
Working overseas doesn't automatically make you a tax non-resident

If you're thinking about taking a job overseas, don't assume you'll automatically become a foreign resident for Australian tax purposes. A recent Federal Court case involved an engineer who lived and worked in Dubai for around five years. Despite spending most of that time overseas, he remained an Australian tax resident under one of the residency tests.

His ongoing ties to Australia included his family home in Perth, investment properties, Australian bank accounts and superannuation. His wife and children largely remained in Australia, and he returned 12 times during the five-year period.

Why does this matter? Australian tax residents are generally taxed on their worldwide income, while foreign residents are generally taxed only on Australian-sourced income. Getting your residency status wrong can be costly.

There's no simple time-based rule or other safe harbour that automatically makes you a foreign resident after a certain period overseas. Your tax residency depends on your overall circumstances, including your living arrangements, family connections, assets, employment arrangements and intentions.

If you're working overseas now, planning an overseas assignment or returning to Australia after time abroad, it's worth checking your residency position so you can get your tax right. Talk to us if you'd like help working through the rules.

Crypto tax for individual investors: beware CGT on your digital assets

Investing in cryptocurrency? It's important to remember that the ATO generally treats crypto as a capital gains tax (CGT) asset.

Many investors focus on tax when they convert crypto back into cash, but selling isn't the only event that can have tax consequences. Exchanging one crypto asset for another or disposing of crypto in other ways can also trigger a CGT event. That means it's important to keep good records of every transaction, including

dates, values and details of what was bought, sold or exchanged.

While profitable transactions can result in a capital gain, losses may also occur. Those losses aren't necessarily wasted, but they generally can't be used to reduce your salary or other income. Instead, capital losses are generally used against capital gains.

If you've held a crypto asset for at least 12 months, you may be entitled to the CGT discount, which can reduce the taxable capital gain.

It's also worth remembering that the ATO receives information about crypto transactions through its data-matching programs. Leaving crypto transactions out of your tax return is becoming increasingly difficult.

Fuel tax credits: are you using the right rate?

If your business claims fuel tax credits, you should always make sure you're using the correct rates before lodging your next BAS.

Fuel tax credit rates changed again on 3 August 2026 following CPI indexation. This is the fourth rate movement this year, following earlier changes in February, April and July.

For many businesses, the key issue is timing. Fuel tax credits are generally calculated using the rate that applied when the fuel was acquired, not when it was used. That means a single BAS period may include fuel purchased under more than one rate.

The changes can affect a wide range of businesses, including transport operators, primary producers, tradies, contractors and businesses that use fuel in plant, equipment or generators. Businesses that store bulk fuel may also need to pay particular attention to their records. Keeping clear information about purchase dates, fuel types and business use can make it much easier to calculate claims correctly.

The ATO recommends using its fuel tax credit calculator to help ensure the correct rates are applied.

Drawing on super doesn't necessarily mean stopping work

Many people assume that once they start drawing on their super, there's a limit on how much they can earn from part-time or casual work. For self-funded retirees, that's generally not the case.

If you're not receiving the Age Pension or another means-tested government payment, there's generally no cap on what you can earn simply because you're drawing an income from your super. Any wages you earn are still taxed in the usual way, but receiving super benefits doesn't automatically restrict your ability to work.

The more important question is whether you've met a condition of release that allows you to access your super in the first place. For example, many people can access their super once they reach age 65, regardless of whether they're still working. People aged between 60 and 64 may also be able to access their super if they've retired or met another condition of release.

Many people over 60 receive super benefits tax-free from a taxed super fund, while any employment income they earn continues to be taxed under the ordinary income tax rules.

If you're drawing on your super and thinking about returning to work, or reducing your hours rather than retiring completely, it's worth checking how the rules apply to your circumstances before making decisions.

A little about account-based pensions

As retirement approaches, one of the biggest decisions many people face is how to turn their super savings into an income. An account-based pension is one option. Rather than taking your super as a lump sum, an account-based pension allows you to transfer some or all of your super into a retirement income account and receive regular payments over time.

Many retirees are attracted to account-based pensions because they offer flexibility. You can generally choose how often you receive payments and how much income you draw, subject to minimum annual payment requirements. Depending on your fund's rules, you may also be able to withdraw lump sums when needed.

However, account-based pensions aren't risk-free. Your money stays invested, which means your account's value can rise or fall depending on investment performance and how much you withdraw. The decisions you make about investments and income levels can affect how long your retirement savings last.

Account-based pensions can also offer favourable tax treatment in retirement, although the tax rules can be complex and will depend on your personal circumstances. An account-based pension is just one of several ways to access your super in retirement. If you're starting to think about retirement income options, it's worth understanding how the different approaches work before making decisions.

Important: Clients should not act solely on the basis of the material contained in Client Alert. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. Client Alert is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval.