Print whole section

Foreign and worldwide income

Check if you need to declare foreign income and pay tax, the tax you pay depends on your residency for tax purposes.

Australian resident for tax purposes foreign and worldwide income

As an Australian resident for tax purposes, you must declare any foreign income you earn on your Australian tax return.

Foreign and temporary resident income

Income you need to declare depending on your residency status and whether you are also a temporary resident.

Tax exempt income from foreign employment

Employment income from certain types of international work may be exempt from Australian tax.

Your tax residency

If you are coming to Australia or going overseas, you may need to work out your residency for tax purposes.

QC 72090

Australian resident for tax purposes foreign and worldwide income

As an Australian resident for tax purposes, you must declare any foreign income you earn on your Australian tax return.

Last updated 15 June 2026

For a summary of this information in PDF format, see Australian resident for tax purposes foreign and worldwide income (PDF, 262KB).

This information is also available in Other languages (Arabic, Chinese, Japanese, Korean and Vietnamese).

What is foreign and worldwide income?

As an Australian resident for tax purposes, you must declare income you earn anywhere in the world in your Australian tax return. This is known as your worldwide income. It includes any foreign income you may receive from:

- superannuation pensions and annuities
- business activities
- employment and personal services
- assets and investments
- capital gains on overseas assets.

If you have interests or involvement in foreign entities or foreign trusts, you may have attributed foreign income. This is income attributed to you that has not been distributed.

Income from employment and personal services

If you have worked overseas or provided your services to an organisation located outside Australia, you need to declare relevant income as if it were earned in Australia. This may include:

- salary and wages
- directors' fees
- consultancy fees
- business income
- any other remuneration.

This income may also include payments received from platforms hosted overseas – for example, if you are a content creator or influencer, and your payment is from overseas.

There are some specific circumstances in which foreign salary is exempt, for more information go to Exempt foreign employment income.

Income from assets and investments

If you own assets or investments overseas, including offshore bank accounts, you need to declare the relevant returns as if they were in Australia. This may include:

- interest from bank deposits or bonds
- dividends from shares
- royalties from intellectual property
- rental income from real estate
- pensions, annuities and lump sums from managed funds
- income streams from super funds
- attributed income from foreign entities
- some government pensions.

Capital gains on overseas assets

If you own an asset overseas, you may have to pay Australian capital gains tax when you sell the asset. You need to keep appropriate records.

If you acquired an overseas asset before you became an Australian resident, you treat the asset as though you acquired it when you became an Australian resident.

Similarly, if you stop being an Australian resident for tax purposes while holding an overseas asset, you treat the asset as though you disposed of it when you stopped being an Australian resident for tax purposes.

To accurately calculate your capital gain or loss, ensure you keep a record of the value of your asset at these times. This is a complex area of tax law and you may be eligible for exemptions.

Paying Australian tax on your foreign and worldwide income

If you're an Australian resident for tax purposes and you:

- have a temporary resident visa
  - you don’t pay tax on most of your foreign income in Australia
  - we tax your income from some actual work you do overseas while you are a temporary Australian resident for tax purposes.
- receive foreign income
  - you may pay tax on that income in both Australia and the foreign country
  - tax you pay in another country on your foreign income may entitle you to an Australian foreign income tax offset
- receive income from a country that has a tax treaty with Australia
  - you can provide a certificate of residency and overseas tax relief form to the tax authorities in that country and ask them to either
    - reduce their withholding tax
    - exempt you from paying tax in that country if they do not have taxing rights over the income.

If you are an Australian Government agency employee (and not a member of a disciplined force), you now pay tax on income from delivering Australian Official development assistance (ODA). Members of a disciplined force delivering ODA may still be eligible for exemption.

Tax paid overseas

If you have already paid tax in the country where you derived the income, you may be able to claim an Australian foreign income tax offset.

To be eligible for a foreign income tax offset, you must:

- have paid the tax on the income overseas
- have records to prove that the tax has been paid.

The foreign country must have taxing rights over the income. If they do not, you can ask them for a refund of the tax paid.

The offset amount you are entitled to will not always be the same as the tax you paid overseas. If you are claiming more than $1,000 you will first need to work out your foreign income tax offset limit to determine your entitlement.

Tax exemptions for international employment income

Employment income from international work may be exempt from Australian tax in limited circumstances, such as:

- certain types of foreign service
- working on an approved overseas project
- working in Australia for certain international organisations
- overseas deployment with an Australian Defence Force
- working for an Australia–United States joint space or defence project.

For more information about these situations, and the conditions you must meet, see Tax exempt income from foreign employment.

Converting foreign income to Australian dollars

You must convert all foreign income, deductions and tax offsets to Australian dollars in your tax return.

Foreign income conversion calculator

Depending on your circumstances and the type of income, you can use either:

- the exchange rates prevailing at specific times – there are specific Translation (conversion) rules that tell you the exchange rate to use
- an average exchange rate – daily and monthly rates published monthly.

Apportioning foreign income across multiple years

Unlike Australia, most countries do not have an income year ending on 30 June. You may need to report your foreign income and associated tax offsets in multiple tax returns in Australia.

You will need to work out which income tax years the income amounts align to and apportion them accordingly.

Audit and verification checks

We do audit and verification checks and we data match the tax information provided in tax returns with data we collect from other parties, such as:

- banks
- financial institutions
- investment bodies
- employers
- other government agencies.

We recommend you ensure your bank has correctly recorded all your details, such as your name, address and tax file number. This will avoid any unnecessary follow-up action being taken by Australia or another country if a discrepancy is found.

We receive and exchange financial account information with participating foreign tax authorities. This ensures Australian residents

for tax purposes with financial accounts in other countries are complying with Australian tax law. You could receive penalties and interest charges if you do not declare your foreign income.

Attributed foreign income

How tax applies to income you receive from your interests or involvement in foreign entities or foreign trusts.

QC 72091

Attributed foreign income

How tax applies to income you receive from your interests or involvement in foreign entities or foreign trusts.

Last updated 8 June 2026

When income is attributed to you

Attributed foreign income is the income attributed to the taxpayer from controlled foreign entities. Even if the income has not been distributed it may be attributed to you for income tax purposes, if you:

- have interests in a foreign entity
- are involved with a foreign trust.

You need to declare income attributed to you, if either of the following applies:

- you have either a direct or indirect interest in a
  - foreign company controlled by Australians – known as a controlled foreign company (CFC)
  - foreign trust controlled by Australians – known as a controlled foreign trust (CFT)
  - CFC or CFT you effectively control

- you have directly or indirectly caused the transfer of property (including money) or services at any time to a non-resident trust.

To prevent double taxation, dividend income you receive as an Australian resident, which you source from profits that have previously been attributed under these rules, is generally exempt from Australian tax.

Controlled foreign companies

The CFC measures affect you if you are an Australian resident with substantial investments or involvement in foreign companies or foreign trusts controlled by Australians.

Your share of the specified income and gains of a CFC is included in your assessable income, even if you did not receive a distribution from the CFC. The income and gains of CFCs are worked out using similar rules that apply to resident entities, with some specific modifications.

Transferor trust measures

The transferor trust measures apply to you if you are an Australian resident entity that has either directly or indirectly caused the transfer of property (including money) or services at any time to a non-resident trust. You must include the trust's profits in your assessable income even though you have not received a distribution from the trust.

A trust is considered a resident trust if either of the following applies at any time during the income year:

- the trustee is an Australian resident
- the trust is managed or controlled in Australia.

Foreign investment fund and foreign life assurance policies

On 14 July 2010, the foreign investment fund (FIF) and foreign life assurance policy (FLP) measures were repealed and do not apply from the 2010–11 income year onwards.

If you are an early balancer (that is, you operate a company or trust with a substituted 2010–11 income year that starts before 1 July 2010),

the repeal of the FIF provisions will apply from the start of your 2010–11 income year.

FIF measures 2010–11 income year and onwards

The FIF measures applied to income and gains accumulating in both of the following:

- foreign companies that were not controlled by Australians
- foreign trusts that fell outside the scope of the foreign source income measures.

You are no longer subject to accruals taxation on income and gains accumulated in FIFs. As FIF income is no longer attributable, you cannot use any unapplied previous FIF losses.

If you have an interest in a FIF, you will be subject to the general tax rules applicable to your circumstances - for example, the general tax rules relating to trust income.

For more information about the repeal of the FIF measures, including information on double taxation, refer to chapter 4: Taxation of foreign investment fund (FIF) interests of the Foreign income return form guide 2011–12.

FIF and FLP measures 2009–10 and previous income years

For the 2009–10 income year and all prior income years, the FIF measures apply to you as an Australian resident if you hold an interest in certain income and gains accumulating in either of the following:

- foreign companies that are not controlled by Australians
- foreign trusts that are not already subject to attribution under the CFC, CFT and transferor trust rules.

The FIF measures apply to your interest in a FIF or FLP if both of the following apply:

- you were a resident of Australia at any time in an income year
- you had an interest in a FIF or FLP at the end of the income year.

The FIF measures also apply when working out the income of CFCs, CFTs or transferor trusts that hold an interest in a FIF.

The FIF measures extend to certain FLPs that have an investment component, such as life bonds.

For more information, see Foreign investment funds guide 2009–10.

QC 72092

Foreign and temporary resident income

Income you need to declare depending on your residency status and whether you are also a temporary resident.

Last updated 8 June 2026

Foreign resident income

If you are a foreign resident working in Australia, you declare any Australian-sourced income you earn in your Australian tax return (unless you are a short term Pacific Australia Labour Mobility [PALM] scheme worker or working holiday maker in some circumstances). Your Australian-sourced income may include:

- employment income
- rental income
- Australian pensions and annuities, unless an exemption is available under Australian tax law or a tax treaty
- capital gains on Australian assets.

You generally don't need to declare income you receive from outside Australia in your Australian tax return. However, if you have a Higher Education Loan Program (HELP), Australian Apprenticeship Support Loan (AASL) or VET Student Loan (VSL) debt you may need to declare your worldwide income.

You also 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. They do this automatically if you advise them that you

are a foreign resident and provide them with your home address outside Australia.

You can't claim the tax-free threshold, so you pay tax on every dollar of income you earn in Australia.

You don’t pay the Medicare levy in your Australian tax return, as you aren't entitled to Medicare health benefits. You can claim an exemption from paying the Medicare levy for the number of days in the income year you are a foreign resident.

Foreign resident withholding tax

Payments for the following are subject to foreign resident withholding tax:

- promoting or organising casino gaming junket arrangements
- entertainment and sports activities
- contracts for the construction, installation and upgrading of buildings, plant and fixtures and for associated activities.

Your payer will withhold this tax. You report the payments in your Australian tax return and claim the withheld amounts as a credit against the tax assessed.

Foreign resident deferred withholding tax liabilities

If you had Australian-sourced interest or dividend income while you were a non-resident and the payer did not withhold tax, you need to disclose this in your tax return for the relevant income year.

You may be given an extension until the payment is due or when it would be due. We have deferred the time at which certain withholding tax liabilities are due and payable by a non-resident taxpayer who satisfies all of these conditions:

- The interest income or dividend income is derived by the taxpayer during the income year of tax when the taxpayer was a non-resident.
- The taxpayer has disclosed the interest or dividend income in an income tax return they have lodged for the relevant income year.
- The taxpayer has a withholding tax liability for that interest or dividend income.

- The payer of the interest or dividend has not withheld the amount of the withholding tax liability from the payment.

For a taxpayer who satisfies all of the above conditions, the due date for payment of the withholding tax on the interest or dividend income is deferred to either:

- The due date for payment of the taxpayer's income tax liability in respect of their income for the relevant income year.
- If the taxpayer doesn't have an income tax liability in respect of their income for the relevant income year, the date on which income tax would have been payable if the taxpayer had an income tax liability in respect of their income for the relevant income year.

Temporary resident income

People who are also temporary residents for income tax purposes generally don't pay tax in Australia on income they earn in another country.

Temporary resident foreign income exemption

You don't have to pay tax on most of your foreign income if you meet both the following criteria:

- You are an individual who is an Australian resident for tax purposes.
- You satisfy the requirements of being a temporary resident.

In this case:

- Most of your foreign income is not taxed in Australia. However, you may be taxed in Australia on income you earn from employment or services you perform overseas while you are a temporary resident. This can depend on your particular facts and the operation of any tax treaty we have with the foreign country where the work was performed.
- If you paid tax in a foreign country, you may be entitled to claim a foreign income tax offset when you lodge and declare that income in your Australian tax return.

Temporary residents who are also foreign residents do not pay any tax on their foreign income, except in rare circumstances.

Example: Income earned by a temporary resident who is also a foreign resident

Nick is present in Australia on a temporary visa. He meets the requirements to be a temporary resident. He is also a foreign resident as he does not satisfy any of the residency tests. Nick earns interest income on an overseas bank account. He does not have to declare this income in his Australian tax return.

You must convert all foreign income, deductions and tax offsets to Australian dollars in your tax return.

QC 72093

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.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).