



21 July 2022



Dear 

Thank you for your request made under the Official Information Act 1982 (OIA), received on 20 June 2022. You requested the following:

- 1. I would like information on the location/probable locations of overseas student debtors by country.*
- 2. Please also provide the numbers for each country, and the amount owed by debtors thought to be in those countries.*
- 3. I would like to know the sizes, and ages, and probable location of borrowers, of the largest 10 debts owed by overseas debtors. I would also like to know what they studied.*
- 4. I would like documents that detail how we are going about contacting these overseas borrowers, and also any prevention strategies.*
- 5. Are we still doing "arrest at border" for debtors who arrive back and then try to leave again.*
- 6. Can you please get me numbers of arrests for each calendar year?*
- 7. What does lower-level certs mean?*
- 8. Which are the tertiary institutions offering these courses?*
- 9. Can you break down the debt owed between the tertiary institutions that offered the courses that led to the debt?*

I responded to you on 19 July and you sought some clarification. This is the amended response for completeness.

Questions 1, 2 and 3

Information on the number of debtors¹, the probable location of overseas debtors, and how much is owed is set out in the attached table in Appendix A. This table shows that on 30 June 2022 there was a total of 77,469 overseas-based student loan debtors. To put this in context, there was a total of 102,262 overseas-based customers on this date.

I would first like to clarify the definition of "debtors" referred to in your request.

The total student loan balance includes the amount owing on the loan account. This includes any overdue debt, penalties and interest. The average top 10 largest balances is approximately \$474,000.

Total outstanding debt is the total overdue repayment obligation, excluding the loan balance. The average value of the top 10 largest outstanding amounts for overseas-based customers is approximately \$209,000.

Most of these customers have been away from New Zealand for more than 10 years. Your request for information relating to the ages and probable location of the borrowers of the largest 10 debts is refused under section 18(c)(i) of the OIA, as making the requested information available would be contrary to the provisions of a specified enactment, namely Inland Revenue's confidentiality obligation in section 18 of the Tax Administration Act 1994

¹ Debtors refers to student loan borrowers with overdue loan repayments

(TAA). Disclosure of this information does not fall within any of the exceptions to the confidentiality obligation listed in sections 18D to 18J of the TAA.

Additionally, your request for information on what these customers studied is refused under section 18(g) of the OIA, as the information is not held by Inland Revenue, and we do not believe it is held by another agency.

Question 4

As you may be aware, when a customer moves overseas for six months or more their student loan obligations change. Overseas-based customers have two payment due dates each year and the amount they owe is based on the size of their loan balance, rather than their income or employment status. Interest is also added to the loan balance and late payment interest is added to missed payment.

Inland Revenue has run campaigns for several years to address the issue of student loan debt, particularly from overseas-based customers. Overseas-based customers account for 92% of the total amount owed, though they make up just 16% of the student loan population.

Until recently, Inland Revenue has been more focused on supporting customers that have been affected by COVID-19. For student loan customers that meant helping them to stay on track with loan repayments.

We are mindful that more people will start to travel overseas as restrictions on travel are removed. We are planning to engage with recent travellers earlier to ensure that they are aware of their obligations and how we can assist them to keep their repayments on track.

Further work is also planned to locate debtors residing overseas, including those residing in Australia. Inland Revenue has a Memoranda of Understanding with Te Tari Taiwhenua/ the Department of Internal Affairs and the Australian Tax office, where information can be shared to assist us with finding missing customers. We also work with third party collection providers to locate customers and facilitate the collection of student loan debt from overseas-based customers. Interventions will range from locating customers and assisting them to get their repayments back on track to more robust collection activities for those who continue to fail to comply with their obligations.

Inland Revenue has relief options available to student loan customers having trouble meeting their repayment obligations. We encourage customers to contact us as soon as they can.

Student loan customers can easily manage their student loans through their myIR account and there are many options available for making repayments from overseas, including direct debits from international bank accounts. Further information about making payments from overseas is available on our website: <https://www.ird.govt.nz/managing-my-tax/make-a-payment/ways-of-paying/paying-from-overseas>.

We are planning activities to target a more diverse range of overseas customer groups based on their situation and the length of time they have been away from New Zealand.

Your request for specific documents that detail how Inland Revenue intends to target these customers is refused under section 18(c)(i) of the OIA, as making the requested information available would be contrary to the provisions of a specified enactment, namely Inland Revenue's confidentiality obligation in section 18 of the TAA. Disclosure of this information does not fall within any of the exceptions to the confidentiality obligation listed in sections 18D to 18J of the TAA.

Questions 5 and 6

Please note, the legislation under which the Commissioner of Inland Revenue can apply for a warrant for the arrest of a person, is different for the student loan and child support products. This is detailed in section 162B of the Student Loan Scheme Act 2011 and in section 199 of the Child Support Act 1991 (CSA).

In both cases they are a last resort for Inland Revenue after all other avenues to secure payment have been exhausted. Inland Revenue will always try to work with our customers directly before pursuing legal action.

Inland Revenue may seek a warrant to arrest a student loan debtor if all other compliance options have been exhausted and where it is appropriate to do so. The table on the following page shows the number of arrests for each calendar year since this legislation was enacted.

Calendar year	Number of arrests
2015	1
2016	3
2017	1
2018	2
2019	1
2020	2
2021	2
2022	1

Questions 7 and 8

The following agencies were consulted on questions 7, 8 and 9 of your request:

- The Ministry of Education
- New Zealand Qualifications Authority
- Ministry of Social Development
- Tertiary Education Commission

The Ministry of Education has confirmed that the term "lower-level certificates" refers to tertiary institutions that offer level 1-3 courses. The New Zealand Qualifications Authority has provided a list of tertiary institutions that offer level 1-3 courses, please find a list of these attached.

Question 9

Question 9 is refused under section 18(g) of the OIA, as the information is not held by Inland Revenue, and we do not believe it is held by another agency. You might find the following website helpful, which has information about what proportion of graduates are in employment overseas, receiving benefits or in further study and what they earn: <https://www.education.govt.nz/further-education/information-for-tertiary-students/employment-outcomes/>.

Right of review

If you disagree with my decisions on your OIA request, you can ask an Inland Revenue review officer to review my decisions. To ask for an internal review, please email the Commissioner of Inland Revenue at: CommissionersCorrespondence@ird.govt.nz.

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

If you choose to have an internal review, you can still ask the Ombudsman for a review.

Publishing of OIA response

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you for your request. I trust that the information provided is of assistance to you.

Yours sincerely



Rebecca McStay

Segment Management Lead – Customer and Compliance Services, Individuals

Appendix A

Country ²	Arrears ³	Customers
Australia	\$610,198,921	29,366
Austria	\$223,273	12
Canada	\$9,402,629	345
Chile	\$200,693	15
China	\$8,750,186	269
Cook Islands	\$3,304,901	156
Czechia/Czech Republic	\$247,282	12
Denmark	\$659,965	24
Egypt	\$758,732	13
Fiji	\$1,054,241	33
France	\$1,330,143	65
Germany	\$2,513,002	135
Hong Kong	\$9,981,149	204
India	\$1,536,615	59
Indonesia	\$496,635	19
Ireland	\$2,454,563	76
Italy	\$267,645	20
Japan	\$2,577,427	77
Malaysia	\$3,799,112	73
Netherlands	\$664,693	39
Niue	\$426,190	13
Norway	\$730,139	19
Philippines	\$224,478	12
Republic of Korea/South Korea	\$5,435,008	180
Samoa	\$2,730,202	91
Singapore	\$1,838,782	55
Spain	\$584,901	24
Sri Lanka	\$736,335	28
Sweden	\$869,244	31
Switzerland	\$845,409	22
Taiwan	\$2,632,483	54
Thailand	\$1,718,895	44
United Arab Emirates	\$2,645,440	73
United Kingdom	\$40,124,580	1,714
United States of America	\$23,904,849	809
Vietnam	\$219,486	14
Rest of the world ⁴	\$6,467,125	203
Unknown ⁵	\$1,133,457,702	43,071
Total	\$1,886,013,055	77,469

² Based on the most recent information we hold

³ As at 30 June 2022

⁴ Countries where there are fewer than 10 borrowers

⁵ Customers with no valid overseas address