

**Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Industry Portfolio  
Budget Estimates Hearing 2014-15  
2-3 June 2014

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY

**TOPIC:** Trade Support Loans – Legal Responsibilities of Parents

**REFERENCE:** Question on Notice (Hansard, 2 June 2014, page 78)

**QUESTION No.:** BI-39

**Senator KIM CARR:** Yes, I know. Have you checked the legal position in terms of who is responsible for children's debts?

**Mr Lalor:** We have sought legal advice on this issue, yes.

**Senator KIM CARR:** You have sought it? What is the response? Are parents responsible for 16-year-olds' debts?

**Mr Lalor:** The gist of the advice was that there were no legal restrictions on providing the loan to an individual.

**Senator KIM CARR:** No. I appreciate that I may not have been clear. Is there any legal advice that parents are not responsible for their 16-year-olds' debts?

**Mr Lalor:** I would have to take that on notice.

**ANSWER**

The Australian Securities and Investment Corporation and the Australian Government Solicitor provided advice that there is no legal impediment to a person under 18 years of age applying for, or repaying, a Trade Support Loan, assuming they earn above the minimum repayment income.

The *Trade Support Loans Bill* 2014 applies to those under the age of 18 in the same way as to adults. Trade Support Loans are income contingent, with the debt incurred by the individual receiving benefit from the loan and repayment delayed until the individual has reached the minimum income repayment threshold.

The individual bears the liability for the loan and its repayment.

An amendment to the legislation moved by the Opposition during the debate in the Parliament legislates acknowledgement by the parent or guardian of minor apprentice of the commitment being undertaken by the minor in taking on a Trade Support Loan. The acknowledgement relates to the requirements and conditions of the loan and the need for its repayment by the apprentice once they reach the minimum threshold. Specific information provided in the parent/guardian fact sheet, the under 18 fact sheet and the relevant sections of the application and opt in forms underpin the loan application process for minors, supported by acknowledgement by the parent or guardian.