Is this business?



This sequence is intended as a framework to be modified and adapted by teachers to suit the needs of a class group.

Resources needed

- Employee or contractor? Worksheet
- Are you in business Video
- ABN entitlement Video

- Discuss the following questions and record responses on the board.
 - What are the factors that determine people are running a business?
 - What are some of the obligations of running a business?

Suggested activity sequence

Part A: Business or hobby?

- Explain to students that they will be exploring the steps involved in establishing a business. The first question to answer is 'Are you in business?'
- 2 Play: This video explains the difference between a hobby and a business.

Are you in business?

Go to **ato.gov.au** and search for 'are you in business video'.

https://www.ato.gov.au/business/startingyour-own-business/before-you-getstarted/are-you-in-business-/

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Part B: Employee or contractor?

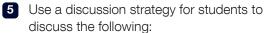
1 Explain to students that another important step before you begin a business is making sure you are a contractor and not an employee. Explain the meaning of sham contracting.

A sham contracting arrangement is when an employer attempts to disguise an employment relationship as a contracting arrangement. This may be done to avoid certain taxes and responsibility for employee entitlements such as minimum wages, superannuation, workers' compensation and leave.

- 2 Invite students to complete the Think-seewonder visible thinking routine.
- 3 Explain that some bosses try to avoid paying tax by treating you as a contractor and may ask you to apply for an ABN. It's against the law for a business to incorrectly treat their employees as contractors.

Go to **ato.gov.au** and search for 'abn entitlement video'.

4 Students complete the Worksheet.



What is the potential consequences of sham contracting for businesses, individuals and society in general?

6 When student discussions have ended, give students 5 minutes to write their response to the previous question.





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