



## Backpacker Operators Alliance of Victoria

# TAX INFORMATION FOR BACKPACKERS

### **WHEN CAN YOU LODGE YOUR TAX RETURN?**

The tax year in Australia is from the 1st of July until the 30th of June of the following year. You can lodge your tax return as soon as the tax year ends, after the 30th of June. You have until the 31st of October to apply.

Most people think they have to have left the country to apply to lodge their tax return. This is not the case. For example, if you have been working during the 2009 tax year (July 1st 2008 – June 30th 2009) you can apply to lodge your tax return now and still continue to work in Australia.

### **WHAT IF I WORKED IN AUSTRALIA DURING 2007, 2008 CAN I CLAIM MY TAX BACK FROM THEN ALSO?**

Yes. You have up to 5 years to lodge your Australian tax return. Taxback.com can claim your tax return as far back as 2004.

### **How long does it take to receive your tax refund?**

Once your full application has been sent to the Australian Taxation Office (ATO), it should take around 10 working days to receive notification about your tax refund providing there are not backlogs in processing.

### **WHAT IF YOU WANT TO APPLY FOR YOUR TAX RETURN OUTSIDE OF THE NORMAL TAX PROCESSING TIME?**

If you have finished working and are leaving Australia during the middle of the tax year you do not have to wait until the end of the tax year to apply. You can apply for an early assessment. This process is a paper application and takes approximately 6-8 weeks.

### **ARE YOU ENTITLED TO GET BACK 100% OF THE TAX YOU PAID?**

No, you are only entitled to claim back the tax you overpaid.

The good news is that most working holiday makers and international students overpay tax and may be due a tax refund. This can occur because they didn't work the whole tax year or they were taxed at the incorrect rate etc.

### **WHAT IS THE AVERAGE TAX REFUND FOR BACKPACKERS?**

The amount you get back depends on how much you earned, what tax you paid, your visa, where you worked etc. Travellers that go through a tax agent get an average Australian refund of \$2500 and can have their money sent anywhere in the world.

### **DO I NEED TO BE A RESIDENT FOR TAX PURPOSES TO RECEIVE A TAX REFUND?**

In order to be entitled to claim a tax refund you must be deemed a resident for tax purposes. There are a few different reasons why someone may qualify as a resident for tax purposes but generally if you have been in Australia for more than six months (183 days) you will be due some kind of tax refund.

### **CAN ANYONE WHO HAS BEEN WORKING AND PAYING TAX IN AUSTRALIA APPLY FOR A REFUND?**

Yes, in fact it is a legal requirement to file an income tax return for any income you earned while working in Australia. Even working holiday makers and student visa holders are legally obliged to file a tax return as part of their visa so it is very important to do so to make sure all your affairs are in order, particularly if you plan on staying in Australia and applying for permanent residency.

### **WHAT ARE THE KEY DOCUMENTS YOU NEED FROM YOUR EMPLOYER TO APPLY FOR A TAX REFUND?**

To apply for your tax return, you need a copy of your Payment Summary Statement (the equivalent to the P60 in Ireland / UK or the W2 in the US) from each of the employers you had in Australia. The Payment Summary Statements are issued once the tax year has ended, after the 30th of June and you should receive your Payment Summary Statement during the first 2-3 weeks in July. If you don't receive it, you should contact your employers to ask for it.

### **AND SUPERANNUATION... HOW DO WE GO ABOUT CLAIMING THIS BACK?**

Superannuation relates to your pension fund. If you earn more than \$450 a month, your employer must pay 9% of your salary to a superannuation fund. You can apply for your superannuation refund you need to have left the country permanently and / or your visa has to be expired.

To apply for your superannuation, you will need the name of your Superannuation fund and your account number but a tax agent should also be able to retrieve this information for you also.



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### FINALLY

You can only get a tax free threshold on one job so each person only has a tax free threshold of \$6000 if they are a resident for tax purposes. People arriving in Australia on a working holiday or student visa are not residents for tax purposes and pay 29% on every dollar they earn.

You can only claim a tax free threshold if you put yourself down as a resident for tax purposes on your tax declaration once you have been in Australia for more than 183 days. So backpackers will benefit from the tax free threshold when they complete their tax return either at the end of the tax year or when they are leaving the country.

You can then claim back all the tax you paid in the first \$6000 earned and the tax overpaid, i.e. the difference between the 15% resident rate and the 29% you have been paying as non-residents for tax purposes. The income will be viewed as a whole not as two separate jobs so you will be able to claim tax back from both incomes.

### INFORMATION & ADVICE FOR BACKPACKERS

#### Legal Rights & Responsibilities

- You can work with one employer for no more than 6 months. It is important to be honest and upfront with your employer about your visa status and your availability
- You are subject to the same rights and responsibilities as local employees
- You are subject to the same pay rates and working conditions as local employees
- To work in any environment where there is alcohol served (RSA) or where gambling occurs (RCG), you may be required to complete relevant courses to be legally permitted to work. The requirements differ from state to state so it is important to do your research

### TAXATION

- To work legally in Australia you must have a Tax File Number (TFN)
- Non-resident tax rates for the 2009/10 financial years are as follows;

Taxable income	Tax on this income
\$0 – \$35,000	29c for each \$1
\$35,001 – \$80,000	\$10,150 plus 30c for each \$1 over \$35,000
\$80,001 – \$180,000	\$23,650 plus 38c for each \$1 over \$80,000
\$180,001 and over	\$61,650 plus 45c for each \$1 over \$180,000

### SUPERANNUATION

- Superannuation is a compulsory retirement/pension fund that all employers of Australian tax payers earning over \$450 per calendar month contribute to, on a regular basis
- You will be paid 9% superannuation if you are earning \$450.00 or more per calendar month. You can claim back your Superannuation once your visa has expired and you have left Australia

### HINTS & TIPS

- It generally takes approximately 1- 4 weeks to secure work in Australia depending on the type of work you want to do. If you are looking for career related roles, it can take much longer
- Ensure your CV uses Australian grammar and spelling and is relevant to the positions you are applying for
- Door knocking is an effective way of securing work, particularly if you are planning on working in hospitality
- Obtain written references from your employers overseas
- This information is from BOAV, please visit [www.ato.gov.au](http://www.ato.gov.au) or contact 13 28 61 for further information.

### USEFUL LINKS

- [www.diac.gov.au](http://www.diac.gov.au)
- [www.ato.gov.au](http://www.ato.gov.au)
- [www.iep.org.au/workaustralia](http://www.iep.org.au/workaustralia)
- [www.gumtree.com.au](http://www.gumtree.com.au)
- [www.seek.com.au](http://www.seek.com.au)

