

1989

THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

OVERSEAS STUDENTS CHARGE COLLECTION

AMENDMENT BILL 1989

OVERSEAS STUDENTS (INSTALMENT PAYMENT) CHARGE BILL 1989

EXPLANATORY MEMORANDUM

(Circulated by authority of the

Minister for Employment, Education and Training,

The Hon J S Dawkins MP)

OVERSEAS STUDENTS CHARGE COLLECTION

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OUTLINE

PURPOSE OF THE BILLS

The purpose of these Bills is to amend the Overseas Students Charge Act 1979 to enable payment of the Overseas Students Charge (OSC) by two equal instalments each year from the beginning of 1990, and to provide for an instalment payment fee where an overseas student chooses to pay the OSC by instalment.

FINANCIAL IMPACT

The OSC was expected to raise \$51.449M in 1989/90 based on the full payment being made by 1 May 1990. With the second of the two instalments due for payment after 30 June 1990, revenue in 1989/90 is expected to be reduced by up to half.

The instalment payment arrangements for the OSC would result in a loss of public debt interest revenue of about \$1M in 1990. The instalment fee will recoup the public debt interest forgone.

Administrative costs associated with the collection of the Charge may increase by up to \$30,000.

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NOTES ON CLAUSES

Clause 1: Short title.

Clause 2: Commencement: Sets the commencement date of this Act as 1 January 1990.

Clause 3: Title.

Clause 4: Interpretation: Defines terms used in the Act.

Clause 5: Payment of Overseas Students Charge: This clause provides for the payment of the Charge to be made in two equal instalments. If the first instalment is not paid by the first payment date, the right to pay by instalment is forfeited. Where the liability is only a half charge, the full amount must be paid by the required date.

Clause 6: Payment of instalment charge: This clause provides that the instalment charge is payable at the same time as the second instalment.

Clause 7: Exemption from Overseas Students Charge: This clause specifies exemption from the Charge.

Clause 8: Granting of visas and temporary entry permits to overseas students: This clause provides for issue of a temporary entry permit for an overseas student for a year on payment of the full amount due or on payment of the first instalment of the full year charge by the first payment date.

Clause 9: Special arrangements for discharge of liability for Overseas Students Charge: This clause provides that special arrangements for refund of the Charge also cover refund of the instalment payment.

OVERSEAS STUDENTS (INSTALMENT PAYMENT) CHARGE BILL 1989

NOTES ON CLAUSES

Clause 1: Short Title.

Clause 2: Commencement: Sets the commencement date of this Act as 1 January 1990.

Clause 3: Collection Act to be read with this Act.

Clause 4: Interpretation.

Clause 5: Imposition of Charge: This clause imposes the instalment payment on the amount of the second instalment of the Charge.

Clause 6: Rate of Charge: This clause fixes the formula for calculation of the instalment payment using the three year indicator Commonwealth Bond rate pro rata for the period between the first and second instalment payment dates.

