them that's still great, it's still a really good outcome because they've come to that decision themselves. But it's also given them some great skills to take into a workplace. – NEIS provider

6.4.1. Workshops generally exceeded expectations

Workshop participants cited varied reasons for undertaking the course. These included those who had a few ideas they wanted to explore further to identify the strongest to pursue as a business, wanted help with getting started, or were looking for links to further resources. Others wanted specific assistance with assessing or researching their business idea, with compliance, or in developing an appropriate strategy for their business.

GST and non-GST and you know all the different bits that go with that as well and just different spreadsheets and just little things. Like accounting software [such as] Xero. – Workshop participant

For me I hoped to get a broader understanding of what I needed to do, where I could start, what were the key things to look for in going through an idea ... what steps I would need to take and where I'd need to go to do those steps. Even just simple things like where to get an ABN from and things, really good to go through those. — Workshop participant

Of the options provided in the workshop participant survey, by far the most common reason for participating was to 'Find out more about starting a business', with 349 participants selecting this reason (more than double the second most preferred option). 'Referral from an employment services provider' followed, with 127 participants selecting this option; and 'Meeting like-minded people' came in at a close third (104 participants). All reasons provided in the survey and responses recorded for each are outlined in Table 15.

Table 15. Reasons for attending workshops

Reason	Number	% of total responses
Find out more about starting a business	349	50.9
Referral from an employment services provider	127	18.5
Meeting like-minded people	104	15.2
Suggested from someone who already attended	30	4.4

Reason	Number	% of total responses
Suggested from a family member or friend	29	4.2
Other	46	6.7

Source: Exploring Being My Own Boss Workshops survey. Base n = 419. Multiple response (total responses = 685).

The workshops generally exceeded expectations, with many participants pleasantly surprised about how useful they were. A few participants had expected more from the course, but noted that this could be due to their in-depth prior knowledge or having expectations that differed from the intent of the course (for example, assistance with conducting detailed market research).

I think they gave us a lot of information that I had even no idea existed before I started this course, so to me it was very, very helpful. – Workshop participant

6.4.2. Participants found the course informative and useful

Most survey respondents found the workshops to be an informative experience, well structured and well taught, with a good classroom environment. While the course was viewed as realistic in presenting the uncertainties and drawbacks of running one's own business, it inspired confidence in participants to move forward with their idea – either through NEIS or on their own – or even to gain other employment.

Almost all (95%) workshop participants who were not already self-employed indicated that they were interested in starting their own business on completion of the course. Of these, 86% reported that the advice and information received during the workshop had influenced this decision.

It gave us that help through that decision point, I don't know anyone who's finished the course and is still going around in circles going 'what should I do?'. – Workshop participant

I got a lot of confidence that I needed, and I really think that that actually helped me get a job you know even though I was going there for a business thing, I ended up getting a job and I believed in myself a lot more, so just having that in itself was amazing. — Workshop participant

Participants who completed the workshop survey were asked to note any ideas for improving the program in a free-text field. Many participants took the opportunity to praise the course and offer their overall opinion. Comments noted how the training was useful, informative and inspiring for those looking for an introduction to starting their own business. An overwhelming majority (84%) of these participants were satisfied with the level of detail covered in the topics, with over half (58%) selecting '7' on a 7-point scale from least to most satisfactory. Another quarter (26%) selected '6' on the scale.

Participants rated the individual topics covered in the workshops very highly in terms of usefulness. On a 7-point scale (1 meaning 'being of no use' and 7 meaning 'being very useful'), the majority of participants rated all topics either '6' or '7'. More than half of participants provided all but 2 of the topics with the highest rating of '7' (ranging from 51% to 59%).

Table 16. Ratings of individual workshop topics by participants

Topic covered in workshop	Rated 5, 6 or 7 (%)
Start-up essentials	90
Dollars and sense	92
Idea validation	92
Getting started	92
Going digital	83
Brand and design	93
Pitching and communication	92
Sell-sell	89
The new world of business	90
Connecting to the ecosystem	83

Source: Exploring Being My Own Boss Workshops survey. Base n = 419. Note: no course was rated as 'being of no use' (cumulative total of 1, 2 and 3) by more than 10% of participants.

However, participants also suggested a range of improvements that could be made to the course. A common theme to emerge from the free-text comments was participants' desire to have the opportunity to practise what they had learnt in class through exercises and time to work on their own businesses (as opposed to working on provided examples).

The only suggestion I can make is for the sessions to be more interactive, with more opportunities to workshop activities, exercises etc., so that we can consolidate the learning undertaken. – *Workshop participant (survey comment)*

Workshop providers can tailor the delivery of the workshops, as long as the 10 topic areas are covered during the 2-week time frame.

Another common request from participants was for more guest speakers to be included in the course, with particular interest in hearing from previous NEIS or workshop participants who have gone on to start successful businesses.

Everything was great – but would have loved a chance to interact with successful business owners to learn more about how to grow as an entrepreneur.

- Workshop participant (survey comment)

6.4.3. Short duration seen as a positive

The 2-week duration of the workshop assisted in making it accessible, particularly for participants who were unable to commit to longer amounts of time, or who were unsure about whether to pursue a business at all.

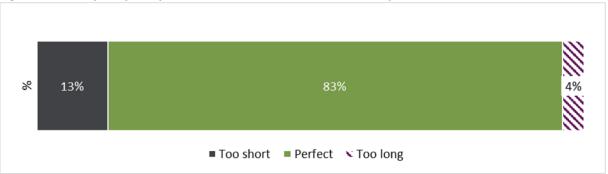
Definitely the two-week [time frame], that's all I could handle at that time, because I still wasn't well enough and then I thought there's no way I'll get through 6 weeks of more. – Workshop participant

Explore Being Your Own Boss, which I think is a fabulous program, because it's short and sweet, it's two weeks and people can really commit to that.

Entrepreneurship Facilitator

In addition, 83% of participants who provided an opinion on the length of the workshop reported it to be 'perfect', as shown in Figure 9.

Figure 9. Participant perceptions of the duration of the workshop



Source: Exploring Being My Own Boss Workshops survey. Base n = 287 (participants who responded to this question). Percentages lower than 10% are not shown.

In the free-text field of the workshop survey, some participants reported that the course was too short, particularly for those who found there was too much information to process or who needed extra assistance in learning.

7. SelfStart website

SelfStart was developed specifically for young people. It is located on the jobactive website, the Australian Government's platform to connect people looking for work with businesses and a network of jobactive employment services providers across Australia.

Due to the low awareness of the SelfStart website (or brand; see 3.3 above) among participants involved in the research, it was not possible to gauge participant perceptions of the content or how they found the site, or to further explore the influence of the site in terms of encouraging access to other services (such as facilitators). However, it is possible to explore use of the site using website views data.

Table 17. Number of SelfStart page views by financial year

FY	Number of unique views	Number of total views
2016–17*	44,680	67,059
2017–18	78,673	116,247
2018–19**	84,849	116,297
Total	208,202	299,603

Source: Google Analytics. *5 December 2016 to 30 June 2017. **1 July 2019 to 5 April 2019.

The SelfStart website has recorded a steady rise in views since launch, and the recorded number of views for the first three-quarters of the 2018–19 financial year has already surpassed the total recorded for the 2017–18 financial year. Table 18 below outlines the total page views recorded since launch.

Table 18. Number of page views by topic

Topic	Number of unique views	Total views
Getting started	38,188	62,430
Connecting to the ecosystem	34,852	45,178
Idea validation	10,397	16,603
Dollars and sense	11,185	14,360
Brand and design	8,367	12,537
Start-up essentials	5,807	8,708
Going digital	5,411	8,475
Real-life stories	3,671	6,482
Sell-sell	3,393	4,995
The new world of business	3,415	4,751
Pitching and communication	2,497	3,650

Source: Google Analytics website data, 5 December 2016 to 5 April 2019.

The SelfStart website contains a broad range of resources under the above main business creation topics, leading the reader through the process of starting a business. For example, the 'Brand and design' section includes articles on logo design and brand development, and examples of young entrepreneurs with strong brands. As the starting point for those visiting the site for business

information, it is perhaps not surprising that the 'Getting started' topic has accrued by far the most views since 5 December 2016, at 62,430 total views.

The second most highly viewed topic for the period was 'Connecting to the ecosystem', with 45,178 total views. Interestingly, the majority (70%, or 31,401) of these views were attributed to pages providing state-specific resources and support. This could be due to the ease of access to these pages (which are accessible through the SelfStart main page), but could also indicate the demand for relevant information on where to start, seek further support or access resources in the local area. 'Idea validation' and 'Dollars and sense' were also popular topics.

8. General perceptions of entrepreneurship and self-employment

The decision to start your own business or move into self-employment involves numerous risks and potential rewards. To supplement the evaluation of the specific components of the Entrepreneurship Initiative and provide additional context to inform the development and ongoing management of such initiatives, exploratory research was undertaken with NEIS and Exploring Being My Own Boss Workshop (workshop) participants to explore perceptions of, and barriers to, self-employment more generally.

The research examined their motivations for wanting to work for themselves, the incentives and disincentives to do so (the positives and negatives of being one's own boss), and finally the barriers to starting a business and associated enablers that can overcome these and assist people to turn their idea into a reality.

8.1. 'Self-employed' or 'entrepreneur'?

The term 'entrepreneur' prompted much discussion during the qualitative research. Generally, NEIS and workshop participants were more comfortable with other terms, such as 'self-employed' or, in particular, 'business owner'. This could reflect the fact that a high proportion of interviewees were microbusiness owners and tended to refer to themselves by their role, such as life coach, photographer or real estate agent. A different answer might be expected of owners of larger businesses.

Among those interviewed, 'entrepreneurs' were seen as innovators, typically associated with the likes of Richard Branson or Steve Jobs. Discussions about entrepreneurs often referred to people breaking new ground, for example creating a new product or delivering a service that has not been offered before.

I guess the difference between self-employment and entrepreneurship is more the creative side, the way I see it, like anyone can sort of be self-employed in a more generic capacity, but entrepreneurship is more sort of seeking new opportunities or new ways of doing things ... – NEIS participant, completed

Research conducted by Advance Market Research (AMR 2017) on behalf of the department also found that the term 'entrepreneur' could be off-putting, given the high esteem in which entrepreneurs were held and that they were generally associated with invention, successful market disruption and networking. Participants in this research also consistently referenced extremely successful businesspeople such as Bill Gates as 'entrepreneurs' and did not view starting a business as entrepreneurial.

8.2. Drivers for exploring alternative employment

Participants noted a variety of reasons why they decided to start a business, with many describing a combination of several reasons as the impetus to give it a try.

Generally, the driving factors for thinking about self-employment as an option fell into 3 broad categories for 3 broad groups:

1 **Those who are looking for a job:** Unsurprisingly given the recruitment of employment services clients to NEIS and the workshops (and therefore the research participants), many participants

who did not have an opportunity to work for an employer looked to self-employment. They might have required flexibility due to life circumstances or have experienced difficulties finding available jobs in their area. Some had considered self-employment as an option after being retrenched, and a small number felt they had been routinely discriminated against in their quest to find work.

- 2 Those who have an idea, hobby or skill: Some participants had identified something they were very good at or enjoyed doing and wanted to explore the possibility of earning a living from it. This included those with a professional qualification or skill (for example in real estate, drafting or geology) who had been applying this in paid employment and wanted to, or had been propelled by unemployment to, start their own business using this skill. Others had an idea they wanted to pursue, such as having identified a niche market.
- Those who want control over their work: The drive to start a business was often initiated by or paired with the desire to control one's own work life. Commonly cited aspects of this flexibility included being able to set one's own hours, have creative control over the business direction and operations, or just have the general feeling of not being under another person's control. This was true even for those with a skill, hobby or idea that could possibly provide an income source. One participant stated that they sought out self-employment to take control over their own life and to break the cycle of income support dependence that their family had struggled with.

8.3. Motivators of and deterrents to self-employment

In deciding whether to act on the idea of starting a business, participants then had to weigh up the appealing aspects of self-employment against the more disagreeable aspects. During the qualitative fieldwork, participants discussed the various aspects of self-employment they had considered when making this decision.

The motivators and deterrents discussed by NEIS and workshop participants can be organised into 5 pairs of opposing themes. These are shown in Figure 10 and explored in detail below.

Control

Flexibility

Passion

Potential

Independence

Accountability

Long hours

Obligation

Uncertainty

Isolation

Figure 10. Key motivators of and deterrents to self-employment

Source: Qualitative research with NEIS and workshop participants.

8.3.1. Control over business decisions versus personal accountability

The self-reliance involved in running a business was seen as both a positive and a negative aspect. On one hand, participants were excited to have control over their business decisions and how the business would be run (including when, where and what). Some spoke of the emotional reward of running their own business and generating an income for themselves, while others were looking to generate income that aligned with their own values. On the other hand, this puts significant pressure on a business owner to put in the required work, make the right decisions and problem solve – or risk the time, effort and resources already spent on the business should something go wrong.

... being my own boss, being self-employed and being an entrepreneur, takes the stress out of it, because I'm calling the shots, I'm making the decisions, and I don't have someone else making them for me, so it's control. — Workshop participant

... creating income that is meaningful to me, that aligns with my ethics and my intention of how I like to act economically or participate in the economy. – NEIS participant, current

You can't call in sick or whatever, so I need to have the support that somebody can help me out with my kids, which I do have. – *NEIS participant, current*

8.3.2. Flexibility of business opening hours versus long hours

Many participants commented on the flexibility that self-employment could offer them as one of the key drivers to start a business, particularly in terms of selecting their own business hours. Doing so allowed participants to manage their business around other personal commitments, such as looking after children, and fit more into the 24-hour cycle. The flip side of this was the total time spent on the business in that cycle, with many participants noting the long hours required to work on their product/service or manage administrative tasks. Some participants mentioned that they often worked into the early hours of the morning to fit other commitments in during daylight hours.

It is a struggle to create a little bit of balance ... I put [my child] to bed at night at 8 o'clock and I work till 3 or 4 in the morning. – NEIS participant, direct registrant, current

8.3.3. Passion versus obligatory business requirements

The idea of making a living from a subject they were passionate about was a motivator for NEIS and workshop participants and, as mentioned above, is a key driver of initial exploration of self-employment as an option. However, this was weighed up against the less enjoyable tasks of running a business, a factor that many participants carefully considered before starting a business. Among NEIS and workshop participants, the most commonly mentioned tasks in this category were accounting, bookkeeping and marketing; others included compliance and regulatory obligations. Generally, these tasks were cited as deterrents either because they were not enjoyable or because participants were unsure about how to undertake them.

I felt for me it was a certain way of doing things that I don't feel anyone will do it the way I'm going to do it, and I've just got a real passion for what I do. – NEIS participant, exited

8.3.4. Opportunity and potential versus instability and uncertainty

Another motivator cited by participants was the promise of a successful business that provided a steady income. In general, participants were hoping for their business to create sufficient income for their needs, with few participants looking to gain a higher level of wealth from their business. Some specifically mentioned their desire to end their reliance on income support. More commonly discussed by participants was the associated deterrent – the uncertainty faced by new business owners.

... [I] decided I needed to earn a bit more money to support my wife and my young daughter so we can do stuff, so I was thinking my own business would be the way to go. – *Workshop participant*

... the risk involved of not knowing how I am going to pay my bills next week because I don't know if I will get any clients next week. – NEIS participant, completed

8.3.5. Independence versus isolation

Related to control, flexibility and being self-sufficient, participants were drawn to self-employment simply by the idea of being independent and not having to work for others. Some spoke of the freedom of choice, not being told what to do, or not being 'viewed as a number'. However, participants also described social isolation and loneliness as a challenge of running a business on their own, with no one else to 'bounce stuff off' and, for many participants, limited contact with others on a daily basis.

I think a lot of people definitely go into their own business just because they hate having a boss, and I think for me that's a huge part of the motivation. – Workshop participant

Well if you live alone and you're working from home there's no people exposure unless you walk down to the shop and funnily enough they look at you weird and kick you out if you just sit there on the bench for 2 hours. – NEIS participant, exited

8.4. Barriers to and enablers of starting a business

Having been prompted to explore self-employment and having considered the positive and negative aspects of starting a business, those who decide to give it a go face several barriers in making this a reality. At this stage, participants might be involved with NEIS, the workshops and/or a facilitator. Participants in the qualitative research discussed the barriers they faced (or those they saw their clients face, in the case of providers, facilitators and stakeholders) and the enabling factors that did or could assist them to overcome these barriers (Table 19).

Table 19. Key barriers and enablers

Barriers	Enablers
Starting funds Managing the costs required in starting a business can be challenging for new business owners, particularly those coming from unemployment or underemployment. Though participants noted their businesses required relatively small amounts to start, loans from traditional lending organisations like banks are difficult to get for those in NEIS and the use of credit cards carries additional cost pressures.	 NEIS Allowance Savings Selling an asset Microfinance Crowdfunding Employment
Time People looking to start a business may struggle to have enough time available to get it off the ground. When they do, it is easy to underestimate the amount of time required to maintain their business.	 Assistance with time management and business planning NEIS Assistance, which alleviates the need to spend time in paid employment Assistance from family and friends
Skills and education When starting to build a business, knowing what to do and how to do it can represent a significant barrier. New business owners can struggle to know where to start, how to refine their business idea or whether their idea will work as a business. Particularly daunting aspects for participants included marketing and using social media, and bookkeeping.	 NEIS Training Workshops Other courses and workshops Mentoring Outsourcing business functions as required and where possible
Doubt and anxiety Doubt and anxiety can be challenging for those looking to build a business, particularly those struggling to find work or facing other personal challenges. Individuals and providers involved in the qualitative research noted that confidence is important and that, when confidence is lacking, the motivation to continue pursuing self-employment also wanes.	 Providers, trainers and mentors Other people who have started, or are starting, their own business Networking events Exploring Being My Own Boss Workshops, NEIS and other training to build knowledge

Source: Qualitative research with NEIS and workshop participants.

8.5. Traits and skills of self-employed people

Participants in the research were asked if self-employed people or entrepreneurs displayed or required certain characteristics, skills or experience.

8.5.1. Characteristics

Research participants put forward a wide range of personal characteristics perceived to be common or important for entrepreneurs or self-employed people. While there was no general consensus on key characteristics, those put forward did tend to fall into common themes. Five of the strongest themes to emerge are explored further in Table 20.

Table 20. Characteristics required of self-employed people

Characteristic	teristics required or sen employed people
	Running a business is stressful and places many demands on finances, time, friends and family. It also has many 'ups and downs', and business owners might face many obstacles in creating their business. Research participants noted that resilience, perseverance and drive were important attributes to have or develop in order to be successful in small business.
Resilient	Resilient, definitely number one – NEIS participant, current
	we're talking resilience, we're talking about the right mental attitude towards getting started. It's adaptability, because the idea they come in with is never really the idea that actually gets launched. – Entrepreneurship Facilitator
Confident	Confidence and related characteristics (self-belief, fearlessness, risk-taking) were commonly cited during the research. Not only does starting a business often involve some risk; it also involves spruiking a product and growing a brand from the ground up. Those entering NEIS are often coming from a place of unemployment, and gathering the confidence to put themselves out there and get behind their business is a particular challenge. I think you have to be a bit of a risk taker, you have to be a go getter, have confidence in yourself and believe in what you can do That's probably the biggest one for success, and you know never give up and never get disheartened when things aren't looking great. — Entrepreneurship Facilitator stakeholder
Disciplined	Running a business takes careful planning, and the commitment and focus to stick to that plan. Participants in the research reported that entrepreneurs and self-employed people needed to be committed and well organised. I think you need commitment, commitment, and motivation You need to go all in, you can't just sit on the fence and [say] 'oh I might or might not' you have to throw yourself in there and be committed and be motivated to actually do it – NEIS participant, completed
Creative and innovative	Creativity was one of the strongest themes to emerge. The process of setting up and running a business was thought to require creativity and innovation, whether

Characteristic	
	that was in the product or service offering, the sales and marketing capacity, or just making the business survive on threadbare finances. For others, going into self-employment was a way to commercialise their creative talents.
	I think sometimes people are creative, and they were looking for an outlet for that creativity that's not potentially a traditional arts field, and that's where entrepreneurship and innovation can be appealing. – Entrepreneurship Facilitator stakeholder

Source: Qualitative research with NEIS and workshop participants.

While these characteristics were seen as important in successful business owners, there was little mention of ingrained personality traits. This dimension is interesting to consider as a core barrier faced by those starting a business is isolation. While there is a need to network and engage with people, being comfortable with one's own company for a great deal of time can be a clear benefit.

I think there's stereotypical things that people suggest are important for entrepreneurs but in my experience I haven't seen that. I feel like everyone can be successful and I think that's part of our program ... we can get an introverted person doing very well or we can get an extroverted person doing very well. We just match people with the type of entrepreneurship that suits their personality. –

Entrepreneurship Facilitator

... you need to be a go getter, you have to be determined to try and work hard. I think that's all you need, it's not necessarily you've got to be an extrovert or anything ... – NEIS participant, completed

8.5.2. Skills

Closely linked to common characteristics of self-employed people and entrepreneurs, participants were asked about particular skills that might be relevant. While research participants tended to focus more on characteristics than skills, even when prompted, a number of key skills were commonly mentioned as important in running a business. These included time management, delegating (including the ability to identify your strengths and weaknesses and delegate tasks accordingly), people skills, accounting and management.

9. Conclusion

The aim of this evaluation was to explore perceptions and impacts of the Entrepreneurship Initiative components, and perceptions of self-employment as an employment option more broadly. The evaluation used a variety of methodologies, including qualitative research with NEIS and workshop participants, NEIS providers and Entrepreneurship Facilitators and their stakeholders to explore views on and experiences with the program. Survey and administrative data analysis examined take-up rates, satisfaction levels and outcomes post participation.

Components of the Entrepreneurship Initiative were largely well received by participants and stakeholders. The workshops were particularly well received as an opportunity for participants to test whether self-employment was for them and build the skills needed to get started. Perceptions of NEIS Training were less clear, due to the variability in course content and delivery. Facilitators and stakeholders were positive about the Entrepreneurship Facilitator program's unique service offer, particularly in that Entrepreneurship Facilitators address a gap in services, offer a personalised and localised service, and are viewed as independent service providers. NEIS providers were supportive of the program, but felt that the facilitators should refer more frequently to NEIS.

Low awareness of the Entrepreneurship Initiative components was seen to be impacting on commencement rates. While commencements in NEIS Assistance have increased since the Entrepreneurship Initiative was introduced, they remain 20% below the new cap of 8,600 allocated spaces. The high rate of self-referrals to NEIS suggests high demand and interest once people are aware of the program. Direct registrants accounted for only 3.2% of all referrals, though qualitative research with direct registrants found that they valued the opportunity to participate in NEIS Training. Awareness of the SelfStart Online Hub was found to be very low.

Three months after exiting NEIS Assistance, 68.4% of participants were still running their NEIS business, and total employment (including running a NEIS business, running another business or employed elsewhere) was recorded at 80.6%. Business survival rates decreased at the 12-month and 24-month marks, though employment rates increased.

The workshops were found to be effective at encouraging self-employment, with almost all (95%) not already self-employed indicating that they were interested in starting their own business at completion of the course; of these, 86% reported that the workshop had influenced this decision. The workshops also served as a natural referral source to NEIS, with 49.6% of participants going on to commence NEIS Training, and about a third (36.2%) going onto NEIS Assistance.

The Entrepreneurship Initiative offers a range of services to address the multiple barriers faced in starting a business, such as access to funds, a lack of time, skills and education, and doubt and anxiety. The evaluation found that job seekers who are looking to start a business or who already own a business see themselves as 'business owners' or 'self-employed', rather than as entrepreneurs. Those looking at self-employment as an option do so because they need a job; want to use an idea, hobby or skill to earn an income; or are looking for control over their work.

The scope of this research and limitations in the data did not allow for a full analysis of program effects or comparative analysis against a control group. The findings of this research provide a snapshot of the perceptions and experiences of those involved in components of the Entrepreneurship Initiative and their employment/business ownership status following participation.

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11. Appendices

Appendix A: Data sources

Qualitative research

In April and May 2018, Wallis Market and Social Research was contracted by the department to conduct research with Entrepreneurship Initiative participants, providers and stakeholders.

Table 21. Qualitative research fieldwork summary

Participant group	Launceston Group	Launceston Interview	Hunter Group	Hunter Interview	Melbourne Group	Melbourne Interview	Cairns Interview
Workshop participants*	1	interview	1	meerview	1	interview	meer view
NEIS participants**	2	6	2	6	2	6	
• Exits	1		1		1		
Current or completed	1		1		1		
Mixed status		6		6		6	
Entrepreneurship		1		1			1
Facilitators							
Community stakeholders		3		3			3
NEIS providers		3		3		3	
Total	3	13	3	13	3	9	4
Total focus groups	9						
Total interviews	39						

Notes: *Workshop participants were not split by program status and included a mix of past and current participants due to a lower number of participants from which to recruit. **NEIS participants were split into 2 groups for the focus groups: those who had completed or were currently enrolled in NEIS; and those who had exited the program before completion. Indepth interviews with NEIS participants included a mix of participants by program status. Focus groups ran for around 1.5 hours, while in-depth interviews ran for 30 minutes to 1 hour.

As part of the research, Wallis Market and Social Research interviewed or conducted focus groups with NEIS and Exploring Being My Own Boss Workshop participants and providers. The research also included the 3 current facilitators and community stakeholders with whom they had established relationships. A total of 39 in-depth interviews and 9 focus groups were conducted in Cairns, the Hunter Valley, Melbourne and Launceston. Focus groups and in-depth interviews were recorded where explicit consent was provided by the participant.

Research was conducted with NEIS and workshop participants only, due in part to the difficulty in identifying facilitator clients (who were not recorded on the departmental system).

Entrepreneurship Facilitator stakeholders were recruited to the research from lists provided by the respective facilitator. Stakeholders proposed included universities, local government, industry organisations and businesses offering microfinance or mentoring services.

Research was conducted with participants from a range of age groups, including youth where possible. NEIS and workshop participants involved in the research were planning to start or running businesses in a range of industries, including:

training and coaching

- clothing and alterations
- software development and IT services
- retail
- design
- beauty and styling
- food products and delivery
- tourism
- pet products and services
- entertainment.

Entrepreneurship Facilitator quarterly reports

The 3 original facilitators are not connected to, and therefore do not report through, the Employment Services System. This is the departmental system that employment services providers use to record assistance to individuals. The data used here has been taken from the facilitator quarterly reports that are provided as a requirement of their funding deed. These reports include details of their networking events and engagement activities, in addition to specific data on clients assisted and services referred to during the quarter. The reports also contain case studies of success stories during the period.

The data provided in these quarterly reports includes:

- number of clients by type of assistance offered (split by comprehensive/general assistance and youth/other ages)
- demographics of clients they have assisted (including gender, disability, and cultural background)
- number and types of barriers experienced by clients
- support offered to address these barriers
- number and types of referrals to other services
- marketing materials provided.

This report compiles and analyses this data, and presents it as appropriate. Due to changes made to reporting requirements for the period beginning 1 July 2018 (requiring more detail and providing set categories for some questions), some data is represented in 2 categories: prior to 1 July 2018; and 1 July 2018 to 31 March 2019. Care has been taken to identify the referenced data used at the base of each table.

It is important to note that the data provided as part of these reports has been manually entered by participants and is in some cases incomplete. Furthermore, the data provided as part of these quarterly reports may be subject to human error.

Due to the nature of the program, facilitators use the term 'clients' instead of 'participants' to refer to those they assist. Therefore, this report also uses this term when referring to those accessing Entrepreneurship Facilitator assistance. The program is intended for all people looking at exploring self-employment and entrepreneurship, as opposed to job seekers in receipt of income support (unlike many other employment services).

Workshop survey

At completion of the workshops, participants are given the opportunity to fill out a paper-based self-report survey. This survey is anonymous, but covers basic demographics, current work status, reasons for attending the workshops, perceptions of each topic covered in the workshops and their delivery (on a 7-point scale), and perceptions of the usefulness of the workshops and the participant's intentions in relation to starting a business and continuing to NEIS.

As at 31 March 2019, the survey had recorded a total of 419 responses. As participants are not forced to respond to each question, the base number of responses varies across questions. Care has been taken to outline the base size for any given question represented in figures or tables in this report.

Administrative data

Administrative or program data is information collected via the Employment Services System on the administration of the program and its delivery to participants and other eligible individuals.

Data was not available for NEIS participants prior to 1 July 2015, the start of the new NEIS contract.

Administrative data used for the analyses was extracted from 2 sources:

- the Employment Services System databases, which capture participant, provider, employer and other program-related information such as that relating to NEIS
- income support information from the Department of Human Services administrative data captured in the Research and Evaluation Database (RED).

Descriptive statistics, including category counts and percentages, are reported at a whole-service level and disaggregated for different groups of interest where feasible.

Post-Program Monitoring (PPM) survey data

A mail-out survey is conducted with NEIS participants at 3, 12 and 24 months after leaving NEIS Assistance, whether they have completed the program or not.

It is important to note that the 12-month and 24-month surveys were not longitudinal surveys. These surveys were 'between subjects', meaning that a different set of participants were surveyed for each time period since completion. The following outlines this methodology:

- NEIS survey 3 months post-exit. This was sent to participants who exited NEIS between 1 July 2016 and 31 December 2018. The total number of survey responses was 6,253.
- NEIS survey 12 months post-exit. This was sent to participants who exited NEIS between November 2016 and October 2017. This survey had a response rate of 35.4%. The total number of survey responses was 2,176.
- NEIS Survey 24 months post-exit. This was sent to participants who exited NEIS between November 2015 and October 2016. In part this captures some participants who exited NEIS prior to the new NEIS contract. This survey had a response rate of 37.6%. The total number of survey responses was 1,677.

Note that the survey respondents may have included participants who had exited NEIS Assistance within the new NEIS contract, from 1 July 2016, but had commenced their NEIS Assistance under the previous NEIS contract.

All data is unweighted. This limits comparability with published figures that are weighted. Traditionally, PPM surveys were weighted by question rather than participant characteristics, and the merging of PPM data with administrative data can distort weights, so unweighted data has been used. A comparison between weighted and unweighted data shows only small differences in the magnitude of the results.

Google Analytics data

In order to assess views of the SelfStart website, Google Analytics data has been accessed and analysed for the period 5 December 2016 to 5 April 2019. While the cut-off date for other datasets used in this report is 31 March 2019, Google Analytics data is reported on a weekly basis, so the cut-off for this dataset is 5 April 2019.

Appendix B: Previous research

NEIS longer term outcomes

The NEIS program has been found to have a positive impact on participant economic activity. A 2008 evaluation of the program used administrative data and survey data collected (via self-completed questionnaire or, in some cases, via telephone interview) from NEIS participants 3 and 16 months after they exited the program (DEEWR 2008). The study found:

- Employment outcomes post-NEIS were sustainable for participants surveyed, with 83% employed overall at 16 months. This included 46% who were employed in their own NEIS business, 25% employed by other means and 12% self-employed in their own business not developed through NEIS.
- Off-benefit outcomes remained steady at around 80% for the 5 years following NEIS participation.
- Businesses still surviving at the 16-month mark created an average of 0.66 of an employment opportunity (not necessarily paid employment – many of these positions were filled by spouses), up from the average of 0.5 at the 3-month mark.
- Those in self-employment earned significantly less than their other-employed counterparts, though an increase of 12% was recorded for this group from the 3-month to 16-month mark. Those who were self-employed in a NEIS business earned more than those who were otherwise self-employed at the 3-month mark, though this evened out by the 16-month mark.
- Participants who were short-term unemployed before commencing NEIS recorded better employment outcomes than long-term unemployed participants (with a difference of about 10%). Interestingly, this gap widened slightly at the 16-month mark.

Jobs growth through self-employment: enhancements to NEIS

A paper produced by the National NEIS Association (2002) found similar results, highlighting that 82% of NEIS participants were still in self-employment or employment 3 months after exiting NEIS. Success rates were similar for men and women. The report claimed that an additional 8 people were employed for every 10 NEIS businesses established and that around 70% of NEIS participants were no longer in receipt of income support 3 months after ending in the NEIS program.

The paper found that there were 13.7 additional employees for every 10 businesses, and that the program potentially provided savings even when taking into account additionality, distortion and displacement.

Appendix C: Moderating factors

Competitiveness and market forces

While program eligibility criteria aim to reduce the creation of businesses similar to those already in the local area, competition is an inevitable factor affecting small business. The 2008 evaluation of the NEIS program found that almost 90% of businesses reported experiencing competition, with 50% of these businesses reporting a high level of competition (DEEWR 2008). This is potentially due to the types of businesses that are often created through NEIS. While assistance provided as part of the Entrepreneurship Initiative includes assessing business viability and business planning, market forces cannot be ignored as a factor contributing to business success or survival.

The gap between the rates of business entry to and exit from the market has widened over recent years, with more businesses entering the market than leaving it (ABS 2019). Entry rates were ahead of exit rates by 3.3 percentage points in the 2017–18 financial year, compared to just 1 percentage point in 2014–15.

Labour market factors

While the national unemployment rate remains steady, this figure fluctuates across states and individual cities. In addition, the high youth unemployment rate is a challenge nationwide, and may be the result of factors outside the scope of this evaluation.

Limitations of the data analysis

The evaluation report draws on results of a qualitative research project and analysis of administrative data. The evaluation has sought to measure the impact of the Entrepreneurship Initiative, focusing on economic outcomes for participants following participation in one or more components of the initiative, including self-employment, other employment and secondary employment effects.

Qualitative studies were used to explore the drivers of self-employment, perceived barriers to self-employment as a career option, and participant views on NEIS and the workshops. This evaluation focuses on the 4 components of the Entrepreneurship Initiative, to the extent that each is measurable. As the expansion of NEIS is one of these 4 components, this evaluation includes a partial evaluation of the NEIS program.

Assessment of the net impact of the NEIS program was limited. The department considered undertaking a net impact analysis using case-control matching with a jobactive comparison group, but such an analysis may be misleading. For example, NEIS participants vary substantially from the historical composition of jobactive participants and, while the case-control matching would create an appropriate comparison group, NEIS also has referrals from Disability Employment Services, referrals from Transition to Work, and direct registrants.

In addition, the analysis would have to focus on commencement with NEIS in both the NEIS Training and NEIS Assistance phases. It is anticipated that the program has significant lock-in and attachment

effects¹⁴ and would likely have a negative impact in the short term, whereas participants in jobactive are capable of achieving an outcome from commencement. The issue then becomes how far into the future comparisons would need to be made in order to capture any potential long-term benefits from participation in NEIS.

There are also issues with additionality, distortion and displacement. While administrative data and the PPM survey may capture elements of additionality in terms of off-benefit outcomes and secondary employment effects, data was not collected in relation to displacement and distortion, and this would require the development of an additional collection tool (survey) to capture this data.

¹⁴ Participants in programs remain in the program instead of leaving to get work. These effects are measured as reduced exits from service following entry to an activity/program. They are measured at a similar time point but they comprise:

lock-in effects: where participants have less free time or 'emotional energy' for job search than participants who do not participate in the service

attachment effects: which result from people preferring to remain in the program rather than leaving and achieving employment (e.g. a preference to complete training).

Appendix D: Demographic characteristics

Table 22. Demographic characteristics of workshop and NEIS participants from commencement in NEIS Assistance to 3, 12 and 24 months post exiting NEIS Assistance

	jobactive	Workshop	NEIS Assistance	3 month PPM still	12 month PPM still	24 month PPM still
			since July	running	running	running
			2015	NEIS	NEIS	NEIS
				business	business	business
Age group						
15 to 24	28.4	10.5	8.8	4.1	4.6	4.5
25 to 34	23.8	21.4	27.4	17.8	23.7	22.8
35 to 49	29.1	41.5	40.4	40.8	38.1	40.9
50 or more	18.7	26.7	23.5	37.3	33.6	31.8
Not stated	NA	0	0.4	0.03	0	0
Educational level						
Less than Year 10	7.7	NA	1.7	NA	NA	NA
Years 10 to 12	21.9	NA	27.8	15.1	15.6	13.9
Diploma/Certificate I–IV	54.1	NA	41.3	44.6	43.5	46.1
Degree or higher	11.1	NA	26.7	35.8	37.6	36.3
Other (including not	5.3	NA	1.8	4.5	3.2	3.6
specified)						
Gender						
Male	57.8	44.2	49.3	46.3	49.7	47.7
Female	42.2	55.7	50.7	53.7	50.3	52.3
Other	NA	0.1	0	0	0	0
Location		•				
Major city	64.5	68.6	65.7	65.1	65.8	68.0
Inner regional	22.7	22.2	23.5	24.8	24.0	23.7
Outer regional	11.4	8.9	9.9	9.3	9.2	7.7
Remote	1.2	0.3	0.8	0.7	1.0	0.3
Very remote	0.01	0.1	0.1	0.1	0	0.2
Cohorts		•				
Indigenous	9.4	3.6	2.7	1.2	2.3	1.1
CALD	16.9	29.1	16.6	18.0	17.4	14.9
Ex-offender	14.0	4.8	3.7	2.6	2.8	2.7
Sole parent	9.2	12.2	12.9	12.1	11.7	12.8
Person with disability	14.9	24.6	19.3	20.2	20.1	21.1

^{*}The length of time on income support just prior to commencing NEIS Assistance.

Table 23. Referral source, by demographics

Status	Self-referral	Provider referral	Direct registration	
Age group				
15 to 24	8.4	8.1	6.9	
25 to 34	26.1	28.6	29.2	
35 to 49	41.0	40.0	39.0	
50 or more	24.3	23.3	14.3	
Not stated	0.2	0.02	10.5	
Educational level				
Less than Year 10	1.7	1.7	1.3	
Years 10 to 12	28.4	28.1	17.8	
Certificate I–IV/Diploma	42.2	43.1	23.1	
Degree or higher	26.9	27.0	16.0	
Other (including not specified)	0.05	0.02	41.8	
Gender		•		
Male	49.2	49.0	27.9	
Female	50.8	51.0	72.1	
Other	0	0	NA	
Location		•		
Major city	69.1	62.6	61.3	
Inner regional	20.2	27.0	20.0	
Outer regional	9.8	9.6	17.8	
Remote	0.8	0.7	1.0	
Very remote	0.05	0.07	0	
Cohorts				
Indigenous	3.0	2.5	2.2	
CALD	17.4	15.3	24.4	
Ex-offender	4.0	3.5	1.1	
Sole parent	13.6	12.7	6.3	
Person with disability	19.9	19.5	8.9	

Table 24. NEIS Assistance exit reasons

Reason	(%)
Received full course of NEIS Assistance	44.1
Withdrawn voluntarily from the program	13.5
Failed to lodge Income Statement	11.1
Left/returned to full-time employment	7.3
Left due to personal/medical reasons	5.6
No insurance	4.8
Business no longer viable	4.5
Other failure to comply	2.9
Participant no longer works full-time in business	2.0
Refused mentoring	1.1
Left to undertake other education or training	1.0
Change of circumstances	0.9
Absent due to travel	0.6
Relocation of business	0.3
No longer eligible	0.1
Business not wholly in Australia	0.1
Failed to maintain controlling interest	0.0
Participant refused the department access to business records	0.0

 $Source: Departmental\ administrative\ data.$

Table 25. Status of NEIS business after 3, 12 and 24 months, by industry **

Industry	Still running NEIS business (3 months)	Still running NEIS business (12 months)	Still running NEIS business (24 months)
Accommodation and Food	63.9	48.0	0
Administration and Support	50.0	66.7	0
Agriculture, Forestry and Fishing	60.6	67.7	0
Arts and Recreational	66.5	50.7	35.7
Construction	65.0	57.1	29.4
Education and Training	72.2	65.3	35
Electricity, Gas, Water and Waste	100	100	NA
Financial and Insurance	71.4	75	50
Health Care and Social Assistance	70.8	43.8	44.4
Information Media and Telecommunications	72.2	60	0
Manufacturing	68.6	48.1	14.7
NA*	74.4	41.5	48.5
Other services	64.5	45.3	29.3
Professional	68.3	49.6	25.3
Rental, Hiring and Real Estate	77.1	58.3	25
Retail Trade	62.2	44.2	33.3
Transport, Postal and Warehousing	72	28.6	60
Wholesale Trade	69.7	38.9	25

Industry	Still running	Still running	Still running
	NEIS business	NEIS business	NEIS business
	(3 months)	(12 months)	(24 months)
Total	68.4	48.4	43.2

^{*}NA is where industry was not recorded or not made available, primarily due to the participant undertaking NEIS Assistance under the previous NEIS contract. **Low response rates for some industries may affect the results.

Table 26. Average number of employees created by NEIS businesses, by industry

Industry	3 months	12 months	24 months
	(persons)	(persons)	(persons)
Accommodation and Food Services	1.2	2.4	2.7
Administrative and Support Services	0.1	0.0	0.0
Agriculture, Forestry, Fishing	0.6	0.1	1.9
Arts and Recreation Services	0.3	0.6	0.4
Construction	0.6	1.8	0.5
Education and Training	0.5	0.2	0.8
Electricity, Gas, Water, Waste Services	0.8	0.5	0.0
Financial and Insurance Services	0.4	0.0	0.8
Health Care and Social Assistance	0.1	0.1	1.1
Information Media and Telecommunications	0.3	0.2	15.0
Manufacturing	0.1	0.2	0.2
Mining	0.0	0.0	0.0
Other Services	0.3	0.4	0.7
Professional, Scientific, Technical Services	0.3	0.5	0.7
Public Administration and Safety	0.0	0.0	0.0
Rental, Hiring and Real Estate Services	0.2	0.4	0.3
Retail Trade	0.4	0.4	0.6
Transport, Postal and Warehousing	0.3	1.6	0.7
Wholesale Trade	0.3	0.9	0.3
Total estimated secondary employment	0.3	0.5	0.7

Source: Departmental administrative data.

Appendix E: Case studies

Included in this appendix are case studies adapted from success stories recorded by facilitators. It should be noted that the case studies featured in this report are not necessarily representative of all client experiences, but demonstrate the types of assistance facilitators can provide, their potential impact on people who access their services, the range of business types undertaken by facilitator clients and the various pathways to starting a business.

Case study 1

Jayden is a young agricultural entrepreneur and innovator. When assisting his family to install fences on a new property, he resolved to make the process better and came up with a product that did just this.

After refining and patenting his product, Jayden was experiencing multiple issues in turning his idea into a sustainable business for when he finished school, so he was referred to the Entrepreneurship Facilitator. The facilitator has been working with Jayden and his family to help him solve his problems and get his business off the ground. Working with the facilitator, and with referrals to local business centres and programs, he and his family have attended business training, learnt about digital strategy, connected with new wholesalers and solved various challenges.

Jayden is currently exploring the option of how to finance his venture in order to purchase the machinery required to manufacture his product in-house. He is planning to complete his schooling. Jayden was recognised as a finalist in the Tasmanian Business Excellence Awards in the Agribusiness Entrepreneur category.

Case study 2

Jenny has been a teacher for many years and is working towards retirement. Deciding she wanted to create employment for herself, she sought out her local facilitator. She already had an idea in mind but, after working with the facilitator, realised that it might not be sustainable. After attending a series of business training events and using the new skills she learnt, she began to develop other business ideas.

The facilitator worked with Jenny to create a new idea that utilised all her skills and passions, creating a business offering tailored creative celebration events and craft workshops. Leading up to her first workshop, Jenny experienced some anxiety and self-doubt, almost cancelling. Through coaching and support from the facilitator, she decided to go ahead and was glad she did. Her workshop was well attended, and she received lots of positive feedback.

Jenny is now developing plans for the next year and will continue to work with the facilitator to build a part-time business that will allow her to retire comfortably.

Case study 3

Brian first engaged with a facilitator through attending social events and educational workshops. The facilitator assisted him in setting up his youth development and motivational speaking business, accessing financial resources, building his negotiation skills and helping him develop a product that would satisfy the market.

The facilitator connected Brian to the local NEIS provider, who was able to assist him by providing additional business training and preparation of a business plan. Brian continued to work with the Entrepreneurship Facilitator on his marketing, sales, and financial modelling. He is now able to pay himself a wage and will employ staff during his next tour season.

Brian's business includes tours to Cape York, motivational speaking in schools and helping young adults experience the wilderness in a personal growth environment. He shares his knowledge of the outback and skills in survival, personal growth and environmental conservation on his tours of the local area.

Case study 4

Bronwyn met her Entrepreneurship Facilitator at an entrepreneurship event for women. She had been running her sustainable food storage business for around 12 months and was at the stage where she wanted to expand her business. The facilitator worked with her to evaluate her options, test new ideas, and ultimately improve her business. Together they identified some areas she needed additional support in to hone her concept.

The business was operated from Bronwyn's home, which involved a lot of manual labour. The facilitator helped connect her with a manufacturing expert to create machinery to improve her efficiency and develop a plan to secure premises.

To underpin the expansion, the facilitator and Bronwyn also worked together to manage her finances and build her pitching/public-speaking skills. This culminated in Bronwyn participating in a local innovation and business event at which she received 2 awards, including being recognised as the Tasmanian People's Choice winner.

Her business now has an online store presence with a number of stockists across Australia. She has a permanent base for the growing business and employs 6 staff members.

Case study 5

Seeing a gap in the women's magazine market, Shelley came to an information session delivered by her local Entrepreneurship Facilitator. She was looking for support and guidance in starting her business. Despite a wealth of connections in the industry that would be the focus of her publication, she did not have any business or publishing experience. This lack of experience resulted in a lack of confidence in her ability to take the business further.

The facilitator worked with Shelley on her business model, as well as helping her navigate legal requirements and refine her business plan. She was also connected to various other support services through her facilitator.

Shelley has launched the first edition of her magazine and is continuing mentoring sessions with the facilitator. She hopes to attract international subscriptions, further build her connections and promote to potential advertisers.

Case study 6

After being an employee for most of his life, Greg has recently taken on the challenge of working for himself and starting his own business. He had several barriers to starting his business, including lack of funding, no business knowledge and no sales expertise.

Greg met his local Entrepreneurship Facilitator through an information session, with the idea of starting a photography business specialising in local landscape canvases and portrait work. After several meetings discussing his business idea, Greg felt confident enough to apply for NEIS. He is currently completing the program and has officially launched his photography business.

Greg has been selling his artworks to local businesses, surfing enthusiasts and the public through his website. His key challenge is in marketing and selling his products in a competitive market. The facilitator has helped him increase his following on his social media pages and his website.

Having faced several challenges in his start-up journey, Greg continues to attend the networking sessions hosted by the facilitator. He feels these sessions help him stay on track, feel supported and feel connected with other start-ups.

Appendix F: Government self-employment and entrepreneurship programs and support services

Australian Government

- Department of Education, Skills and Employment Encouraging Entrepreneurship and Self-Employment
- Department of Industry, Innovation and Science (business.gov.au) Entrepreneurs'
 Programme
- Australian Securities and Investments Commission First Business app
- National Indigenous Australians Agency Indigenous Enterprise Development

Government of Western Australia

Premier's Agriculture and Aquaculture Entrepreneurship Program¹⁵

Government of New South Wales

Business Connect

Government of Queensland

- Advance Queensland Young Starters Fund
- Queensland Startup Events and Activities Fund

Government of Victoria

LaunchVic

Government of South Australia / City of Adelaide

- Small Business Centre
- SA Business Information Hub
- Job Accelerator Grant for Small Business & Start-ups¹⁶

Government of Tasmania

• Enterprise Centres Tasmania

Government of the Northern Territory

- 'Start, run and grow a business' webpage
- Small business champions

¹⁵ At the time of the evaluation. Funding for this program has now been expended. See: https://www.wa.gov.au/government/publications/agriculture-and-aquaculture-entrepreneurship-program ¹⁶ At the time of the evaluation – the scheme is now closed to new applications. See: http://revenuesa.clients.squiz.net/grants-and-concessions/jobacceleratorgrantscheme