

Australian Government funded volunteers abroad

Treatment of payments received under the Australian Volunteers Program

This fact sheet provides guidance on the taxation implications of payments you receive as a volunteer in the Australian Government funded Australian Volunteers Program (the Program). The Program is managed by Australian Volunteers International (AVI).

This fact sheet does not apply to you if you are employed in any capacity by the Department of Foreign Affairs and Trade (DFAT) or AVI.

Are you engaged as an employee of AVI?

No. Volunteers are not employees of AVI. There is no employment contract between Australian volunteers and AVI.

As a condition of acceptance into the Program, volunteers must read and accept all conditions of the Code of Conduct which may include the need to follow certain instructions. AVI may also provide a summary of payments to volunteers at the end of each financial year. In some circumstances this may indicate the existence of an employment relationship. However the ATO is satisfied that volunteers engaged under the Program are not employees of AVI.

Are the allowances you receive from AVI taxable?

No. The allowances you receive are not considered to be assessable income. These payments are not taxable and you do not need to report these payments as income in your income tax return.

Under the Program, volunteers are provided with an allowance to enable them to live a modest and safe local lifestyle. The allowance covers accommodation, living costs and settling in or resettlement allowance if applicable. The allowances are outlined in the Australian Volunteers Guidebook and are based on an objective analysis of the cost of living in a particular country.

The ATO considers that the allowances received are not assessable income due to the following factors:

- Australian volunteers are not employees of AVI
- allowances paid to volunteers are made to help meet living and accommodation costs only. These payments are made to cover a pre-estimate of actual expenditure rather than as a reward for the work performed by the volunteers.

Can I claim a deduction for my expenses incurred whilst volunteering?

No. As the allowance received is not assessable income you cannot claim a deduction for any of your expenses in relation to your involvement with your volunteer work.

Does AVI need to withhold tax?

No. There is no requirement for AVI to provide you with a payment summary or report to the ATO the amounts DFAT pays to you.

More information

For more information on these types of payments, see Taxation Determination [TD 2006/62](#) *Income Tax: are certain payments to a volunteer foster carer to provide foster care assessable income?*

If you wish to discuss your circumstances, call us on 13 28 61.

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We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

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