

Working from Home

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Our recent webinar on Working from Home attracted ten times the number of people registering than our other webinars. It is obviously a topic of much interest to those thinking of starting a business from home, or those currently in that situation.

Feedback suggests that people working from home, or thinking of doing so, are looking for information across a very wide front. To assist, this article is based on a Q&A format to provide some basic information and, importantly, links to websites where more detailed information can be sought.

Do laws apply differently to me if I work from home?

No. As a business, you are subject to the same laws as apply if you worked from a shop or an office. This includes your obligations as a supplier of goods or services under the Australian Consumer Law (ACL). To understand your obligations as a business under the ACL, visit the ACCC's online learning program at www.ccaeducationprograms.org

Where can I get general information about starting a business?

There is a great deal of information available from a variety of sources. Two useful websites are the 'business' websites from the Commonwealth Government (www.business.gov.au) and the Victorian Government (www.business.vic.gov.au). The Small Business Institute (www.tsbi.com.au) is a business network which provides lots of business information through videos, links and templates. The Australian Taxation Office (ATO) also provides information tailored to small businesses (<https://www.ato.gov.au/Business/Starting-your-own-business/>)

Do I need permits from the local council to work from home?

It depends on what you do and how you do it, and each Council may have different local requirements. Generally you would not expect any requirements if you ran an online business from home, or a consultancy business, where you don't have customers visiting your home. On the other hand, if you were manufacturing products in the garage, the Council may require permits depending on what is produced. Any signage at the front of your home may also be subject to Council approval.

The best thing to do is to contact the Economic Development Unit of your local council, explain the business you run, and ask them if there are any local planning, food handling, signage, or other local requirements applying to your type of business.

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What registrations or licences do I need to run my business?

This depends on the type of business you are running. Some types of businesses required registration or licensing from State or local governments; others do not. In addition to contacting your local council's economic development unit, you can also go to the Australian Business Licence and Information Services www.ablis.business.gov.au

When does my hobby become a business?

The ATO website provides criteria to assist in determining whether you are undertaking a business or a hobby from home. Visit www.ato.gov.au/Business/Starting-your-own-business/Business-or-hobby/

Do I have to register as a company?

While many people establish a company (eg. ABCD Pty Ltd) to run their business, you can also run your business as a sole trader (or partnership if with another person). The various business types, and their pros and cons, are discussed at the Australian Business Register website (www.abr.gov.au) and at most other business advisory websites.

Do I need an Australian Business Number?

If you are running a business you will need an ABN. Visit www.abr.gov.au to find out how to apply. There is no cost for applying for an ABN, which is a unique identifier of your business, and is used in all transactions your business has with customers, suppliers, and government.

How do I get a Business Name?

A Business Name is a registered name your business can trade as. The Business Name can assist in identifying the products or services you provide, and can be an important element in your overall marketing efforts.

ASIC registers Business Names. You cannot register a business name that is identical, or nearly identical, to another business name. You can search Business Names at www.asic.gov.au.

Is my home office / equipment covered by my household insurance?

You will need to contact your home insurer and/or read your policy documents to determine if your insurance cover extends to home office equipment or other facilities. It may depend on the nature and extent of the business activities undertaken at your home.

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Do I need to have workcover insurance if I work from home?

The Worksafe website advises that if you work as a sole trader or partnership, then you are not considered a 'worker' for WorkCover purposes and do not have to register for WorkCover. If your business is incorporated (ie. a Pty. Ltd company) you will need to take out WorkCover insurance if you pay more than \$7,500 in a year in remuneration, even to you as a director of the company. Visit www.worksafe.vic.gov.au/insurance-and-premiums/worksafe-insurance/do-i-need-a-policy for more details.

What impact does working from home have on the Capital Gains Tax exempt status of the family home?

This depends on the nature and extent of the business conducted from home. Visit the ATO website at: www.ato.gov.au/business/income-and-deductions-for-business/in-detail/home-based-business/?page=10

Where can I find out about grants to small business?

The GrantReady website (www.grantready.com.au) lists grants by jurisdiction, type of industry and phase of business.

What other forms of assistance are available to small businesses?

The www.business.vic.gov.au website lists the range of assistance programs funded by the State Government for Victorian small and medium businesses. Programs include subsidised business mentoring, provided by the Small Business Mentoring Service (www.sbms.org.au) and a wide range of subsidised workshops and seminars. Local councils also often offer various networking events, seminars and other assistance programs for local businesses.

How can I best deal with customer complaints?

As a business you have obligations under the Australian Consumer Law (ACL). This includes statutory guarantees on the goods and services you offer. The ACCC provides information on your obligations under the ACL.

If you have a complaint from a consumer, you can contact Consumer Affairs Victoria for assistance in conciliating the dispute (www.consumer.vic.gov.au). If your complaint is about a business, whether as a supplier or customer, you can contact the Victorian Small Business Commissioner (www.vsbcc.vic.gov.au) to assist in resolving the dispute.