

centrelink

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 the Australian Government Department of Human Services 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 the Department of Human Services 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-sex or same-sex), **or**
- in a de facto relationship (opposite-sex or same-sex).

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

We recognise all couples, opposite-sex and same-sex.

For more information

Go to our website humanservices.gov.au or call us on **132 850** or visit one of our Service Centres.

To speak to us in languages other than English, call **131 202**.

Note: Call charges apply – calls from mobile phones may be 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 our business, we can arrange this for you free of charge.

Filling in this form

- **Please use black or blue pen.**
- Print in BLOCK LETTERS.
- 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 one of our Service Centres or online **within 14 days** to make sure you are paid your correct entitlement.

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

For more information on how to access Online Services or how to lodge documents online, go to humanservices.gov.au/submitdocumentsonline

Keep these Notes (pages 1 to 2) for your information.

The following notes are provided as a guide for our 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 us for more information.

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

- **Prior year losses (section 8-1 of the *Income Tax Assessment Act 1997*)**

- **Offsetting of losses**

Losses can be offset only in some situations. Ask us 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) *Income Tax Assessment Act 1936* (ITAA 1936))
- 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 our purposes. These include:

- Equal annual deductions over 10 years under section 75A of the ITAA 1936 for expenditure before 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 ITAA 1936.
- **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 the Department of Human Services 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.

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1	Your name	Title	Mr <input type="checkbox"/>	Mrs <input type="checkbox"/>	Miss <input type="checkbox"/>	Ms <input type="checkbox"/>	Other <input type="text"/>
		Family name	<input type="text"/>				
		First given name	<input type="text"/>				
		Second given name	<input type="text"/>				

2	Your date of birth	<input type="text"/> / <input type="text"/> / <input type="text"/>
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3	Your Centrelink Reference Number	<input type="text"/> - <input type="text"/> - <input type="text"/> - <input type="text"/>
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4	Name of your business	<input type="text"/>
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5	Type of business	<input type="text"/>
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6	Your phone number	(<input type="text"/>) <input type="text"/>
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7	Are you self-employed and operating your business as a sole trader?	No <input type="checkbox"/> Go to next question
		Yes <input type="checkbox"/> Go to 9

8	Do you operate the business in partnership with other people?	No <input type="checkbox"/> You have indicated you are neither a sole trader nor in a partnership. Call us on 132 850 to discuss the nature of your business and to confirm that we need this form completed.
	Yes <input type="checkbox"/> Number of business partners	<input type="text"/>
	Your share of income	<input type="text"/> %
	Your partner's share of income	<input type="text"/> %

9	We need 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 <input type="checkbox"/>  You will need to attach copies of documents.
		Yes <input type="checkbox"/>

10	Period of statement	<input type="text"/> / <input type="text"/> / <input type="text"/> to <input type="text"/> / <input type="text"/> / <input type="text"/>
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► **Go to the calculation sheet on the next page.**



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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 percentage of private use	\$	\$
Rent or rates less percentage of private use	\$	\$
Other (Give details – 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 up to the amount allowed as a concession if using the Small business entity concessions)	\$
Other (Give details – 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 OR LOSS \$

16

IMPORTANT INFORMATION

Privacy and your personal information

Your personal information is protected by law, including the *Privacy Act 1988*, and is collected by the Australian Government Department of Human Services for the assessment and administration of payments and services. This information is required to process your application or claim.

Your information may be used by the department or given to other parties for the purposes of research, investigation or where you have agreed or it is required or authorised by law.

You can get more information about the way in which the Department of Human Services will manage your personal information, including our privacy policy at humanservices.gov.au/privacy or by requesting a copy from the department.

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Your statement

I declare that:

I understand that:

Your signature

Date

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