

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Budget Estimates 2015 - 2016**

Outcome: Higher Education Research and International

Department of Education and Training Question No. SQ15-000442

Senator Carr, Kim provided in writing

Australian graduates living overseas repaying HELP debts

Question

"In regards to the budget announcement that the Government will require Australian graduates living overseas to repay any HELP debts they hold:

(a) How does the Government propose to implement this?

(b) Will the Government follow the advice of Professor Bruce Chapman and bill these graduates for the minimum amount payable each year?

Have you consulted Professor Chapman to ascertain the detail of his proposal?

(c) Alternatively, will the repayments be linked to the income of the graduates, as is implied in Minister Pyne's media release of 2 May? If so, how will that be achieved? How will the ATO ascertain graduates' overseas income levels?

(d) How will you enforce compliance?

(e) What will you do if graduates fail to pay? Will you enact sanctions? What form will these take?

(f) Will you, or do you plan to, establish agreements with foreign governments for this purpose? Which foreign governments? In which countries do the majority of Australian graduates work?

(g) Has the Minister announced that the Government is seeking agreements with the UK and New Zealand? If so, when was this announced? Has a target date for reaching these agreements been finalised?

(h) Will the Government be seeking an agreement with the US?

(i) What are the major work destinations overseas for Australian graduates?

(j) Have you consulted the Tax Office about this? Can you provide details of the consultations you have held? What did they go to?

(k) Have you consulted DFAT about this? What did those consultations cover?

(l) What would be the annual cost of administering this proposal?"

Answer

Implementation details for the income contingent overseas HELP debt recovery arrangements announced in the Budget are currently under development and consideration. Professor Chapman has been consulted on this matter.

The Australian Government has indicated it will explore the potential to enter into reciprocal arrangements with other countries to support overseas debt recovery, building on the dialogue it has already established with the UK and New Zealand on this issue.

Information from the Graduate Destination Survey 2013, a survey undertaken by Graduate Careers Australia, indicates that the top five destinations for Australian graduates who work abroad are the United Kingdom, United States of America, Hong Kong, Canada, and China.

In developing implementation arrangements the department is working with other relevant agencies, including the Australian Taxation Office (ATO) and Department of Foreign Affairs and Trade. A range of design and implementation issues has been discussed with the ATO.