



16 August 2013

Mr Joshua Grainger  
fyi-request-898-4630f3ff@requests.fyi.org.nz

Dear Mr Grainger

**Official Information Act request: Student loans and passport renewals**

Thank you for your request made under the Official Information Act 1982, which was transferred from the Department of Internal Affairs to Inland Revenue on 20 June 2013. You requested the following:

*... all advice on whether people who default on their student loans shouldn't have their passports renewed ... I am particularly interested in any human rights considerations, given that Minister Dunne stated "There are also some disadvantages about what you might describe broadly as human rights issues - the rights of New Zealanders to a passport, but it certainly has been looked at, yes."*

The Department of Internal Affairs transferred your request to Inland Revenue on 20 June 2013. On 12 July 2013, we extended the time limit for deciding on your request by an additional 15 working days, to 8 August 2013.

The reports and information below are from our Policy and Strategy unit, providing advice to the Minister of Revenue.

From the report "Potential legislative changes and design of the initiative, focusing on the recovery of student loan overdue repayments from borrowers living in Australia", dated 6 October 2010:

*With a view to better management of student loan debt, we have also explored the ideas of [REDACTED] preventing student loan borrowers with overdue repayments from renewing their passports, [REDACTED]. However, because of the complexity of the issues that arise out of each, further consultation will need to take place. We will report back on these matters in December this year.*

*(g) Note that because of the complexity of the issues around [REDACTED] preventing student loan borrowers in default from renewing their passports [REDACTED], further consultation work will need to be undertaken by officials. An update on this work will be included in our next report to you and the Minister for Tertiary Education on the progress of the initiative in December 2010.*

*47. With a view to improving the management of student loan debt, officials have also been exploring [REDACTED]*

**[REDACTED]** preventing borrowers who are in default from renewing their passports, as a means of encouraging the payment of overdue repayments.

From the report "Increased consequences of non-compliance with student loan obligations", dated 8 December 2010:

*62. Access to a passport is a fundamental citizenship right under the Passports Act, and affirms freedom of movement by the New Zealand Bill of Rights Act 1990. However, the right is not absolute. Section 4 provides a limited number of circumstances where a passport may not be issued such as if an arrest warrant is in force, a person is on bail, community detention or a Court order which requires a person to stay in New Zealand is in effect. Non-compliance with a student loan obligation does not come near meeting the required standard and has not been considered by officials.*

From the report "Overseas-based borrowers – proposals relating to passport renewals", dated 20 November 2012:

**Option C: Passport cancellation**

*64. At the most aggressive end of the scale officials considered a proposal to cancel the passports of the most resistant and non-compliant borrowers.*

*65. This would have different impacts depending on the borrower's whereabouts at the time of cancellation. Those overseas may become illegal immigrants and could face detention, deportation or deprivation of entitlements depending on that country's immigration policies. Officials see this as a disproportionate response to unpaid student loan assessments.*

*66. Those temporarily in New Zealand would be unable to leave the country, which would be a clear violation of their rights to travel. If it was desirable to prevent the most non-compliant borrowers from leaving the country it would be preferable to do this via an arrest-at-border power, as is currently available for child support debtors and those with unpaid court fines.*

Please note the policy restricting passports is not currently under consideration.

Content has been redacted from the information above because it is not relevant to your request.

This response fully covers the information you have requested.

Yours sincerely



Maurice Lawlor  
**Business Owner**