TAX DOCTORZ
CHARTERED ACCOUNTANTS · TAX & BUSINESS ADVISORY

Tax on both sides of the Tasman.

A plain-language guide for people who live, work, invest or retire across Australia and New Zealand: residency, the tax treaty, income from the other country, capital gains, KiwiSaver and super, and the traps we see most.

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FOR

Clients and prospective clients with Australia–New Zealand affairs

What this guide covers.

Nobody else on either side of the Tasman explains the two systems together. This guide does, in the order the questions arrive.

How to use it

Read section 01 first: residency decides everything else. Then go to the section that matches your situation. Each section ends with the official sources it was checked against, so you can see the rule for yourself.

What it is not

General information current at 21 September 2026. Both countries change their rules every year and your facts change the answer. It is not advice, and nothing here replaces a conversation about your circumstances. Liability limited by a scheme approved under Professional Standards Legislation.

> TWO CALENDARS
>
> Australia's tax year runs 1 July to 30 June. New Zealand's runs 1 April to 31 March. Income and tax paid in one country are apportioned into the other's year, which is why NZ figures never drop straight into an Australian return.

01 Which country taxes you

A resident is taxed on worldwide income. A non-resident is taxed only on income from that country. Each country runs its own tests, and it is possible to pass both at once.

Australia's four tests

- **Resides.** Do you live here in the ordinary sense: where you sleep, work, keep your family, assets and social life, and what you intend?
- **Domicile.** If your permanent home is legally Australia, you stay resident unless your permanent place of abode is genuinely overseas.
- **183 days.** More than half the income year in Australia makes you resident unless your usual home is elsewhere and you do not intend to settle.
- **Commonwealth super.** Members of certain federal government schemes.

The ATO's ruling TR 2023/1 stresses there are no bright lines: the first three tests weigh the whole picture. A reform to a simple 183-day rule was consulted on in 2023 and is **not law**.

New Zealand's tests

- **183 days.** More than 183 days in NZ in any 12-month period makes you resident from the first of those days. Part-days count.
- **Permanent place of abode.** A place in NZ where you usually live keeps you resident even if you are away, weighing family, property, work and intention to return.
- **Leaving.** You stop being NZ resident only when you have been away more than 325 days in 12 months **and** have no permanent place of abode in NZ.

New arrivals to NZ

Migrants and returning Kiwis who were non-resident for the previous ten years get a once-only **transitional resident** exemption: most foreign income (interest, dividends, rent, foreign investment income) is exempt for four years. Employment and personal-services income is not. One line of foreign income on an IR3, or a Working for Families claim, ends it permanently.

> NEW ZEALAND CITIZENS IN AUSTRALIA: THE TEMPORARY-RESIDENT RULE
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> Most New Zealanders enter on the Special Category visa (subclass 444). For tax, an NZ citizen on a **non-protected** SCV (broadly, arrived after 26 February 2001) with no Australian-citizen or permanent-resident spouse is a **temporary resident**: taxed only on Australian-sourced income and Australian property, with no Australian CGT on assets outside Australia. The day you or your spouse becomes an Australian citizen or permanent resident, including through the direct citizenship pathway, that status ends for good, worldwide income becomes taxable, and your non-Australian assets are treated as acquired at market value on that date. Plan the timing.

Sources (checked 21 September 2026): ATO, Your tax residency (3 Jun 2026) · ATO TR 2023/1 · ATO, Foreign and temporary residents (3 Jun 2026) · ATO TD 2012/18 · Treasury consultation c2023-205344 · IRD, Tax residency status for individuals (25 Jun 2026) · IRD, Temporary tax exemption (17 Jun 2026)

02 The treaty: who gets the first bite

The 2009 Australia–New Zealand Convention decides which country may tax each kind of income, and how the other must give credit, so the same dollar is not taxed twice.

If you are resident of both

The tie-breaker in Article 4 is applied in strict order and the first test that gives an answer wins: (1) where you have a **permanent home**; if in both or neither, where your personal and economic relations are closer, the **centre of vital interests**; (2) where you have a **habitual abode**; (3) **nationality**; (4) agreement between the two tax offices. Document the facts behind the answer: it is the first thing either revenue authority asks for.

INCOME	WHO MAY TAX IT	WHAT THAT MEANS FOR YOU
Rent from real property	The country where the property is	NZ rent is taxed in NZ first; an Australian resident declares it again in Australia and claims the offset (section 03).
Business profits	Your country of residence, unless the business operates through a permanent establishment in the other	An Australian resident's NZ profits are taxed in NZ only if there is a fixed place of business or dependent agent there.
Employment	Where the work is done, unless you are there 183 days or fewer in any 12 months, paid by a non-resident employer, and the cost is not borne by a local branch; a separate 90-day secondment exemption also exists	Short work trips usually stay taxed at home; a posting does not.
Dividends	Both, but the source country's tax is capped at 15% (5% for a company owning 10% or more; 0% in narrow cases)	See section 04.
Interest	Both, source-country tax capped at 10% (0% to banks and governments)	NZ bank interest to an Australian resident bears NZ NRWT then Australian tax with an offset.
Royalties	Both, source-country tax capped at 5%	
Pensions	Periodic pensions: only your country of residence. Retirement lump sums: only the country they come from	Timing a lump sum around a move changes which country taxes it.
Government service	The paying government, with exceptions for locals	
Capital gains	Real property (and land-rich shares) where the land is; everything else only in your country of residence	See section 05.

RELIEF FROM DOUBLE TAX

Article 23 obliges each country to credit the tax properly paid in the other, within its own domestic rules. In Australia that is the foreign income tax offset; in NZ, the foreign tax credit. You end up paying roughly the higher of the two countries' tax, not both.

Sources (checked 21 September 2026): Convention between Australia and New Zealand (2009), synthesised text with the MLI (ATO, 29 May 2025), Articles 4, 6, 7, 10–14, 18, 19, 23 · Treasury, income tax treaties (24 Mar 2026)

03 Income from the other country

Australian resident with NZ income

You declare worldwide income in Australia, converted to Australian dollars, including NZ rent, business profits, interest, dividends and salary. For NZ tax actually paid on that income you claim the **foreign income tax offset** (FITO). Claims above $1,000 are limited to the Australian tax on the foreign income; any excess is lost, not refunded or carried forward.

- **NZ rental property.** Taxed in NZ first (a non-resident IR3NR return), then declared in Australia with the offset. Australian deduction rules apply to the Australian calculation, so the taxable amounts can differ.
- **NZ business.** Taxed in NZ only if there is a permanent establishment there; otherwise only in Australia.
- **NZ interest and dividends.** NZ withholds non-resident withholding tax at the treaty rate; claim it as FITO.
- **Records.** Keep the NZ return, NZ assessment and evidence of tax paid: the offset is only allowed for tax actually paid.

NZ resident with Australian income

New Zealand taxes residents on worldwide income (unless you are within the transitional resident window), with a credit for Australian tax up to the NZ tax on the same income.

- **Australian rental property.** Australia taxes a foreign resident's rent at foreign-resident rates: **30% from the first dollar** to $135,000, then 37% and 45%, with no tax-free threshold and no Medicare levy. Lodge an Australian return each year.
- **Selling it.** Capital gains tax applies, with **no 50% discount** for the time you were a foreign resident (gains since 8 May 2012), and the buyer must withhold **15%** of the price and pay it to the ATO unless you obtain a clearance or variation first.
- **Australian employment** while living in NZ follows the treaty's employment article.

> BOTH TAX OFFICES ALREADY KNOW
>
> Australia and New Zealand exchange bank and investment information automatically under the Common Reporting Standard. Interest, dividends and account balances in the other country are matched against returns. Leaving NZ income off an Australian return is found, not missed.

Worked example

Sam moves from Wellington to Brisbane in October, becomes an Australian resident, and keeps a Wellington rental earning NZ$18,000 a year. NZ taxes the rent through an IR3NR. In Australia, Sam declares the rent for the period from October, converted to AUD, deducts expenses under Australian rules, and claims FITO for the NZ tax paid on that period's income. Because NZ's year ends 31 March and Australia's 30 June, the NZ figures are apportioned across two Australian years.

Sources (checked 21 September 2026): ATO, Claiming a foreign income tax offset (8 Jun 2026) · ATO, Guide to FITO rules 2025 · ATO, Tax rates – foreign residents (1 Jun 2026) · ATO, CGT discount for foreign residents (22 Jun 2026) · ATO, Foreign resident capital gains withholding (22 Jun 2026) · IRD, Non-residents renting out NZ residential property (22 Mar 2024) · IRD, NZ tax residents and DTAs (29 May 2026) · ATO and IRD, Common Reporting Standard

04 Dividends, interest and franking

Australian franking credits and NZ imputation credits stay at home. An NZ resident receiving an Australian dividend cannot use the franking credit in NZ; an Australian resident receiving an NZ dividend cannot use the NZ imputation credit in Australia. The "trans-Tasman imputation" rules only let a *company* elect to join the other country's system. What you can claim is the withholding tax the source country deducted, at the treaty rate (dividends 15%, or 5% for a company shareholder with 10% or more; interest 10%; royalties 5%), as a credit in your country of residence.

> PRACTICAL EFFECT
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> A fully franked Australian dividend is worth less to an NZ resident than to an Australian one, and NZ dividends carry Australian tax at your marginal rate with only the NZ withholding as a credit. Where you hold shares, and through what, deserves a look before a move.

Sources (checked 21 September 2026): ATO, Trans-Tasman imputation for NZ companies (8 Nov 2016) · IRD, Trans-Tasman imputation for NZ shareholders (28 Apr 2021) · Convention Articles 10–12

05 Capital gains when you move, and when you sell

Becoming an Australian resident

On the day you become a resident (and are not a temporary resident), you are treated as having acquired your non-Australian assets at their **market value** on that day. Only growth after arrival is taxed in Australia. Get valuations of NZ shares, funds and property as at the arrival date; the file you build now decides the tax on a sale years later.

Ceasing Australian residency

Leaving triggers a deemed sale of your non-Australian-property assets at market value (CGT event I1), with the 50% discount if you were resident throughout. You can instead **choose to defer**, in which case those assets are treated as Australian property until you sell them or return. The choice is made in the return, so it is easy to make by accident either way.

Australian residents throughout

Individuals and trusts get the 50% discount on assets held at least 12 months, during 2026–27. Legislated changes replace the discount with cost-base indexation and a 30% minimum rate for gains accruing from 1 July 2027, and limit negative gearing to new builds for later purchases. Timing a sale now needs both sets of rules.

New Zealand

NZ has no general capital gains tax. Gains on property are taxed only where you bought with an intention to resell, are a dealer, developer or builder, or sell within the **bright-line** period, which is **two years** for sales from 1 July 2024, with main-home, business-premises and farmland exclusions.

Selling Australian property as a foreign resident

No discount for the foreign-resident period, 15% withholding at settlement, and the main-residence exemption is generally lost if you are a foreign resident at the contract date.

Sources (checked 21 September 2026): ATO, How changing residency affects CGT (22 Jun 2026) · ATO, CGT discount (29 Jun 2026) · ATO, Tax reform – negative gearing and capital gains tax (29 Jun 2026) · ATO, Foreign and temporary residents (3 Jun 2026) · IRD, The bright-line test (1 Apr 2026)

06 KiwiSaver and Australian super

Since 2013 retirement savings can follow you across the Tasman under the Trans-Tasman retirement savings portability scheme. It is voluntary, all-or-nothing, and has rules that outlast the transfer.

RULE	KIWISAVER → AUSTRALIAN SUPER	AUSTRALIAN SUPER → KIWISAVER
When	After you have permanently emigrated to Australia	After you have permanently emigrated to New Zealand
Which funds	Only an APRA-regulated complying fund that accepts transfers. **Not a self-managed super fund.**	Any KiwiSaver scheme that accepts transfers
How much	The whole balance. Partial transfers are not allowed.	
Tax on entry	None in either direction.	
Contribution caps	NZ-sourced money counts as a non-concessional contribution against the Australian cap ($130,000 in 2026–27, with bring-forward). Australian-sourced money returning home is not re-counted if the fund receives a component statement; without it, everything counts.	KiwiSaver has no cap
Access	Australian-sourced part at 60 and retired. NZ-sourced part not until 65, wherever it sits.	Same split: the Australian-sourced component stays under Australian access rules
First home	An NZ-sourced transfer can be released under Australia's First Home Super Saver scheme (treated as one after-tax contribution, subject to the scheme's limits)	Australian-sourced money in KiwiSaver cannot be used for a first-home withdrawal
Onward moves	Transferred money cannot move on to a third country.	

Should you transfer at all?

- Consolidation and one set of fees, versus the cap test and losing NZ's flexibility.
- A large KiwiSaver balance can breach the non-concessional cap; the bring-forward rule and

What we do

- Check your total super balance and cap room before the forms are signed.
- Obtain the component statement so returning Australian money is not counted twice.

your total super balance decide whether it fits.

- Investment choice, insurance inside the fund and currency exposure all change.
- Moving to Australia does not let you cash out KiwiSaver: transfer it or leave it, but do not forget it.
- Record the NZ-sourced component so the 65 access rule is applied correctly later.
- Match the timing to your residency date and any first-home plans.

Sources (checked 21 September 2026): ATO, Trans-Tasman retirement savings transfers (3 Jun 2024) · ATO, Non-concessional contributions cap (7 May 2026) · ATO, First Home Super Saver scheme – about your contributions (2026) · ATO GN 2024/1 · Moneysmart, Getting your super (6 Aug 2026) · IRD, Getting my KiwiSaver when I retire (16 Jan 2026) · IRD, KiwiSaver when I move overseas (28 Apr 2021)

07 Student loans, pensions and the arrival year

Australian HELP debt while living in NZ

- Tell the ATO within 7 days of leaving if you will be away 183 days or more in a year.
- Report your **worldwide income** to the ATO by 31 October each year, or lodge a non-lodgment advice if it is below the threshold.
- Compulsory repayments continue on worldwide income at the Australian rates (nil below the 2026–27 threshold of $69,528, then 15c per dollar and up). The debt keeps indexing.

NZ student loan while living in Australia

- You are overseas-based after 184 days away; **interest** (5.6% for the 2027 tax year, plus a $40 annual fee) runs from the day after you leave.
- Repayments are fixed by balance, in two instalments (30 September and 31 March), not by income.
- A temporary repayment suspension of up to 12 months exists but interest still accrues. Inland Revenue has arrested defaulting borrowers at the border.

Pensions and retirement income

- Periodic pensions and super income streams are taxed only where you live, subject to a carve-out for amounts that would be untaxed at source.
- Retirement **lump sums** are taxed only in the country they come from: the timing of a lump sum relative to a move decides the tax.
- NZ Superannuation and the Australian Age Pension have their own portability and residence rules outside this guide.

The year you arrive in Australia

- You are a part-year resident: worldwide income from the arrival date, Australian-sourced income before it.
- The tax-free threshold is pro-rated: $13,464 plus $4,736 for each month you were resident, counting the month of arrival.
- Medicare levy applies from arrival, unless exempt.
- Valuations of non-Australian assets at the arrival date set your future capital gains (section 05).

The year you leave

- Declare foreign income only up to the departure date; Australian interest, dividends and royalties after departure are subject to final withholding instead of a return.

- Decide, deliberately, whether to defer the departure capital gain.

Sources (checked 21 September 2026): ATO, Overseas obligations when repaying loans (30 Jun 2026) · ATO, Study and training support loans rates and thresholds (30 Jun 2026) · IRD, Repaying my student loan when I live overseas (5 May 2026) · IRD, Student loan interest and fees (1 Apr 2026) · ATO, Tax-free threshold for newcomers (3 Jun 2026) · Convention Article 18

08 The traps we see most

Each of these has cost someone real money. None is hard to avoid with a conversation before the move, the sale or the transfer.

01 **Dual residency by accident.** NZ residency is backdated to day one and persists until you have been away 325 days with no NZ home; Australian residency can start on arrival. Apply the treaty tie-breaker and keep the evidence.

02 **The temporary-resident cliff.** Many post-2001 New Zealanders in Australia are temporary residents with no Australian tax on NZ assets. Citizenship, permanent residency or an Australian-resident spouse ends that permanently and resets asset values at that date.

03 **Undeclared NZ interest and dividends.** The two tax offices exchange account data automatically. Declare it and claim the offset; the tax is usually small, the penalty for silence is not.

04 **KiwiSaver left behind, or transferred blind.** No cash-out on moving; transfers are all-or-nothing, count against the Australian cap, and need the component statement.

05 **Access ages.** Australian-sourced money at 60 and retired; NZ-sourced money at 65, regardless of which fund holds it.

06 **NZ trusts with Australian beneficiaries.** Distributions and loans from a foreign trust to an Australian resident are assessable, sometimes with an interest charge, even when the trust paid no NZ tax.

07 **Ending the transitional exemption by mistake.** One foreign-income figure on an IR3 or a Working for Families claim ends NZ's four-year exemption for good.

08 **Selling Australian property from NZ.** 15% withheld at settlement, no discount for the foreign-resident period, and possibly no main-residence exemption.

09 **The departure-day choice.** Deferring the deemed capital gain on leaving Australia is a choice made in the return; make it on purpose.

10 **Lump sums and the move.** A retirement lump sum is taxed only where it comes from. A week's difference in timing can change the country, and the bill.

TALK TO US BEFORE, NOT AFTER

Residency, the arrival-date valuations, the KiwiSaver transfer and the timing of a sale are all decisions made once. Tax Doctorz advises clients on both sides of the Tasman from Brisbane, in person or online. **0478 905 605 · info@taxdoctorz.com.au · taxdoctorz.com.au**

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