



CLAUSE NOTES

Part 1 - Preliminary

Self explanatory.

Part 2 - Education Act 1928

Clause 3 Principal Act

Self explanatory.

Clause 4 Section 9A amended

Section 9A limits the power of the Minister for Education to provide assistance to non-government schools and non-government school systems to moneys appropriated by the Parliament. The Minister currently declares by Notice in the *Government Gazette* the manner in which such moneys will be applied.

This section is to be deleted and in future the operation of the scheme will be in accordance with the requirements of new Sections 9C, 9D, 9E, 9F and 9G.

Clause 5 Sections 9C, 9D, 9E, 9F and 9G inserted

Minister may lend money

The new Section 9C authorises the Minister for Education to lend money to approved bodies for the purpose of undertaking capital works.

Sub-clause (1) formalises the Minister's existing power to lend money to approved non-government schools, non-government school systems, care centres and pre-school centres. It should be noted that, in effect, care centres are the equivalent of government kindergartens (catering for children turning 4) and pre-school centres are the equivalent of government pre-primary centres (catering for children turning 5).

Sub-clause (2) stipulates that loans are to be made from moneys borrowed by the Minister.

Sub-clause (3) enables the terms and conditions of a loan to be less onerous than a loan made commercially and requires the terms and conditions to be approved by the Treasurer.

Sub-clause (4) provides a general description of the types of work for which low interest loans are to be provided.

Borrowing by the Minister

The new Section 9D authorises the Minister for Education to borrow money for the purpose of making funds available under Section 9C.

Sub-clause (1) authorises the Minister to borrow from the Treasurer or another source, provided the Treasurer has authorised such an arrangement.

Sub-clauses (2) and (3) are self-explanatory.

Moneys to be credited and charged to operating account

The new Section 9E requires that moneys borrowed by the Minister under Section 9D and the repayments of moneys loaned under Section 9C are to be transacted through an operating account established and administered in accordance with the *Financial Administration and Audit Act 1985*

Guarantee by the Treasurer

The new Section 9F sub-clause (1) enables the Treasurer to act as a guarantor in the name of the State in cases where the Minister borrows from a source other than the Treasurer.

Sub-clauses (2) and (3) are self-explanatory.

Sub-clause (4) enables the Treasurer to fix charges in relation to any such guarantee.

Payments under guarantee

The new section 9G ensures that if a payment is required under a guarantee, it should be made from the Consolidated Fund and any amounts recouped from the Minister should be credited to the Consolidated Fund.

Clause 6 Section 27C(3) amended

Section 27C(3) limits the power of the Minister for Education to provide assistance to care centres and pre-school centres to moneys appropriated by the Parliament.

This section is to be deleted and in future the operation of the scheme will be in accordance with the requirements of new Sections 9C, 9D, 9E, 9F and 9G.

Part 3 - Vocational Education and Training Act 1996

Clause 7 Section 17 repealed and sections 17, 17A, 17B, 17C and 17D inserted

Section 17 limits the power of the Minister for Employment and Training to provide assistance to not-for-profit training providers to moneys appropriated by the Parliament.

This section is to be deleted and in future the operation of the scheme will be in accordance with the requirements of new Sections 17, 17A, 17B, 17C and 17D.

Minister may lend money

The new Section 17 authorises the Minister for Employment and Training to lend money to not-for-profit training providers for approved purposes.

Sub-clause (1) formalises the Minister's existing power to lend money to private training providers which do not operate for the purpose of private gain by members.

Sub-clause (2) stipulates that loans are to be made from moneys borrowed by the Minister.

Sub-clause (3) enables the terms and conditions of a loan to be less onerous than a loan made commercially and requires the terms and conditions to be approved by the Treasurer.

Sub-clause (4) provides a general description of the types of work for which low interest loans are to be provided. The section has been expanded for not-for-profit training providers to include the purchase or lease of plant and equipment in recognition of the particular funding requirements of such institutions.

Borrowing by the Minister

The new Section 17A authorises the Minister for Employment and Training to borrow money for the purpose of making funds available under Section 17.

Sub-clause (1) authorises the Minister to borrow from the Treasurer or another source, provided the Treasurer has authorised such an arrangement.

Sub-clauses (2) and (3) are self-explanatory.

Moneys to be credited and charged to operating account

The new Section 17B requires that moneys borrowed by the Minister under Section 17A and the repayments of moneys loaned under Section 17 are to be transacted through an operating account established and administered in accordance with the *Financial Administration and Audit Act 1985*

Guarantee by the Treasurer

The new Section 17C sub-clause (1) enables the Treasurer to act as a guarantor in the name of the State in cases where the Minister borrows from a source other than the Treasurer.

Sub-clauses (2) and (3) are self-explanatory.

Sub-clause (4) enables the Treasurer to fix charges in relation to any such guarantee.

Payments under guarantee

The new section 17D ensures that if a payment is required under a guarantee, it should be made from the Consolidated Fund and any amounts recouped from the Minister should be credited to the Consolidated Fund.

Part 4 - University of Notre Dame Australia Act 1989

Clause 8 Section 25A repealed and sections 25A, 25B, 25C, 25D, 25E and 25F inserted

Section 25A limits the power of the Minister for Education to provide assistance to the University of Notre Dame to moneys appropriated by the Parliament.

This section is to be deleted and in future the operation of the scheme will be in accordance with the requirements of new Sections 25A, 25B, 25C, 25D, 25E and 25F.

Power to borrow and give security

The new Section 25A gives the University authority to borrow money and to mortgage property to secure loans.

Minister may lend money

The new Section 25B authorises the Minister for Education to lend money to the University for the purpose of undertaking capital works.

Sub-clause (1) formalises the Minister's existing power to lend money to the University of Notre Dame.

Sub-clause (2) stipulates that loans are to be made from moneys borrowed by the Minister.

Sub-clause (3) enables the terms and conditions of a loan to be less onerous than a loan made commercially and requires the terms and conditions to be approved by the Treasurer.

Sub-clause (4) provides a general description of the types of work for which low interest loans are to be provided.

Borrowing by the Minister

The new Section 25C authorises the Minister for Education to borrow money for the purpose of making funds available under Section 25B.

Sub-clause (1) authorises the Minister to borrow from the Treasurer or another source, provided the Treasurer has authorised such an arrangement.

Sub-clauses (2) and (3) are self-explanatory.

Moneys to be credited and charged to operating account

The new Section 25D requires that moneys borrowed by the Minister under Section 25C and the repayments of moneys loaned under Section 25B are to be transacted through an operating account established and administered in accordance with the *Financial Administration and Audit Act 1985*

Guarantee by the Treasurer

The new Section 25E sub-clause (1) enables the Treasurer to act as a guarantor in the name of the State in cases where the Minister borrows from a source other than the Treasurer.

Sub-clauses (2) and (3) are self-explanatory.

Sub-clause (4) enables the Treasurer to fix charges in relation to any such guarantee.

Payments under guarantee

The new section 25F ensures that if a payment is required under a guarantee, it should be made from the Consolidated Fund and any amounts recouped from the Minister should be credited to the Consolidated Fund.

Part 4 - Transitional

Clause 9 Existing loans to be varied

The conditions of existing loans approved under the Low Interest Loan Scheme are regulated by Sections 9A and 27C of the *Education Act 1928*, Section 17 of the *Vocational Education and Training Act 1996* and Section 25A of the *University of Notre Dame Australia Act 1989*, which are all to be repealed under this Bill.

This section allows for the conditions of existing loans to be varied to the same extent that they could have been had the relevant sections not been repealed.

Clause 10 Moneys may be borrowed and paid to Treasurer

Loans advanced to institutions under the Low Interest Loan Scheme during the 1997/98 financial year have been funded from a Treasurer's Advance approved in terms of the *Treasurer's Advance Authorisation Act 1997*.

This section makes provision for the Minister for Education and the Minister for Employment and Training to borrow money in accordance with Section 9D(1) of the *Education Act 1928*, Section 25C(1) of the *University of Notre Dame Australia Act 1989* or Section 17A(1) of the *Vocational Education and Training Act 1996*, respectively, in order to repay the existing borrowings from the Treasurer's Advance.