

## OVERVIEW

For the 2010–11 income year:

- 857,551 individuals lodged returns with foreign-sourced income, a 4.8% decrease from 2009–10
- individual foreign-sourced income was \$3.2 billion, an increase of 4.9% from 2009–10
- corporate net foreign income was \$11.5 billion, an increase of 52.9% from 2009–10
- super funds foreign income was \$9.5 billion, an increase of 27.0% from 2009–10.

## INTRODUCTION

This chapter provides information on the international dealings of Australian residents as reported on individual, company, partnership, trust and fund tax returns. Australian residents are generally taxed on their worldwide income, while non-residents are generally taxed only on their Australian-sourced income (and some specific amounts not dependent on source).

The residency tests that the ATO use to determine residency status for income tax purposes are not the same as those used by other Australian agencies. These residency tests are discussed throughout this chapter.

## RESIDENCY STATUS

Generally, an individual is a resident of Australia for tax purposes if they 'reside' here under ordinary concepts. In certain circumstances, other individuals may also be treated as residents. More information on residency for tax purposes can be found on our website at [ato.gov.au](http://ato.gov.au)

For the 2010–11 income year, lodgments by non-residents increased by 6.0% to 82,351. However, they only accounted for 0.7% of the total individual tax returns lodged.

**TABLE 11.1: Individuals, by residency status and taxable income, 2009–10 and 2010–11 income years**

Taxable income	2009–10 <sup>1</sup>		2010–11 <sup>1</sup>	
	Resident No.	Non- resident No.	Resident No.	Non- resident No.
\$0 – \$24,999	4,338,444	69,629	4,116,181	73,103
\$25,000 – \$49,999	3,871,587	3,891	3,904,035	4,343
\$50,000 – \$74,999	2,195,955	1,446	2,320,970	1,767
\$75,000 – \$99,999	1,009,219	931	1,145,351	977
\$100,000 – \$199,999	725,264	1,203	874,724	1,533
\$200,000 or more	161,883	579	194,011	628
<b>Total</b>	<b>12,302,352</b>	<b>77,679</b>	<b>12,555,272</b>	<b>82,351</b>

<sup>1</sup> Data for the 2009–10 and 2010–11 income years includes data processed up to 31 October 2011 and 31 October 2012 respectively.

A company is a resident of Australia for tax purposes if:

- it is incorporated in Australia, or
- not incorporated in Australia but carries on business in Australia and has either:
  - its central management and control in Australia, or
  - its voting power controlled by Australian-resident shareholders.

For the 2010–11 income year, the combined number of non-resident companies and permanent establishments continued to account for less than 1% of total companies.

**TABLE 11.2: Companies by residency status, 2009–10 and 2010–11 income years**

Residency status	2009–10 <sup>1</sup>	2010–11 <sup>1</sup>
	No.	No.
Resident	777,324	786,948
Non-resident	1,382	1,441
Permanent establishment <sup>2</sup>	543	594
<b>Total</b>	<b>779,249</b>	<b>788,983</b>

<sup>1</sup> Data for the 2009–10 and 2010–11 income years includes data processed up to 31 October 2011 and 31 October 2012 respectively. Data for 2009–10 revised.

<sup>2</sup> In general, a permanent establishment is a fixed place of business in one country at or through which a resident of another country carries on business.

## INDIVIDUAL FOREIGN INCOME

The assessable income of a resident individual will include income derived directly or indirectly from sources outside of Australia during the income year. For the 2010–11 income year, individuals reported total foreign-sourced income of \$3.2 billion, a 4.9% increase from the previous year.

**TABLE 11.3: Individual assessable foreign-sourced income, by taxable income, 2010–11 income year**

Taxable income	2010–11 <sup>1</sup>	
	No.	\$m
\$6,000 or less	49,081	57
\$6,001 – \$37,000	328,601	688
\$37,001 – \$80,000	264,740	603
\$80,001 – \$180,000	162,124	682
\$180,001 or more	53,005	1,161
<b>Total<sup>2</sup></b>	<b>857,551</b>	<b>3,191</b>

<sup>1</sup> Data for the 2010–11 income year includes data processed up to 31 October 2012.

<sup>2</sup> Totals may differ from the sum of the components, due to rounding.

### COMPANY FOREIGN INCOME

For the 2010–11 income year, the net foreign income of companies increased by 52.9% to \$11.5 billion.

The finance and insurance services industry remained the highest contributor to company net foreign income at 54.3% of total net foreign income.

**TABLE 11.4: Companies' net foreign income, by industry, 2009–10 and 2010–11 income years**

Industry <sup>1</sup>	2009–10 <sup>2</sup>		2010–11 <sup>2</sup>	
	No.	\$m	No.	\$m
Agriculture, forestry and fishing	282	15	314	59
Mining	80	252	89	223
Manufacturing	451	871	427	926
Electricity, gas, water and waste services	17	14	15	35
Construction	401	87	371	60
Wholesale trade	492	353	506	380
Retail trade	293	91	279	178
Accommodation and food services	151	50	152	34
Transport, postal and warehousing	150	-76	118	52
Information media and telecommunications	222	185	212	198
Finance and insurance services	5,447	4,637	5,151	6,237
Rental, hiring and real estate services	1,046	225	1,032	95
Professional, scientific and technical services	1,449	508	1,432	2,651
Administrative and support services	170	79	164	95
Public administration and safety	22	5	17	2
Education and training	80	11	71	22
Health care and social assistance	223	29	193	14
Arts and recreational services	144	36	147	30
Other services	178	27	186	52
Other <sup>3</sup>	1,730	120	1,847	151
<b>Total<sup>4</sup></b>	<b>13,028</b>	<b>7,520</b>	<b>12,723</b>	<b>11,495</b>

1 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

2 Data for the 2009–10 and 2010–11 income years includes data processed up to 31 October 2011 and 31 October 2012 respectively. Data for 2009–10 revised.

3 Includes companies lodging under the 'nil company returns' code, which includes non-taxable companies or companies with nil company returns and companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

4 Totals may differ from the sum of the components, due to rounding.

**SUPERANNUATION FUND FOREIGN INCOME**

Superannuation fund returns are prepared under the assumption of residence – except for a non-complying fund that is a foreign superannuation fund, in which case the trustee is assumed to be a non-resident.

In the 2010–11 income year, net foreign income of super funds increased by 27.0% to a total of around \$9.5 billion.

**TABLE 11.5: Super fund foreign income, 2009–10 and 2010–11 income years**

Selected labels	No.	2009–10 <sup>1</sup>	No.	2010–11 <sup>1</sup>
		\$m		\$m
<b>Gross foreign income</b>				
Self-managed super funds	159,938	345	156,270	452
APRA and other super funds <sup>2</sup>	3,515	9,923	3,148	11,168
<b>Total<sup>3</sup></b>	<b>163,453</b>	<b>10,268</b>	<b>159,418</b>	<b>11,620</b>
<b>Net foreign income</b>				
Self-managed super funds	159,699	341	156,083	427
APRA and other super funds <sup>2</sup>	3,475	7,116	3,146	9,044
<b>Total<sup>3</sup></b>	<b>163,174</b>	<b>7,457</b>	<b>159,229</b>	<b>9,471</b>

<sup>1</sup> Data for the 2009–10 and 2010–11 income years includes data processed up to 31 October 2011 and 31 October 2012 respectively.

<sup>2</sup> Includes Australian Prudential Regulatory Authority (APRA) regulated funds, funds that nominated 'other' on their tax return, and non-regulated funds.

<sup>3</sup> Totals may differ from the sum of the components, due to rounding.

### PARTNERSHIP AND TRUST FOREIGN INCOME

Partnership and trust returns are completed on the assumption of residence, but non-resident partners or beneficiaries are generally only taxed on their interest on Australian-sourced income and some specific amounts that are not dependent on source.

In the 2010–11 income year, net foreign income reported by partnerships and trusts increased by 24.5% and 11.2% respectively.

**TABLE 11.6: Partnership and trust assessable foreign income, 2009–10 and 2010–11 income years**

Selected labels	2009–10 <sup>1</sup>		2010–11 <sup>1</sup>	
	No.	\$m	No.	\$m
<b>Partnerships</b>				
Attributed foreign income <sup>2</sup>	22	1	21	..
Gross foreign income	2,265	232	2,185	310
Net foreign income	2,243	139	2,183	173
<b>Trusts</b>				
Attributed foreign income	541	258	307	100
Gross foreign income	56,736	24,298	54,750	28,870
Net foreign income	56,615	16,884	54,655	18,774

<sup>1</sup> Data for the 2009–10 and 2010–11 income years includes data processed up to 31 October 2011 and 31 October 2012 respectively.

<sup>2</sup> '..' means rounded to zero, but not zero.

### SOURCE OF INTERNATIONAL TAXATION STATISTICS

The international tax statistics in this chapter are sourced from 2010 and 2011 individual, company, super fund, partnership and trust income tax returns processed by 31 October 2011 and 31 October 2012 respectively. The statistics are not necessarily complete as not all returns are processed by 31 October each year.

The statistics in the detailed tables for individuals have been updated for the 2006–07 to 2010–11 income years to include returns processed by 31 October 2012. The statistics in the detailed tables for other entities have all been updated for the 1989–90 to 2010–11 income years to include returns processed by 31 October 2012 (where possible). We recommend that you exercise caution in comparing the statistics for the current year and previous years.

A copy of each of the individual, company, partnership, trust and super return forms is in the appendix – you can view or download them in PDF file from the attached CD-ROM, or from the online version of *Taxation statistics* on our website at [ato.gov.au](http://ato.gov.au)

### INTERNATIONAL CHAPTER TABLES

The international chapter tables are on the attached CD-ROM and included in the online version of this publication on our website – you can view or download all the chapter tables in Excel.

### LIST OF INTERNATIONAL TAXATION DETAILED TABLES

The following detailed table is on the attached CD-ROM and included in the online version of this publication on our website – you can view or download the table as a PDF or Excel file.

#### Table 1: Selected international items, 1989–90 to 2010–11 income years

This table shows selected items from the individual, company, super fund, partnership and trust tax returns for multiple income years.

 In order to comply with privacy regulations, statistics for some items may not be included in this table.