

EXPATRIATE AUSTRALIANS

RETURN TO SYDNEY & NEW SOUTH WALES (NSW)

Briefing on Citizenship, Health, Education, Social Security, Tax & Other Issues

Returning to Sydney and New South Wales is a great decision. However there are some details you will have to consider including: citizenship; health care, education services; social security entitlements; tax; recognition of overseas qualifications and planning for repatriation.

This paper provides expatriate Australians with basic information and links for further details on repatriation to Sydney and NSW.

AUSTRALIAN CITIZENSHIP

Prior to 4 April 2002, you automatically lost Australian citizenship if you became a citizen of another country by doing something with the sole or dominant purpose of acquiring that other citizenship.

If you have lost your Australian citizenship by becoming a citizen of another country you may be eligible to resume Australian citizenship. If you are eligible you will need to have been lawfully resident in Australia for at least two years, state your intention to continue to live in Australia or come to live in Australia within three years and have maintained a close and continuing association with Australia.

As an alternative to resumption, you can apply for a grant of Australian citizenship any time after a year has elapsed from when it was lost. Usually to be eligible you must have been present in Australia as a permanent resident for a total of one in the last two years before you apply and meet the other requirements for grant of Australian citizenship. For more information go to:

<http://www.citizenship.gov.au/>

NSW HEALTH

Medicare

Medicare, Australia's national health insurance scheme is available to people who reside in Australia if they:

- hold Australian citizenship or
- have been issued with a permanent visa.

If you are an Australian citizen returning to Australia to reside after living overseas for more than five years, or have applied for a permanent residence visa you will need to provide documents to demonstrate residency in Australia and/or that you have severed your ties with your previous country of residence.

Documents to confirm residency could include:

- property sale/purchase agreements
- lease agreements (initiation/cessation)
- employment contracts (initiation/cessation)
- bank accounts (initiation/cessation)
- private health insurance (initiation/cessation)

On return to New South Wales, you will need to enrol in Medicare by completing the enrolment form and lodging it at your local Medicare office. For further information go to:

http://www.medicareaustralia.gov.au/yourhealth/our_services/medicare/about_medicare/enrol_eligibility.htm

Private Health Insurance

In addition to Medicare, many Australians also have private health insurance. For further information on private health insurance options go to:

<http://www.health.gov.au/internet/wcms/publishing.nsf/Content/private-1>

<http://www.iselect.com.au/cds/pages/welcome.action?ref=ptest>

NSW EDUCATION

Public Schools

Australian citizens and permanent resident students can attend public schools in NSW. School fees do not apply. Both primary and secondary schools can request contributions to enhance the school's educational and sporting programs. These school contributions are voluntary and payment is a matter for decision by parents. They can vary from \$40 pa to \$700 pa. For further information on how to enrol and locate your nearest NSW public school go to:

<http://www.schools.nsw.edu.au/schoolfind/enrolment/index.php>

Private Schools

There are a range of private schools in Sydney and NSW providing education services. Fees can vary depending on the institution and the applicable school year between \$4,000 and \$17,000 pa.

Universities

Australian citizens and permanent residents can apply for admission to university through the Universities Admission Centre (UAC). Generally, registered Year 12 students receive an offer for university admission to their preferred courses based on

their ranking in the Universities Admission Index (UAI). The UAI is largely based on academic achievement in the NSW Higher School Certificate (HSC).

Australian citizens (but not permanent residents) may qualify for a Commonwealth supported place (CSP). The Australian Government contributes to the study costs for students enrolled in a CSP course. Students must contribute the remainder through a student contribution. Student contributions will vary between institutions and courses between \$0 to \$8,000 pa. Australian citizens may pay their student contribution upon commencement of the course or they may request a HECS-HELP (Higher Education Loan program) loan and repay the loan later. Repayments are based on income and made through the taxation system. Students do not have to start repaying their HECS-HELP loan until their income reaches a certain level (\$38,149 for 2006/07).

Australian citizens and permanent residents can enrol in a Domestic Fee Paying Place (DFEE) but must pay tuition fees. They pay the full cost of their course without subsidy from the Australian government. Tuition fees vary between institutions. Students in a DFEE course may be eligible for FEE-HELP. Australian citizens and permanent residents may pay their tuition fee upon commencement of the course or they may request a FEE-HELP (Higher Education Loan program) loan to repay the tuition fee later. Students may borrow up to \$80,000 (or \$100,000 for medicine, dentistry or veterinary science). Repayments are based on income and made through the taxation system. Students do not have to start repaying their HECS-HELP loan until their income reaches a certain level (\$38,149 for 2006/07).

For more information go to:

<http://www.uac.edu.au/uac/costs.html>

NSW TAFE

Tuition fees for Australian citizens and permanent residents vary from \$200 to \$1,300 pa depending on the length and type of course.

Tuition fees for other visa holders' certificate courses range from \$4,520 - A\$22,620. Diploma and advanced diploma courses range from \$4,520 - A\$49,760 per course.

For information on TAFE courses available in NSW to

<http://www.tafensw.edu.au/>

SOCIAL SECURITY

Australia's social security system is based on residence and financial circumstances. There are minimum residence requirements for some payments. The Australian Government has International Social Security Agreements with several countries including the USA. There is no current agreement with the UK. These agreements close gaps in social security coverage for people who migrate between countries. They do this by overcoming barriers to pension payment in domestic legislation such

as requirements for: citizenship; minimum contributions record; past residence record or current country of residence.

Social Security Agreement between Australia and USA

This agreement covers Australian age pension, disability support pension for the severely disabled, pensions payable to widowed persons and carer payment to partners of people who receive an age pension or a disability support pension. It covers US retirement benefits, disability benefits and survivor benefits.

Australian legislation requires a person to have a minimum of 10 years Australian residence before they can claim the aged pension or disability support pension. It also requires you to be an Australian resident and in Australia to claim the pension. US legislation requires a person to have a minimum number of credits or 'quarters of coverage' to qualify for retirement, disability and survivor benefits.

If you cannot meet the minimum qualifying period for an Australian pension, your periods of residence in Australia and your periods of US contributions can be added to together to meet the qualifying period regardless of whether you are living in Australia or the USA. For US pensioners, if you do not have enough US contributions (you must have at least 6 quarters) you can add periods of employment or self employment in Australia.

Case Study (example of how the Agreement works)

Sam is 67 and currently lives in Australia. He has worked in Australia for 15 years. Prior to this he worked in the US for 8 years. He cannot claim a US retirement benefit because he does not have the minimum 40 quarters of coverage (around 10 years of work) to qualify for payments. The Agreement with the USA will allow Sam to add the periods he has worked in Australia to his 32 quarters of coverage (8 years work) in the US to make up the minimum 40 quarters required to qualify for a US retirement benefit. Sam's US benefit will still only be paid based on his earnings in the USA and the time he actually worked there.

If Sam is granted an aged pension in Australia he receives the normal Australian means tested pension less the amount of any US pension he also receives.

People living in Australia can claim Australian benefits at any Centrelink office. Centrelink will assist people residing in Australia who wish to claim a US pension.

Information for Expatriates from the UK

Australia terminated its Social Security Agreement with the UK from 1 March 2001.

Expatriates from the UK who have lost their Australian citizenship and permanent residence should be aware that they will have no early access to Australia's social security system. Instead they will have to accrue ten years qualifying residence before being eligible to claim an Australian age pension.

Special Benefits may be available to migrants in Australia who are in financial difficulty and:

- are ineligible for any other payment; and
- have resided in Australia for two years (unless they find themselves in hardship and can demonstrate a substantial change of circumstances).

Other social security payments may be available to migrants who are not of age pension age, but again only after they have resided in Australia for two years.

For more information on international social security arrangements go to:

<http://www.facsia.gov.au/internet/facsinternet.nsf/international/nav.htm>

TAXATION

If you are living in Australia for more than six months you will generally be considered an Australian resident for tax purposes.

Foreign Pensions & Annuities

Most foreign pensions and annuities are taxable in Australia. This includes age and superannuation pensions from the UK. You may claim a foreign tax credit on your tax return if you were not entitled to seek a refund of the foreign tax from the country that paid you.

International Taxation Agreements

Such refunds follow the terms of agreements between Australia and various countries.

Australia has such tax agreements with the USA and UK.

These agreements generally keep the right to tax certain classes of income entirely for the income earner's country of residence. However the source country is usually given a taxing right over business profits and gains, sometimes at limited rates (eg a withholding tax).

For more information on taxation of foreign pensions, annuities and other income go to:

<http://www.ato.gov.au/individuals/content.asp?doc=/content/34780.htm&pc=001/002/012/014/008&mnu=1113&mfp=001/002&st=&cy=1>

RECOGNITION OF OVERSEAS QUALIFICATIONS

The Australian Skills Recognition Information (ASRI) web site provides information on how to get an assessment of occupational qualifications, skills or experience that

you have gained overseas. You can also find state-specific licensing and registration requirements to practice your occupation in Australia. The web site is at:

<http://www.immi.gov.au/asri/>

REPATRIATION

Repatriation can be made easy with careful planning. There are numerous arrangements to consider including insuring valuables, furniture, mail forwarding, bank accounts, cancelling club memberships, schools, tax etc. For a guide on how to plan your repatriation go to:

<http://www.expatsexchange.com/returning.cfm>