



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



- 3 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?

- 1 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](https://www.ato.gov.au) and search for 'are you in business video'.

<https://www.ato.gov.au/business/starting-your-own-business/before-you-get-started/are-you-in-business-/>



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-see-wonder 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*.
- 5 Use a discussion strategy for students to discuss the following:

What are 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.