Australian Government
Australian Taxation Office

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.

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 for tax purposes, you treat the asset as though you acquired it when you became an Australian resident for tax purposes.

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 county
  - 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. Use our Foreign income conversion calculator.

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

- the exchange rate 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 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.

This is a general summary only.
More information is available in English, go to ato.gov.au/foreignincome or speak to a registered tax professional.

NAT 75829-08.2026 DE-85381