

Education Amendment (Financial Assistance to Non-Government Schools) Bill 2006

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Education Act 1990* so as to prohibit non-government schools that operate for profit from receiving financial assistance from the State.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent to the proposed Act.

Clause 3 is a formal provision that gives effect to the amendments to the *Education Act 1990* set out in Schedule 1.

Clause 4 provides for the repeal of the proposed Act after all the amendments made by the proposed Act have commenced. Once the amendments have commenced the proposed Act will be spent. Section 30 of the *Interpretation Act 1987* provides that the repeal of an amending Act does not affect the amendments made by that Act.

Schedule 1 Amendments

Schedule 1 [1] inserts a new section 21A. The proposed section contains the following provisions:

- (a) a provision that prohibits the payment of financial assistance to a non-government school that operates for profit (**proposed subsection (1)**),
- (b) a provision that declares that a non-government school is taken to operate for profit if any part of its proprietor's assets or income is paid to any other person (**proposed subsection (2)**),
- (c) a provision that declares that, despite proposed subsection (2), a non-government school is not taken to operate for profit as a result of certain kinds of payments being made to other persons, such as payments not exceeding reasonable market value for property, goods or services required in relation to the running of the school (**proposed subsection (3)**),
- (d) a provision that enables the Minister administering the Act to require a non-government school that receives financial assistance to furnish the Minister with information as to its contracts and other arrangements for the provision of goods and services (**proposed subsection (4)**).

Schedule 1 [2] amends clause 2 of Schedule 3 so as to enable savings and transitional regulations to be made as a consequence of the enactment of the proposed Act.

Schedule 1 [3] inserts a new Part 7 into Schedule 3. The proposed Part contains a clause that provides for proposed section 21A to apply to new non-government schools immediately and to existing non-government schools as from 1 January 2007.