

Exfin Checklist Coming to Australia

2024





A practical checklist for expatriates returning or moving to Australia

Determine which of your personal effects will be:

- **Carried with** you as personal baggage
- **Sent as** airfreight or baggage
- **Shipped**
- **Stored, or**
- **Sold**

Take photos of the main items included in your shipment to assist in any later insurance claims - these photos should be backed up and kept in a secure and accessible online location. Select a relocation agent or removals firm and arrange for a minimum three quotations. Check that all firms base their quotes on similar shipping volumes and similar services (e.g. "door to door" or "door to port") and are appropriately accredited.

Arrange insurance for any items being stored and shipped. Removalists typically offer insurance cover as a percentage of total value. Compare coverage and premiums from third party insurers – it will often be much cheaper, although you may not be able to arrange cover for "self packed" items. If the removalist is not directly represented in Australia determine who their counterparty is in Australia and determine their reputation for service and probity.

Prepare a list of companies and individuals that need to be notified of your change of address and provide a forwarding address in Australia.

Arrange travel insurance – consider the coverage available against the likelihood that there will/might be delays in your outbound journey and in terms of potential medical costs. This should be done early – so that you are covered for any personal events that

may cause delays or cancellation during the entire relocation process.

Bring copies of your family medical and dental records with you – including any optical prescriptions and inoculation records. Note that any medical prescriptions you have may not be valid in Australia and you may need to arrange new prescriptions on arrival back in Australia.

Sell your current house or provide adequate notice of your intention to vacate if you are renting. If, alternatively, you decide to retain a house overseas, bear in mind that you will likely need to continue submitting tax returns in that country and that there may be capital gains tax implications associated with any later sale. Prior tax advice should be considered when determining whether to retain or sell a property overseas - as it may also impact your broad tax residency status.

If you decide to rent out your previous main residence overseas, you may be required to inform any lender of a "change of use" under any loan or mortgage contract. The lender may often then charge you a higher rate of interest because it is now classified as an "investment property". It can be relatively easy for the banks to identify these situations and it is recommended you address the issue prior to leaving for Australia. If you don't inform your bank of a move to Australia there is also the prospect of unusual (overseas) activity on your accounts causing them to be suspended. A local bank account should obviously be maintained to receive rental income and pay bills.

If your affairs are complicated and/or you retain significant assets in the country you are leaving,

then consider providing someone resident in the country, whom you trust, with your [power of attorney](#) to act on your behalf - generally, or in relation to specific matters.

More generally, if your situation is complex and you believe you might benefit from broad financial planning advice around the management of any move or return to Australia, Exfin has a number of advisers with significant experience providing advice in just these circumstances and no cost or commitment attaches to having an [initial discussion with a planner](#).

Arrange temporary or permanent accommodation for your use in Australia on arrival. If you are not returning to your own property in Australia it is important to make accommodation arrangements as early as possible - with current rental markets in Australia being extremely tight. There are two main property websites in Australia which provide extensive coverage of both the sale and rental markets: [realestate.com.au](#) and [domain.com.au](#) which we recommend you review.

If you are looking to purchase your own home in Australia, it is possible to [arrange mortgages for Australian citizens and permanent residents while non-resident](#) and finance can normally be arranged up to 80% of the property valuation, and sometimes more. In other words, you don't need to wait until you arrive back in Australia to purchase - although you shouldn't underestimate the challenges of buying while outside the country and perhaps give some thought to using a buyers' agent.

Note that if you are arriving back and one of a couple is neither an Australian citizen or permanent resident then you may purchase residential property without (FIRB) approval on a joint tenancy basis, but

additional [stamp duty surcharges](#) may apply in relation to half the value of the property.

In many overseas situations individuals will not have access to a local mortgage until they have established a credit score, and this can often take

one or two years. That is not the current situation in Australia and expats returning to employment in Australia should be able to access mortgages within one or two months after arrival - when supporting employment contracts and payslips are available. Much will depend on personal circumstances so [please make contact](#) to confirm your situation - our brokers have access to almost all Australia mortgages and the service is free - the banks pay broker costs in Australia.

In some cases, where expats are not returning to immediate employment in Australia, it may in fact be preferable to arrange a

mortgage prior to a return to Australia while still in employment overseas. Note, however, that it is currently not possible to arrange mortgages for individuals who are self-employed overseas.

For tax purposes, returning expats will likely become resident for Australian tax purposes from the date of their arrival back in Australia. If there is any complexity attaching to your tax situation then prior tax advice should be arranged several months in advance of your arrival, to ensure that you are both compliant and tax effective in relation to your move to Australia. In some circumstances tax advice may also impact the precise timing of your arrival in Australia.

After their return to Australia, some individuals may be contacted by the ATO and asked to submit tax returns covering the period they have been absent - this is particularly if annual 'Return Not Necessary' forms have not been lodged in the interim. [Tax](#)



[advice](#) should be sought to ensure that these requests are dealt with promptly and professionally.

If **anyone** arriving in Australia has never previously been a tax resident of Australia then contact should be made with the [Australian Tax Office \(ATO\)](#) to obtain a tax file number (TFN) as soon as practicable after their arrival. They will need a TFN to establish a superannuation account and will be subject to higher rates of tax on any remuneration until such time as they provide a TFN.

Some situations where specific prior tax advice should be sought include where you are likely to receive remuneration or capital gains payments from overseas following your arrival in Australia, where significant share options or overseas assets are retained, you wish to transfer an overseas pension fund to Australia, if you remain the owner of an overseas company or are the beneficiary of an overseas trust and if you wish to [continue working remotely for a foreign company while in Australia](#).

You must properly “close off” your tax affairs in your current country of residency. It is not sufficient simply to leave the country without notifying the tax authorities and completing, where required, a final tax return. A failure to do so can lead to long-term costs and complexities which far outweigh the effort involved in taking appropriate action prior to your departure.

You should approach any pension providers in your country of residency to obtain a summary of your current entitlements before leaving the country. Whether those entitlements are available for transfer to Australia, and whether that is the right approach, will depend on a range of factors including local legislation, the nature of the pension (whether a defined benefit scheme or otherwise), access conditions, your age and the tax treatment of withdrawals and transfers. It can be tax advantageous to transfer some qualifying pensions

within the first 6 months of arrival in Australia.

This can be a very complicated area and in general terms no transfer should be contemplated without prior professional advice. For an indication of the type of pension transfers that Exfin deal with regularly see our page on [pension transfers to Australia](#).

As a matter of practice, if you have pension funds in your country of residency that you intend to

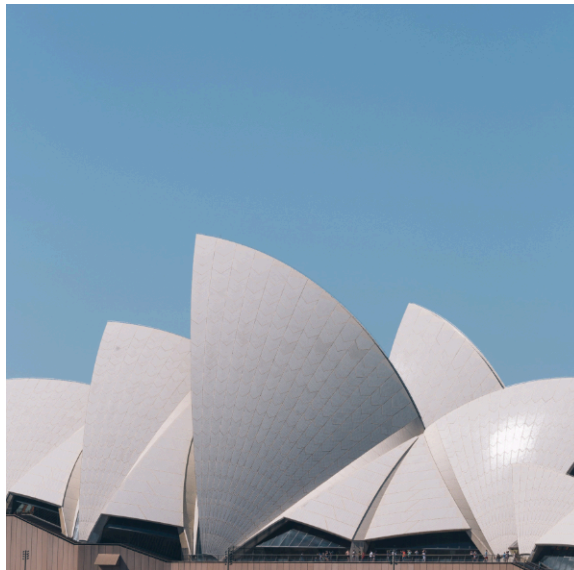
withdraw or transfer, **you should retain a bank account** in that country. Many pension funds will pay withdrawals only into a domestic bank account - or sometimes pay by cheque, which is to be avoided if at all possible, given it is slow, cumbersome, costly and it is becoming more and more difficult to find accepting banks in Australia.

Note that while State pensions are not transferable, there are situations where it makes

sense to make social security contributions in order to maximise your later pension income - the UK state pension is a very good example of where making additional contributions can be advantageous. Otherwise, there are a few countries that will refund social security contributions if you have spent a relatively short time in the country and will not qualify for pension.

Returning Australian expats will, in principle, be immediately covered by [Medicare](#), but Medicare should be contacted promptly after your arrival to ensure that they have your contact details on file and provide you with Medicare cards, where appropriate.

For those looking to take out private health insurance on return to Australia, the Government provides a [private health comparison website](#) that can be used to filter and select the most appropriate insurer.



This may also be a time to review your life insurance cover - particularly if you are currently covered largely through policies in your previous country of residency. Exfin can often arrange life insurance for expatriates through Australian insurers even while living overseas, but it can depend upon a range of factors, including your country of residency. Alternatively, we can arrange for cover to commence on your arrival in Australia but, obviously, care should be taken to ensure there are no gaps in cover while relocating.

You should contact your Australian superannuation fund(s) after arrival and provide them with new contact details and take the opportunity to review any binding nominations you may have in place regarding your funds in the case of your death. Superannuation doesn't automatically flow to your estate on death and death benefit nominations should be reviewed regularly to ensure they remain current and tax effective.

Particularly if you have substantial assets overseas you should ensure that you have a [valid will](#) and that it is securely stored, with the nominated executor knowing the location. You may also need to review how your assets are best managed - it may be preferable to have separate wills covering assets in Australia and the foreign country(ies) rather than one will based in a single jurisdiction.

Attendance at most public schools in Australia is based on catchment zones, although some specialist schools can have state-wide catchments and have very specific entry requirements - [State education department websites](#) should be researched for individual information.

Alternatively, if you plan to send children to a private school in Australia this should be discussed with the school in question as far ahead of your return as practicable - to ensure that a place is available.

Whether the intention is to send any children to public or private schools, our experience is that the location of schools will often be a major driver in terms of where you eventually live in Australia - so

the sooner you have certainty in this regard the better for overall planning.

Particularly if you have teenage children, seek professional advice regarding when is the most appropriate time for their re-entry into schooling and whether, for example, entry into IB is a viable and attractive alternative to the Australian standard curriculum. We maintain a list of [IB schools in Australia](#) and an overview of current [private school fees](#) in the major capital cities.

Approach your current car and "home and contents" insurer to provide you with a "no claim certificate", or letter, giving details of your claim history. Depending on your precise circumstances and insurer this could reduce your premiums in Australia substantially.

If your Australian driving licence has expired then some early contact with the authorities in the state or territory in which you will reside will be necessary. Australian laws and driving regulations differ from state to state - and while some states may require you to have both an International licence and current foreign licence, other jurisdictions may just require you to carry your current foreign driver's licence - together with a formal translation of your licence into English, if necessary.

Restrictions may also exist in terms of how long you can drive on a foreign licence and be aware that driving on a foreign licence might impact local insurance cover if you are not legally compliant.

Most Australian expatriates will have retained bank accounts in Australia, so it is simply a matter of providing your bank with a new contact address in Australia following your arrival. This also means that withholding tax will not be automatically deducted from any future interest income. For those expats who no longer have Australian bank accounts, they are relatively easily established on arrival and indeed prior to arrival. If you open up an account as a non-resident you typically won't be able to make any withdrawals until you've arrived in Australia and arranged to meet bank staff in person.

Exfin can arrange to open fully operational Australian bank accounts for non-residents, allowing both deposits and payments to be made prior to any arrival in Australia, but there is some complexity associated with establishing these accounts and documentary requirements - hence fees are applicable.

In terms of transferring money back to Australia, establish an account with [OFX](#) - an ASX listed specialist foreign currency transfer company, [or other foreign exchange transfer companies](#) as an alternative to dealing with international or Australian banks – or simply as a means of comparing exchange rates on transfers. Simply opting to use international or Australian banks usually represents a (very) high cost alternative, and costs savings in this area can be very significant.

Finally, bringing your pets to Australia can be a complex and expensive undertaking and you need to research the matter in depth and understand in detail the quarantine requirements that will typically apply on arrival. For example, cats and dogs heading to Australia are normally required to spend a

minimum of ten days at a specialist quarantine facility in Mickleham, 90 kilometres north of the Melbourne CBD, and reservations are required.

Note however that [stricter importation conditions have applied since 1 March, 2023](#) - including up to 30 days quarantine periods in some situations - because of heightened concern about the risk posed by rabies and, apparently, past instances of fraudulent supporting documentation.

The Australian Government provides access to significant details regarding the importation process and parameters [online](#), but this is an area where there is no substitute for early, detailed planning if you want to return to Australia with your pets following within a reasonable, humane period. Note that airlines can also be selective in terms of which particular animals they will transport.

Finally, we regularly post issues of significance to expats in our [Exfin Blog](#) - touch base regularly and we are confident that you will be up to date with any significant trends impacting both Australian expats overseas and expats in Australia.

Exfin International Pty Ltd (Exfin) was established in 2005 to provide Australian expatriates with access to experienced and qualified professional services. These services include financial planning, investment advice, Australian and International tax advice, Australian and overseas mortgage broking, insurance services and pension transfers. This Checklist is intended for personal use only and may not be used otherwise, in whole or in part, without Exfin's prior written approval.