



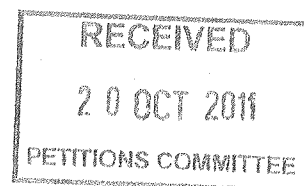
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THE HON KEVIN RUDD MP

MINISTER FOR FOREIGN AFFAIRS
CANBERRA

5 OCT 2011

The Hon John Murphy MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600



Dear Mr Murphy

I refer to your letter of 16 March 2011 to the Hon Chris Evans MP, Minister for Tertiary Education, Skills, Jobs and Workplace Relations, concerning petition number 408-693, submitted for consideration to the Standing Committee on Petitions, relating to Australian Development Scholarships.

The matters raised fall within the Foreign Affairs portfolio. I am providing the attached response prepared by the Australian Agency for International Development (AusAID).

I trust that this information will be of assistance to the Committee. I regret the delay in responding to the Committee.

Yours sincerely

Kevin Rudd

The Australian Agency for International Development's Response to Petition 408-693 Relating to Australian Development Scholarships

Overview

Australian Development Scholarships seek to build the human resource capacity necessary to drive development, and to build links with Australia. Development scholarships are awarded to high-achieving people who have the potential to contribute to development in their country.

The Australian Agency for International Development's response to the issues raised in the petition is set out below.

(i) Re-examine the ADS payments to international students in conjunction with Centrelink Austudy payments

An independent Higher Education Review commissioned by the Department of Education, Employment and Workplace Relations (DEEWR) in 2008 recommended that the Australian Government increase the stipend of Australian Postgraduate Awards to \$25,000 per year. The current contribution to living expenses entitlement for development scholarships is consistent with this recommendation.

International students, including students on development scholarships, are not able to access benefits, services and discounts available to domestic students.

(ii) Introduce a new visa condition whereby prohibiting work opportunities for those on the ADS

The Department of Immigration and Citizenship (DIAC) determines visa conditions for all international students including those on a development scholarship. According to DIAC's policy, international students can work up to 20 hours per week while on a student visa. Postgraduate scholars are exempt from this condition. The majority of students currently on development scholarships (87 per cent as of 4 August 2011) are undertaking postgraduate studies.

(iii) Reconsider the introduction of tight taxation laws for those ADS students remitting money overseas

The *Income Tax Assessment Act 1997* exempts from taxation the income received from Australian government-funded scholarships. Scholarships provided to domestic students under conditions similar to development scholarships are also tax-exempt. International students who earn wages, including those on development scholarships, are subject to Australia's domestic income tax rates. All international students pay Goods and Services Tax.

(iv) Establish strict criteria for awarding the ADS to international students

Selection processes for development scholarships are open and transparent and subject to strict, merit-based criteria. Applicants must supply documents verifying their identity, certified copies of their original academic transcripts, and English language test results. Australian academic institutions also assess the scholarship recipients' applications for admission to the institution against specific criteria and verify the authenticity of documents.

Scholarship recipients must also meet DIAC's visa requirements, including character checks.

Anyone who has proof that development scholarship recipients have provided false documentation should provide it to the academic institution at which the scholarship recipient is studying, or directly to the Scholarships Section at AusAID. These matters are treated very seriously and will be thoroughly investigated.