



Purpose of this form

Use this form if you are a sole trader (including a subcontractor) or a partner in a partnership who has:

- commenced new employment or a new business
- changed your level of business activity or income from self employment.

Do not use this form if:

- your previous year's financial statements are indicative of the current business profitability
- you are a wage or salary earner, a pieceworker, or you have been advised by Centrelink that you are in an employee/employer type relationship and you must declare your gross income.
- your business operates through a private company or trust.

Definition of a partner

For Centrelink purposes a person is considered to be **your partner** if you and the person are living together, or usually live together, and are married; or in a registered relationship (opposite or same-sex); or in a de facto relationship (opposite or same-sex).

Centrelink considers a person to be in a de facto relationship from the time they commence living with another person as a member of a couple.

From 1 July 2009, Centrelink recognises all couples, opposite-sex and same-sex.

For more information

Call Centrelink on **13 2850**, visit your local **Centrelink Customer Service Centre** or go to our website at **www.centrelink.gov.au**

To speak to Centrelink in languages other than English, call **13 1202**.

Note: Calls from your home phone to Centrelink 13 numbers from anywhere in Australia are charged at a fixed rate. That rate may vary from the price of a local call and may also vary between telephone service providers. Calls to 1800 numbers from your home phone are free. Calls from public and mobile phones may be timed and charged at a higher rate.

If you have a hearing or speech impairment

TTY service Freecall™ **1800 810 586**. A TTY phone is required to use this service.

Interpreters and translations

If you need an **interpreter** or **translation** of any documents for Centrelink business, we can arrange this for you free of charge.

Filling in this form

Please use black or blue pen.

Mark boxes like this with a ✓ or ✗.

Where you see a box like this ► **Go to 5** skip to the question number shown. You do not need to answer the questions in between.

Returning your forms

Check that you have answered all the questions you need to answer, and that you have signed and dated the form.

Return this form and all additional documents to your local **Centrelink Customer Service Office** **within 14 days** to ensure you are paid your correct entitlement.

If you cannot return all the forms or documents **within 14 days**, contact Centrelink for extra time.

Keep these Notes (pages 1 to 3) for your information.

Notes

The following notes are provided as a guide for Centrelink assessment purposes only.

Allowable deductions

Only expenses necessarily incurred in earning business income are allowed as deductions. For example, travel expenses incurred as part of business operations are allowable, but costs of personal travel are not. Where the expenses are incurred for part business and part personal reasons, only that part which relates to your business may be deducted from your business income.

Deductions for superannuation paid to an employee's accounts are allowable in certain circumstances. Ask Centrelink for more information.

Some legitimate deductions under tax law are not allowed for Centrelink income assessment purposes. These include:

- **Prior year losses (section 8-1 of the *Taxation Act 1997*)**

- **Offsetting of losses**

Losses can be offset only in some situations. Ask Centrelink for more information.

- **Superannuation contributions for the sole trader or partners of the partnership**

- **Borrowing Expenses**

- **Donations**

- **Industry Concessions/Incentives**

- Income Equalisation Deposits/Farm Management Bonds
- Income Averaging
- Provisions to defer taxation
- Forced disposal of livestock (section 36AAA or sub-sections 36(3) to (7) ITAA 1936), as this is an allowable deduction for Exceptional Circumstances Relief Payment
- Double wool clip (section 26BA ITAA 1936), and
- Insurance received for timber or stock losses (section 26B ITAA 1936).

- **Insurance**

Private health insurance or premiums paid on term life, endowment or disability policies.

- **Capital Expenditure Deductions**

Some capital expenses related to primary production that are allowed for tax purposes are not allowed as deductions for Centrelink purposes. These include:

- Equal annual deductions over ten years under section 75A of the ITAA for expenditure prior to 23 August 1983 on such items as:
 - clearing and preparation of land for agriculture and farming
 - drainage of swamps
 - soil conservation measures
 - flood mitigation measures
- Water storage and reticulation expenditure (section 75B ITAA 1936)
- Fences for disease control (section 75C ITAA 1936)
- Prevention of land degradation (section 75D ITAA 1936)
- A deduction from taxable income under section 36AAA of the Income Tax Act.
- **Union Fees**

Section 51(1) of the ITAA 1936 provides for a deduction against gross business income in respect of union membership fees. Union fees are not allowed as a deduction for Centrelink income test assessment purposes, unless membership is a requirement for undertaking business activities in the applicable industry.

Income of recipient

Amount paid and claimed as an expense item may need to be declared as income of the recipient. For example, if the business pays rent or wages to you or your partner, you will need to declare the amount as income.

Privacy and your personal information

Personal information is protected by law, including the *Privacy Act 1988*. The authority to collect this information is contained in social security law.

The information you provide on this form will be used to determine your eligibility for, and provide payments and services for you, and where relevant, third parties. This information may also be used to detect or prevent fraud and/or recover overpayments.

Centrelink usually gives some or all of your information to the Department of Human Services, policy departments (Department of Families, Housing, Community Services and Indigenous Affairs, the Department of Education, Employment and Workplace Relations, the Department of Health and Ageing, the Department of Veterans' Affairs and the Department of Agriculture, Fisheries and Forestry) and their contracted service providers who are providing payments or services to you for the purposes of:

- determining eligibility for correct payment
- referral for eligibility and/or suitability for employment assistance and other appropriate services
- provision of services and payments
- evaluation and monitoring of services provided by Centrelink, its policy departments or contracted service providers
- recovery of overpayments.

Centrelink may disclose limited information (for example, income and assets) about you to other individuals when your circumstances affect their entitlement to payments and services.

Limited personal information collected from you may be used to conduct customer research run by the Department of Human Services, Centrelink, its policy departments or by research organisations on their behalf. Your participation in customer research is valued, however, if you do not wish to take part please call the Customer Relations number on Freecall™ **1800 050 004** (refer to the factsheet titled *Market research and you* for more information).

Centrelink can give your information to other persons, bodies or agencies without your permission in circumstances where Australian Government legislation requires or authorises the disclosure.

For example, Centrelink may give some or all of your information about income and taxation matters to the Australian Taxation Office and the Child Support Agency for their use.

You can get more information from the factsheet titled *Your Right to Privacy* from your Centrelink office, you can call Centrelink in **13 2717** to request a copy, or you can visit our website at **www.centrelink.gov.au**

Keep these Notes (pages 1 to 3) for your information.

This page has been left blank intentionally.



Australian Government



Profit and Loss Statement

1 Your name Title Mr Mrs Miss Ms Other

Family name

First given name

Second given name

2 Your date of birth /

3 Your Customer Reference Number - - -

4 Name of your business

5 Type of business

6 Your phone number ()

7 Are you self-employed and operating your business as a sole trader? No **Go to next question**
Yes **Go to 9**

8 Do you operate the business in partnership with other people? No You have indicated you are neither a sole trader nor in a partnership. Please call us on **13 2850** to discuss the nature of your business and to confirm that we need this form completed.

Yes Number of business partners

Your share of income %

Your partner's share of income %

9 Centrelink needs to see a copy of your (and your partner's) latest personal and partnership (if applicable) Income Tax Return(s) and supporting information such as Balance Sheet, Depreciation Schedule, etc.

Have you already provided copies of these documents to us? No You will need to attach copies of documents.
Yes

10 Period of Statement / to /

► **Go to the calculation sheet on the next page.**



CLK0SU580 1005

11 Gross business income for the Period of Statement

\$ (A)

12 Non variable expenses

	Annual amount e.g. from tax return	Amount for Period of Statement
Accountancy (not tax agents)	\$	\$
Depreciation (see tax return if available)	\$	\$
Insurance premiums (e.g. business premises, public liability, sickness and accident, stock, motor vehicle)	\$	\$
Interest on money borrowed for business use	\$	\$
Levies, licence fees and government charges	\$	\$
Registration of motor vehicles less % of private use	\$	\$
Rent or rates less % of private use	\$	\$
Other (please describe - attach a separate list if needed)	\$	\$
	\$	\$
Sub-total	\$	(B)

13 Variable Expenses

Amount should reflect the **Period of Statement** e.g. if the statement covers a 3 month period, divide an annual figure by 4.

*Cost of goods sold

Opening stock at start of period plus purchases in period less closing stock at end of period.

Advertising	\$
Bank charges (on business accounts)	\$
Cost of goods sold in period — see description*	\$
Freight, cartage and travelling expenses	\$
Motor vehicle running costs (check tax pack for calculation)	\$
Hire (plant and equipment)	\$
Journals and periodicals for business use	\$
Power cost for business use	\$
Telephone costs for business use	\$
Printing and stationery	\$
Materials (hardware, chemicals, parts etc.)	\$
Repairs and maintenance (unless included as part of motor vehicle expenses)	\$
Wages/salary paid	\$
Capital items (e.g. tools, office equipment) — each item purchased for less than \$300 (or less than \$1,000, if operating under the Simplified Tax System (STS))	\$
Other (please describe - attach a separate list if needed)	\$
	\$
Sub-total	\$ (C)

14 Total of all expenses (B) plus (C)

\$ (D)

15 Net Income (A) less (D)

PROFIT/LOSS \$

16 Your statement

I declare that:

I understand that:

- the information provided in this form is complete and correct.
- giving false or misleading information is a serious offence.
- Centrelink can make relevant enquiries to ensure I receive my correct entitlement.

Your signature



Date

/ /