Australian Government
Australian Taxation Office

Coming to Australia or going overseas

- https://www.ato.gov.au/Individuals/Coming-to-Australia-or-going-overseas/
- Last modified: 12 Apr 2021
- QC 33241

Australian residents are generally taxed on their worldwide income from all sources. Temporary residents of Australia and foreign residents are generally taxed only on their Australian-sourced income, such as money they earn working in Australia.

To understand your tax situation you first need to work out if you are an Australian or foreign resident for tax purposes. This may be different to your residency status for other purposes – for example, you could be an Australian resident for tax purposes even if you're not an Australian citizen or permanent resident.

Next step:

- Your tax residency

Find out about:

- Coming to Australia
- Australians living overseas

See also:

- International tax for business
- Investing in Australia
- Investing overseas

Your tax residency

- https://www.ato.gov.au/Individuals/Coming-to-Australia-or-going-overseas/Your-tax-residency/
- Last modified: 23 Mar 2021
- QC 59296

If you are coming to Australia or going overseas, you may need to work out your residency for tax purposes. You can use the residency tests to work out if you're:

- an Australian resident for tax purposes
- a foreign or temporary resident for tax purposes.

We don't use the same rules as the Department of Home Affairs (formerly known as the Department of Immigration and Border Protection). This means you:

- can be an Australian resident for tax purposes without being an Australian citizen or permanent resident
- may have a visa to enter Australia but are not an Australian resident for tax purposes.

For a summary of key information about residency status, download Residency for tax purposes (PDF, 1.03MB) .

On this page:

- Residency tests
- If your residency status changes

Residency tests

There are statutory tests to determine your residency:

- Resides test
- Domicile test
- 183-day test
- The Commonwealth superannuation test

You can also use our Work out your residency status for tax purposes tool to help work out your residency.

Resides test

The primary test of tax residency is called the resides test. If you reside in Australia, you are considered an Australian resident for tax purposes and you don't need to apply any of the other residency tests.

Some of the factors that can be used to determine residency status include:

- physical presence
- intention and purpose
- family
- business or employment ties
- maintenance and location of assets
- social and living arrangements.

If you don't satisfy the resides test, you'll still be considered an Australian resident if you satisfy one of three statutory tests.

Domicile test

You're an Australian resident if your domicile (the place that is your permanent home) is in Australia, unless we are satisfied that your permanent place of abode is outside Australia.

A domicile is a place that is considered to be your permanent home by law. For example, it may be a domicile by origin (where you were born) or by choice (where you have changed your home with the intent of making it permanent).

Find out about:

- The domicile test

183-day test

This test only applies to individuals arriving in Australia. You will be a resident under this test if you're actually present in Australia for more than half the income year, whether continuously or with breaks.

Find out about:

- The 183 day test

The Commonwealth superannuation test

This test applies to Australian Government employees working at Australian posts overseas and who are members of the CSS or PSS schemes. It does not apply to members of the PSSAP scheme. If this is the case, you (and your spouse and children under 16) are considered to be a resident of Australia regardless of any other factors.

Find out about:

- The superannuation test

Example: Australian resident under the domicile test

Emily leaves Australia to work in Japan as a teacher of English. Emily has a one-year contract after which she plans to tour China and other parts of Asia before returning to Australia to continue work here.

Emily lives with a family in Japan during her time there and rents out her property in Australia. Emily is single. Her parents live interstate and her brother has moved to France. Emily is an Australian resident for tax purposes even though she is residing in Japan because, under the domicile test:

- her domicile is in Australia (as she is a resident who has lived in Australia and will generally retain a domicile here when absent overseas), unless she chooses to permanently migrate to another country)
- her permanent place of abode remains Australia.

Example: Foreign resident for tax purposes

Bronwyn, an Australian resident, receives a job offer to work overseas for three years, with an option to extend for another three years. Bronwyn, her husband and three children decide to make the move.

They rent out their house in Australia as they intend to return one day. While overseas they rent a house with an accommodation allowance provided under Bronwyn's contract.

Bronwyn is unsure if she will extend her contract to stay for another three years. She will decide later depending on how the family like life.

Bronwyn is considered a foreign resident for tax purposes because she does not satisfy 'the resides' test. This is due to:

- the length of her physical absence from Australia
- other circumstances not being consistent with residing in Australia, even though she has retained the family home – such as
  - establishing a home overseas with her family
  - renting out her family home in Australia.

Bronwyn has also not satisfied the domicile test, as:

- her permanent place of abode is outside Australia due to
  - the length of time committed to being overseas
  - the establishment of a home overseas
  - her family going with her overseas

- the fact that she won't be selling the family home in Australia, although relevant, is not persuasive enough to overcome the finding on the basis of the other factors
- it can be argued that she has abandoned her home in Australia for the duration of her stay, by renting it out.

Failure to cut connection with Australia

A legal decision in 2013 shows that a person who fails to cut their connection with Australia will be treated as an Australian resident.

See also:

- Foreign income exemption for temporary residents

- Income from more than one job
- Working holiday makers
- Tax treaties

If your residency status changes during the year

If your status has changed from resident to foreign resident during the income year, answer 'yes' to the question 'Are you an Australian resident?' on your tax return.

This ensures you are taxed at resident rates for the income year. You are entitled to a pro-rata tax-free threshold for the number of months you are an Australian resident.

To claim a tax offset for a dependent spouse, you must both be Australian residents for tax purposes. You will need to reduce your claim to take into account the period you were both foreign residents.

Foreign residents do not have to pay the Medicare levy. In your tax return you can claim the number of days in the income year that you are not an Australian resident as exempt days.

From the date you cease to be an Australian resident, there is no need to show your foreign-source income in your tax return. Also, all Australian-sourced interest, dividends and royalties you received after you ceased to be an Australian resident are subject to the withholding tax provisions as a final tax. They should not be included in your tax return.

If you have a HELP or TSL debt you'll need to include these amounts as they are used to work out your worldwide income and your repayment obligations against these debts.

See also:

- Tax-free threshold if you are leaving Australia permanently
- Overseas obligations
- Foreign residents and main residence exemption
- Foreign resident capital gains withholding payments

Foreign and temporary residents

- https://www.ato.gov.au/Individuals/Coming-to-Australia-or-going-overseas/Your-tax-residency/Foreign-and-temporary-residents/
- Last modified: 23 Mar 2021
- QC 65131

If you are from overseas and come to Australia to work, you may be considered either a foreign resident or temporary resident for tax purposes.

On this page:

- Foreign residents
- Temporary residents
- Foreign or temporary resident leaving Australia

Foreign residents

If you're a foreign resident for tax purposes you must declare on your tax return any income earned in Australia, including:

- employment income
- rental income
- Australian pensions and annuities
- capital gains on Australian assets.

As a foreign resident:

- you have no tax-free threshold
- you do not pay the Medicare levy – in your Australian tax return, you can claim an exemption from paying the Medicare levy for the number of days in the income year you are a foreign resident
- you don't declare any Australian-sourced interest, dividends or royalties you derive while you are a foreign resident, provided the Australian financial institution or company that pays you has already withheld tax
- the capital gain on your Australian home may need to be included if you are a foreign resident at the time you sign the contract of sale.

If you have a Higher Education Loan Program (HELP) or Trade Support Loan (TSL) debt, you'll need to declare your worldwide income or lodge a non-lodgment advice. You can do this using our online services via myGov or through a registered Australian tax agent. The Study and training loan repayment calculator will help you find out your compulsory repayment or overseas levy amounts.

To work out if you need to lodge, use our Do I need to lodge a tax return tool.

See also:

- HELP and TSL overseas obligations
- Study and training loan repayment calculator

Temporary residents

If you have a temporary visa, and neither you or your spouse is an Australian resident within the meaning of the *Social Security Act 1991* (that is, not an Australian citizen or permanent resident), you're a temporary resident. This means you only declare:

- income you derived in Australia
- any income you earn from employment or services performed overseas while

you are a temporary resident of Australia.

Other foreign income and capital gains don't have to be declared.

See also:

- Foreign income exemption for temporary residents – details of temporary residency

Foreign or temporary resident leaving Australia

You may need to lodge a tax return if you earn income in Australia as a foreign or temporary resident.

If you leave Australia permanently and will no longer receive Australian-sourced income (other than interest, dividend and royalty income), you can either:

- Lodge your tax return before leaving Australia
- Lodge your tax return from outside Australia.

To lodge your return online from outside Australia, you will need a myGov account linked to the ATO.

Next step:

- Get started with myGov and ATO online services

See also:

- Using ATO online services – individuals and sole traders
- When you can't log in to your myGov account

Departing Australia superannuation payment

If you earned super while visiting Australia on a temporary visa, you can apply to have this super paid. Known as a departing Australia superannuation payment (DASP) and paid after you leave.

See also:

- Departing Australia superannuation payment (DASP)

Australian resident for tax purposes

- https://www.ato.gov.au/Individuals/Coming-to-Australia-or-going-overseas/Your-tax-residency/Australian-resident-for-tax-purposes/
- Last modified: 23 Mar 2021
- QC 65132

If you're an Australian resident for tax purposes, you must declare all income you earned both in Australia and overseas on your Australian tax return (even if you've already paid tax on it overseas).

If you’ve paid foreign tax on income in another country, you may be entitled to an Australian foreign income tax offset.

On this page:

Are you an Australian resident for tax purposes?

Generally, we consider you to be an Australian resident for tax purposes if you:

- have always lived in Australia or you have come to Australia and live here permanently
- have been in Australia continuously for six months or more, and for most of that time you worked in the one job and lived at the same place
- have been in Australia for more than six months of the year, unless your usual home is overseas and you do not intend to live in Australia
- go overseas temporarily and you do not set up a permanent home in another country
- are an overseas student who has come to Australia to study and are enrolled in a course that is more than six months long.

There are four statutory tests to determine your residency:

- Resides test
- Domicile test
- 183-day test
- The commonwealth superannuation test.

You can also use our Work out your residency status for tax purposes tool to help work out your residency.

See also:

- Your tax residency
- Foreign and temporary residents

Part-year Australian resident

If you are an Australian resident for part of the year, your tax-free threshold will be less than the full tax-free threshold of $18,200 that applies to Australian residents if you:

- became an Australian resident for tax purposes
- ceased being an Australian resident for tax purposes.

If you became or ceased to be an Australian resident for tax purposes during the financial year, you will receive the part-year tax-free threshold and resident tax rates will apply to your income.

Part-year residents have a tax-free threshold of at least $13,464. The remaining $4,736 of the full tax-free threshold is pro-rated according to the number of months during the financial year you were a resident for tax purposes.

If you are a foreign resident for the full financial year, you will not be entitled to the tax-free threshold. As a foreign resident, you will pay tax on every dollar you earn in Australia and foreign resident tax rates will apply.

When you complete your individual income tax return, you must include the:

- date that you became or stopped being an Australian resident for tax purposes
- number of months that you were an Australian resident.

We will work out your tax-free threshold using the information you provide.

See also:

- Tax-free threshold for newcomers to Australia
- Tax-free threshold if you are leaving Australia with the intention to reside overseas
- Departing Australia and lodging your tax return early

Dual residents

You are considered to be a dual resident if you are a resident of both:

- Australia for domestic income tax law purposes
- another country for the purpose of that other country's tax laws.

Where Australia has a double tax treaty with a foreign country, a treaty tie breaker test would usually determine which country has the right to tax Australian and foreign sourced income.

Next step:

- Work out your residency status for tax purposes

Australian resident for tax purposes and foreign income

If you are an Australian resident for tax purposes and you:

- have a temporary resident visa
  - most of your foreign income isn't taxed in Australia
  - we tax your income from actual work you do overseas while you are a temporary Australian resident (see Exempt foreign employment income)

- receive foreign income
  - income may be taxed in both Australia and the country from where you

received it
    - tax paid in another country on your foreign income may entitle you to an Australian foreign income tax offset

- receive income from a country that Australia has a tax treaty with
    - you can ask the tax authorities in that country to reduce their withholding tax or to exempt you from paying tax in that country
    - done by supplying a tax relief form or a certificate of residency or status.

See also:

- Foreign and worldwide income

Coming to Australia

- https://www.ato.gov.au/Individuals/Coming-to-Australia-or-going-overseas/Coming-to-Australia/
- Last modified: 23 Mar 2021
- QC 33213

You may come to Australia to reside permanently, study or holiday.

If you earn money here you will pay tax and may need to lodge an Australian tax return. To work in Australia you need a work visa and should have a tax file number (TFN).

If you earn money from overseas you may need to declare your foreign income in your tax return.

If you work in Australia, your employer has to pay superannuation for you if you are an eligible employee.

Find out about:

- Working holiday makers
- Studying in Australia
- Returning to your home country

See also:

- Apply for a TFN
- Tax in Australia: what you need to know
- Do you need to lodge a tax return?

Working holiday makers

- https://www.ato.gov.au/Individuals/Coming-to-Australia-or-going-overseas/Coming-to-Australia/Working-holiday-makers/
- Last modified: 02 Dec 2020
- QC 50742

If you work in Australia, tax will be withheld from your pay and you may need to lodge a tax return each year. The requirement to lodge a tax return will depend on how much income you have earned during the year.

The Australian income year starts on 1 July and ends on 30 June the following year.

As a working holiday maker, your income is taxed at 15% for:

- the first $37,000 – for 2019–20 and earlier income years
- the first $45,000 – for 2020–21 and later income years.

The balance of your income is taxed at ordinary rates.

You are a working holiday maker if you have a visa subclass of either:

- 417 (Working Holiday)
- 462 (Work and Holiday).

You can check your visa status using the Visa Entitlement Verification Online system.

As a working holiday maker, your employer also has to pay superannuation for you if you are an eligible employee. When you leave Australia, you can apply to have your super paid to you as a departing Australia superannuation payment (DASP). The tax on any DASP made to working holiday makers on or after 1 July 2017 is 65%.

On this page:

Australian resident or foreign resident

Most people who come to Australia for a working holiday or to visit are foreign residents for tax purposes. This includes people on visa subclass 417 (Working Holiday) or 462 (Work and Holiday) (backpackers).

Taxation of working holiday makers

On 6 August 2020, the Full Federal Court handed down its decision in Commissioner of Taxation v Addy in favour of the Commissioner.

This case was about whether an individual who entered Australia as a working holiday maker was:

- a resident of Australia for tax purposes
- required to pay tax at the minimum 15% rate applying to working holiday maker income or at the rates that otherwise apply more generally to Australian residents (which incorporates the tax-free threshold).

What this means for you

Working holiday maker income tax rates will continue to apply at the 15% rate (whether you are a resident or not). You do not need to lodge a tax return or a non-lodgment advice if all of the following apply:

- All of the income you earn was as salary and wages while you were a working holiday maker.
- The total of your taxable income for the income year was less than
    - $37,001 in 2019–20 and earlier income years
    - $45,001 from 2020–21 and later income years.

Employers must apply the pay as you go (PAYG) withholding tax rate in accordance with your tax file number declaration. If you identify as an Australian resident for tax purposes, and our records show you are a working holiday maker, we will notify your employer (and you) of your status. We will also advise your employer to apply the relevant tax rate.

Next step:

- Are you an Australian resident for tax purposes if you come for a working holiday or visit?

Applying for a tax file number

If you plan to work in Australia, you need a tax file number (TFN). Your TFN is your personal reference number in our tax system. You can apply for a TFN online once you have your work visa, such as a 417 (Working Holiday) or 462 (Work and Holiday) visa.

You don't have to have a TFN, but without one you pay more tax.

See also:

- Apply for a TFN

Starting work – TFN declaration

When you start work, you give your employer a Tax file number declaration. This helps the employer work out how much tax to withhold from your pay.

Your employer will check if you have a visa subclass 417 (Working Holiday) or 462 (Work and Holiday), but you should tell them anyway to ensure they tax you correctly.

Your employer is required to register with us as an employer of working holiday makers. Working holiday makers do not register.

If your employer is registered with us, they will withhold tax from your pay at 15% on the first:

- $37,000 of income for 2019–20 and earlier income years
- $45,000 for 2020–21 and later income years.

Example 1 – working for a registered employer

Gorge is on a 417 Working Holiday visa and starts working for Paul's Pickles. As Paul is a registered employer of working holiday makers, 15% tax is withheld from Gorge's pay.

Gorge's tax withheld is calculated as follows:

> Gorge's pay × 15% = tax withheld
>
> $500 × 15% = $75

Gorge earns $500 in the first week and has $75 tax withheld.

If your employer is not registered with us as an employer of working holiday makers, they must withhold tax from your pay using foreign resident tax rates. Foreign resident tax rates start at 32.5%.

Example 2 – working for an employer that has not registered

Aleks is on a 417 Working Holiday visa and starts working for Pamela's Berries. As Pamela is not registered as an employer of working holiday makers, Pamela withholds tax at the foreign resident tax rates starting at 32.5%

Alek's tax withheld is calculated as follows:

> Aleks's pay × 32.5% = tax withheld
>
> $500 × 32.5% = $162.50

Aleks earns $500 in the first week and has $162.50 tax withheld.

Workplace rights as a working holiday maker

Everyone working in Australia has the same workplace rights under the National Employment Standards, including if they are a working holiday maker.

The national minimum wage and National Employment Standards (NES) make up the minimum employment entitlements that must be provided to all employees.

See also:

- National Employment Standards (NES)
- Fair work ombudsman – visa holders and migrants

Finishing work – income statement

Through Single Touch Payroll (STP), you will be able to see your year-to-date tax and super information in myGov. It will show the amount you earned, tax withheld and superannuation that has been paid. You will see the information by logging in to myGov and accessing ATO online services.

Your employer is no longer required to give you an end-of-year payment summary. But, if they do, the payment summary will be available in myGov, along with your income statement.

The information on your income statement or payment summary will help you to work out if you need to lodge a tax return, and if you do, complete your tax return.

See also:

- Accessing your payment summary or income statement
- Do you need to lodge a tax return?

Lodging a tax return

The Australian income year ends on 30 June each year.

You do not need to lodge a tax return or a non-lodgment advice if both of the following apply:

- All of your income was earned as salary and wages while you were a working holiday maker.
- The total of your taxable income for the income year was less than
  - $37,001 for 2019–20 and earlier income years
  - $45,001 for 2020–21 and later income years.

You are required to lodge a tax return if either of the following applies:

- Your taxable income for the year was more than
  - $37,000 for 2019–20 and earlier income years
  - $45,000 for 2020–21 and later income years.

- You carried on a business.

You will need to lodge a tax return if you wish to claim any deductions.

If you leave Australia permanently before 30 June, you can lodge your tax return early.

When you lodge a tax return, we work out how much tax you should have paid, based on your actual income for the year. If too much was withheld from your pay, we will refund the difference to you. If you have not paid enough, we will send you a bill.

Example – income below $45,001 for 2020–21 and later income years

Louie lives in Belgium and is planning a working holiday in Australia.

In preparation for his trip, Louie applies for a TFN, indicating that he is not an Australian resident for tax purposes. He is granted a 417 visa before his arrival in Australia.

On 10 January 2021, Louie starts work with Bob's Mango Farm in Far North Queensland. As part of the normal employment process, Louie gives Bob his completed tax file number declaration and tells him that he is a working holiday maker on a 417 visa.

As Bob is a registered employer with us, the first $45,000 of Louie's income is taxed at 15%.

Louie is paid weekly and earns $100 a day. After five days of work, Louie receives his first pay of $500, from which $75 tax is withheld and sent to us.

Louie's tax withheld is calculated as follows:

> Louie's daily pay × 15% = tax withheld
>
> $100 × 15% = $15.

Louie's total tax withheld is calculated as follows:

> Days worked × tax withheld per day = total tax withheld
>
> 5 days × $15 = $75.

Louie finishes working for Bob in April after earning a total of $6,000. Louie's income statement shows he earned a total of $6,000 and had $900 tax withheld.

As Louie's total taxable income for the year is below $45,001, he isn't required to lodge a tax return for the 2020–21 income year.

Tax comparison

The working holiday maker tax rate is different to the tax rate for Australian residents.

The working holiday maker tax rate is 15% until you earn:

- $37,000 for 2019–20 and earlier income years
- $45,000 for 2020–21 and later income years.

Australian resident taxpayers get the first $18,200 tax free (known as the tax-free threshold). They then pay 19% until they earn $37,000 (2019–20 and earlier income years) or $45,000 (2020–21 and later income years).

Our individual income tax rate page shows the most up-to-date rates and thresholds. Australian residents, foreign residents and working holiday makers pay the same tax rates on income over $37,000 (2019–20 and earlier income years) or $45,000 (2020–21 and later income years).

The following examples show how this works, and the key differences between working holiday makers and Australian residents.

Example 1 – tax for working holiday maker 2020–21 and later income years

Klaus is a German backpacker on a 417 visa and earns $45,000 in the 2020–21 income year.

Klaus pays 15% of his income in tax:

> $45,000 × 15% = $6,750.

Klaus:

- does not pay the Medicare levy (he is not entitled to use the Medicare system)
- is not entitled to the low income tax offset (as a foreign resident).

In total, Klaus pays $6,750 tax.

Example 2 – tax for Australian resident

Richelle is an Australian resident. She earns $45,000 in the 2020–21 income year.

Richelle gets the first $18,200 of her income tax-free. She pays 19% tax on the income between $18,200 and $45,000.

That works out to be:

> (Total income − tax-free threshold) × tax rate = tax withheld
>
> ($45,000 − $18,200) × 19% = $5,092.

In addition, Richelle also:

- pays the Medicare levy of 2%
  - $45,000 × 2% = $900
- is entitled to a credit for the low income tax offset
  - $375.
- is entitled to a credit for the low and middle income tax offset:
  - $855

In total, Richelle pays $5,092 + $900 − $375 − $855 = $4,762 tax.

The Medicare levy

Most working holiday makers are foreign resident taxpayers. Foreign resident taxpayers do not pay the Medicare levy.

If, in your circumstances, you determine that you are an Australian resident for tax purposes then you may be liable to pay the Medicare levy.

Australia has reciprocal health agreements with the following countries:

- Belgium
- Finland
- Italy
- Malta
- Netherlands
- New Zealand
- Norway
- Republic of Ireland
- Slovenia
- Sweden
- United Kingdom.

If you come from one of these countries and you are an Australian resident for tax purposes, you will be liable to pay the Medicare levy.

Example – income over $45,000

Ian is a working holiday maker from the UK. His circumstances mean that he is an Australian resident for the whole 2020–21 income year. He has no dependants.

Ian is liable to pay the Medicare levy as Australia has a reciprocal health agreement with the UK.

Ian earns a total of $50,000 in the 2020–21 income year.

Ian is taxed at 15% on the first $45,000 he earns as a working holiday maker. The remaining $5,000 is taxed at 32.5%.

Ian's tax and Medicare levy are calculated as follows:

> $45,000 × 15% = $6,750
>
> $5,000 × 32.5% = $1,625.

Total tax on taxable income:

> $6,750 + $1,625 = $8,375.

Medicare levy on taxable income:

> $50,000 × 2% = $1,000.

Low income tax offset:

> $250

Low and middle income tax offset

> $1,080

In total, the amount of tax Ian pays is $8,045, calculated as:

> $8,375 + $1,000 − $250 − $1,080 = $8,045.

Departing Australia superannuation payments (DASP)

Employers are required to make super contributions on behalf of their eligible employees to fund retirement.

If you worked and earned super as a working holiday maker, your super will be taxed at 65% when it is paid to you. This DASP tax rate for working holiday makers is effective from 1 July 2017.

You can apply for the DASP after you leave Australia if you meet all requirements.

See also:

- Departing Australia superannuation payment (DASP)
- Returning to your home country
- Employers of working holiday makers
- Fair Work Ombudsman
- Department of Home Affairs

Studying in Australia

- https://www.ato.gov.au/Individuals/Coming-to-Australia-or-going-overseas/Coming-to-Australia/Studying-in-Australia/
- Last modified: 24 Apr 2019
- QC 33222

If you're enrolled to study in Australia in a course that lasts for six months or more, you may be regarded as an Australian resident for tax purposes. This means:

- you pay tax on your earnings at the same rate as other residents
- you're entitled to the benefits of the Australian tax system, such as
  - the tax-free threshold (or part of it, if you're here for only part of the financial year)
  - tax offsets
  - generally lower tax rates than a foreign resident.

See also:

- Some examples of Australian residents and foreign residents

Generally Australian residents must declare all income they've earned, both in Australia and internationally, on their Australian tax return. However, as an overseas student you probably have a temporary visa, which means that you may be a temporary resident. For more information, see Foreign income exemption for temporary residents.

If you're a temporary resident, most of your foreign income is not taxed in Australia and you don't declare it on your Australian tax return. You only declare income you derive in Australia, plus any income you earn from employment or services performed overseas while you are a temporary resident of Australia.

Next steps:

- Check your visa using the Department of Home Affair's free Visa entitlement

- verification online
- Paying tax and lodging a tax return
- Returning to your home country

See also:

- Working in Australia

Returning to your home country

- https://www.ato.gov.au/Individuals/Coming-to-Australia-or-going-overseas/Coming-to-Australia/Returning-to-your-home-country/
- Last modified: 23 Mar 2021
- QC 33235

If you worked in Australia and are returning to your home country, you can lodge an Australian tax return early or online.

On this page:

- Lodging your tax return when leaving Australia
- Claiming your super
- Claiming GST and WET refunds

Lodging your tax return when leaving Australia

If you worked in Australia, you will probably need to lodge an Australian tax return after 30 June. You can lodge your tax return online from your home country.

If you are leaving Australia permanently, you may be eligible to lodge an Australian tax return early. In this case, you must lodge a paper return, which takes longer to process.

Your income statement or payment summary

After the end of the income year (30 June):

- you can access your income statement information in ATO online services through myGov – if your employer is reporting through Single Touch Payroll (STP)
- your employer will give you payment summary – if your employer is not reporting through STP.

If you leave a job during the year, you can ask your employer for your payment summary when you leave, your employer must give it to you within 14 days. However, if your employer reports your tax and super information to us through STP, they will need to complete a finalisation declaration through their reporting software.

If your income statement is finalised part way through the financial year, these details will not be available in your tax return pre-fill until the end of the financial year. You will need to follow the current process for lodging a part-year tax return.

See also:

- Accessing your income statement or payment summary

If you still have assets in Australia

If you have been an Australian resident but are leaving Australia and keeping assets here, you should know about capital gains tax (CGT) and going overseas.

Claiming your super

Any super contributions paid by your employer must remain in your super fund account while you are in Australia.

You can claim your super if you:

- were in Australia on an eligible temporary resident visa (but not if you were on visa subclasses 405 and 410)
- had super contributions paid by an employer while you were in Australia
- have left Australia and your working visa has either expired or been cancelled.

When you meet the above conditions, you can then receive your super entitlements as a departing Australia superannuation payment (DASP).

A DASP is not taxed as a superannuation lump sum benefit but is subject to tax under a final withholding tax arrangement.

Your super fund will deduct this tax. Additionally, a DASP is neither your assessable income nor exempt income.

Apply online for a departing Australia super payment (DASP)

This is a free service and your eligibility is confirmed automatically.

New Zealand citizens and permanent residents of Australia are not eligible for the departing Australia super payment.

The Trans-Tasman Retirement Savings Portability Scheme permits transfers of retirement savings between super funds for people who emigrate from one county to the other.

Claiming GST and WET refunds

You may be able to claim a refund of the goods and services tax (GST) and wine equalisation tax (WET) included in the price of goods you bought in Australia. You do this at the airport or seaport when you actually leave.

See also:

- The tourist refund scheme

Australians living overseas

- https://www.ato.gov.au/Individuals/Coming-to-Australia-or-going-overseas/Australians-living-overseas/
- Last modified: 23 Mar 2021
- QC 33206

You should be aware of your tax and super obligations before you leave Australia. If you have already left, you can use ATO online services to do most tasks. When you leave Australia, you need to work out if you remain an Australian resident overseas. If you are unsure of your tax situation, see Your residency status.

Reporting obligations are different for Australian, foreign or temporary residents for tax purposes. Regardless of your residency status, if you have a higher education loan there are steps you need to take.

On this page:

Australian resident going overseas

If you remain an Australian resident, you must lodge an Australian tax return. If you work while overseas, you must declare:

- all your foreign employment income
- any exempt income even if tax was withheld in the country where you earned it.

If you have a myGov account linked to the ATO, you can access your account from overseas to:

- prepare and lodge your tax return

- manage and check your super
- manage your contact details and other tax obligations.

Next step:

- [Get started with myGov and ATO online services]

See also:

- When you can't log in to your myGov account
- Using the myGov code generator app – instead of SMS (text message) security codes when logging into myGov

Study and training support loans

You will have the same obligations to repay study and training support loans as people who live in Australia.

This means, you need to repay your debt if you have moved or intend to move overseas, to live for six months or more in any 12 month period, and have one of the following study and training loans:

- Higher Education Loan Program (HELP – formerly known as HECS)
- VET Student Loan (VSL)
- Trade Support Loan (TSL).

This applies even if you already live or intend to move overseas for a total of more than six months in any 12-month period.

Before you leave Australia or within seven days of leaving, you will need to:

- update your contact details using our online services via myGov
- submit an overseas travel notification.

You will also need to advise us of your worldwide income, make compulsory repayments or pay an overseas levy towards your debt if you earn over the minimum repayment threshold.

If you have a Student Financial Supplement Scheme (SFSS), Student Start-up Loan (SSL) or ABSTUDY Student Start-up Loan (ABSTUDY SSL) debt and go overseas, we will continue to maintain your loan account. Your debt will not be waived and the amount outstanding will continue to be indexed each year until you have paid off your debt.

You can still make voluntary repayments when you are overseas.

See also:

- Overseas obligations when repaying loans
- Study and training support loans
- Voluntary repayments

Capital gains on your assets

If you leave your home in Australia temporarily and rent it out, you can continue to treat it as your main residence for up to six years for capital gains tax (CGT) purposes. If you don’t rent out your vacated home, you can treat it as your main residence for an unlimited period.

If you cease to be an Australian resident and decide to sell your home in Australia you may be liable to pay CGT.

If you cease to be an Australian resident while overseas, we deem some of your assets – generally those not considered taxable Australian property – to have been disposed of for CGT purposes. This may mean you become liable to pay CGT.

You can choose not to have this deemed disposal apply. But if you do eventually dispose of the asset, we consider the whole period of ownership – including any period when you're not an Australian resident – when we calculate a capital gain or loss for CGT purposes.

Rules for foreign residents

From 9 May 2017, foreign residents for tax purposes will no longer be able to claim the CGT main residence exemption when they sell property in Australia unless certain circumstances apply.

If you already held the property on 9 May 2017, you will be able to claim the CGT main residence exemption, if the CGT event (disposal) of the property occurs on or before 30 June 2020.

For property acquired at or after 9 May 2017, you will no longer be able to claim the CGT main residence exemption from that date. Unless certain life events occur within a continuous period of six years of you becoming a foreign resident for tax purposes.

See also:

- Changing residency
- Foreign residents and main residence exemption
- Foreign resident capital gains withholding payments

Medicare levy surcharge and private health insurance

The Medicare levy surcharge applies to Australian residents who have income above the surcharge thresholds and do not have an appropriate level of private patient hospital cover.

So, if you cancel your private health insurance while travelling overseas, you may be liable for the Medicare levy surcharge if your income exceeds the relevant threshold.

You should contact your health fund to work out the amount of premium you expect to save by cancelling or suspending your cover. Compare it to the surcharge you may have to pay.

See also:

- [Medicare and private health insurance]

Family cover

You and all your family dependants must have private patient hospital cover to avoid paying the Medicare levy surcharge. Cancelling or suspending cover for yourself will mean you and your spouse may each still be liable for the surcharge if your combined income for the purposes of the surcharge exceeds the family surcharge threshold.

Travel health insurance

Travel insurance is not private patient hospital cover for the purposes of the Medicare levy surcharge. Private patient hospital cover does not include cover provided by an overseas fund.

Exempt foreign employment income and the surcharge thresholds

Although your foreign employment income may be exempt from tax, we still take it into account when determine your taxable income for the purposes of the Medicare levy surcharge.

Example: foreign income and the Medicare levy surcharge

John is single and an Australian resident. In 2019–20, he has:

- no private patient hospital cover
- exempt foreign employment income of $75,000
- taxable income of $20,000.

John's income, for the purposes of the Medicare levy surcharge, is $95,000. As this falls in the income range of $90,001–$105,000 for a single person, he is liable for the Medicare levy surcharge of 1.0%.

The surcharge is 1% of $20,000 (his taxable income), which equals $200.

Your super

If you are an Australian citizen or permanent resident leaving Australia temporarily or permanently, your superannuation remains subject to the same rules. This means you can't access your super until you reach preservation age and retire or satisfy another condition of release.

You should check your super regularly and combine any accounts you no longer need. You can do this through our online services, via myGov. Combining multiple super accounts means you don't have to pay multiple sets of fees and charges.

If you have a small super account that you want to keep with your super fund, contact your super fund and tell them. This will prevent it from being transferred to us as unclaimed super.

If you are planning on moving either permanently or indefinitely to New Zealand, you can leave your super in Australia or transfer it to a New Zealand KiwiSaver scheme from a participating Australian super fund.

See also:

- Withdrawing and using your super
- Log in to myGov
- ATO-held super
- Trans-Tasman retirement savings portability scheme for individuals

Self-managed super

If you are a trustee of a self-managed super fund and you intend to travel overseas for an extended period, check before you leave that your fund will continue to meet the definition of an Australian super fund.

See also:

- Check your fund is an Australian super fund

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.