

Xxxx**Apply knowledge of business financial skills required to operate as a contractor in Aotearoa New Zealand**

Kaupae Level	3
Whiwhinga Credit	5
Whāinga Purpose	<p>This skill standard is for people wanting to learn financial literacy and competency to enable work as self-employed contractors in Aotearoa New Zealand.</p> <p>It will provide learners with the fundamental business financial skills required to be a self-employed contractor.</p>

Hua o te ako me Paearu aromatawai | Learning outcomes and assessment criteria

Hua o te ako Learning outcomes	Paearu aromatawai Assessment criteria
1. Select a business structure to operate as a self-employed contractor.	a. Identify the key differences between sole traders, companies, and partnerships.
	b. Select a preferred structure and describe reasons for its suitability.
2. Explain taxation and obligations as they apply to a self-employed contractor.	a. Identify online resources to assist with meeting tax obligations.
	b. Describe GST, ACC, income tax and withholding tax.
3. Use business documentation and systems required for a self-employed contractor.	a. Prepare a timesheet and write an invoice.
	b. Describe the importance of record keeping for making petty cash and expense claims.
	c. Identify software to assist with accounting.
4. Interpret contracts and agreements as they apply to a role.	a. Describe the implications of the key sections of a contract and contractual rights and obligations.

Pārongo aromatawai me te taumata paearu | Assessment information and grade criteria

Assessment specifications:

Assessment should use real or realistic documentation where appropriate. Simulated examples are permitted.

Ngā momo whiwhinga | Grades available

Achieved

Ihirangi waitohu | Indicative content

Business structures – common structures in New Zealand, and what to consider when selecting the right business structure for a contractor.

- Sole traders
- Companies
- Partnerships
- [Other business structures](#)

Taxation and obligations

- Provisional tax, income tax, GST, withholding tax, ACC, filing returns and other payments e.g. schedular payments.
- Inland Revenue forms and help
- Kiwisaver
- Independent Earner Tax Credits (IETC), Working for Families tax credit

Business documentation and systems

- Record keeping, business expenses
- Time sheets
- Invoicing
- Insurance - Public Liability, Health (if applicable), Income Protection
- Budgeting for tax and contingency/quiet times
- Business risks and failures
- Non-disclosure agreements (if applicable), release forms, petty cash forms etc.
- Staying up-to-date with government laws/acts of Parliament relevant to the industry
- Business practises as identified by the industry

Contracts

- Financial implications of contracting
- Negotiating contract conditions and remuneration
- Quotations/Memorandum of understanding
- Non-disclosure agreements

Rauemi | Resources

- IRD website - [Self-employed \(ird.govt.nz\)](https://www.ird.govt.nz/)
- [Self-employed or running a business | New Zealand Government \(www.govt.nz\)](https://www.govt.nz/)
- Going contracting information - [Going contracting — business.govt.nz](https://www.business.govt.nz/)
- Manage your finances - [Managing your finances — business.govt.nz](https://www.business.govt.nz/)
- Examples of contracts – [Employment Agreement Builder \(business.govt.nz\)](https://www.business.govt.nz/)
- Taxes and levies - [Introduction to taxes and levies — business.govt.nz](https://www.business.govt.nz/)
- Laws that apply to your business - [Compliance Matters \(business.govt.nz\)](https://www.business.govt.nz/)

Pārongo Whakaū Kounga | Quality assurance information

Ngā rōpū whakatau-paerewa Standard Setting Body	Ringa Hora Services Workforce Development Council
Whakaritenga Rārangi Paetae Aromatawai DASS classification	Business > Business Operations and Development > Small Business
Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga CMR	0113

Hātepe Process	Putanga Version	Rā whakaputa Review Date	Rā whakamutunga mō te aromatawai Last date for assessment
Rēhitatanga Registration	1	[dd mm yyyy]	N/A
Rā arotake Planned review date	31 December 2029		

Please contact Ringa Hora Services Workforce Development Council at qualifications@ringahora.nz to suggest changes to the content of this skill standard.