



Tertiary Scholarship and Loans (Budget Amendment) Bill 2017

Bill No. 22 of 2017

Introduction

The Tertiary Scholarship and Loans (Budget Amendment) Bill 2017 (**'Bill'**) seeks to amend the *Tertiary Scholarship and Loans Act 2014* (**'Act'**). Under this Bill the Ministry responsible is Minister for Education.

The Tertiary Scholarship and Loans Board (TSLB) was set up by the Fijian Government through the *Tertiary Scholarship and Loans Decree in 2014* to oversee the scheme. The establishment of the tertiary scholarship and loans scheme was in line with the Fijian Government's 2014 budget theme and policy direction titled "Building a Smarter Fiji".

Under the Tertiary Scholarships and Loans Scheme, the following is administered:

- National Toppers Scheme
- Overseas Scholarships (Donor funded)
- Tertiary Education Loans Scheme for New Students
- Tertiary Education Loans Scheme for Existing Tertiary Students
- Accommodation Support Scheme
- Continuing Students with Scholarships in 2013

The new Scheme consolidates all existing scholarships and loans schemes into one overall scheme under the responsibility and direction of the Tertiary Scholarship and Loans Board (TSLB).¹

Objectives, scope and intent of the Bill

The main objective of the Tertiary Scholarship and Loans (Budget Amendment) Bill 2017 (**'Bill'**) is to amend the *Tertiary Scholarship and Loans Act 2014* (**'Act'**) with accordance to the 2017-2018 Budget. The major change in this Act is that, the recovery of the repayment of the loans will now be collected by the Fiji Revenue & Customs Authority to ensure effective loan recovery, which was previous done by Tertiary Scholarship and Loans Board (TSLB).

Summary of provisions

The Bill contains **9 clauses**.

Clause 1 - provides for the preliminary provision which includes the **short title** and commencement provisions. **Act comes into force 1st August 2017**, if passed by the Parliament. In this Act, the **Tertiary Scholarship and Loans Act 2014 is referred to as the "Principal Act"**.

Clause 2- Section 2 of the Principal Act is amended in the definition of "student" by- Student means any person who-

(a) In paragraph (a), deleting Form 7" and substituting "Year 13"

(a) Has completed ~~Form 7~~ Year 13-or equivalent Foundation studies in 2011 or any year thereafter;

(b) In paragraph (d) after ";;", deleting "or"

(b) Is an employee earning an annual income of [...] part-time or fulltime student; ~~or~~

¹ <https://www.tslb.com.fj/Home>



(c) In paragraph (e) deleting “.” And substituting “; or”; and

(e)Is an employee working in the civil service and seeks to attain academic qualification or upgrade existing qualification at an eligible institution-; or

(d) After paragraph (e), insert the following new paragraph-

“(f) has completed Year 12 in 2017 or any year thereafter, and applies for a programme or course approved by Government.”

Clause 3- Section 16 of the Principal Act is amended by-

(a) In subsections (1) and (2)-

(i) Deleting “and provide a guarantor(s) for the same”; and

(ii) Deleting “Board” and substituting “the Fiji Revenue and Customs Authority”;

(1) A student under loan scheme shall be required to enter a loan agreement with the ~~Board~~ the Fiji Revenue and Customs Authority ~~and provide a guarantor(s) for the same.~~

(2) A student who has been awarded a scholarship under this Act shall be required to enter into bond agreement with the ~~Board~~ the Fiji Revenue and Customs Authority ~~and provide a guarantor(s) for the same.~~

(b) In subsection (3), deleting “, and his or her guarantor’s”; and

(3) The loan or bond agreement under subsections (1) and (2) shall be *prima facie* evidence of a student’s, ~~and his or her guarantor’s~~ obligation to make loan repayments or fulfill bond conditions. Which shall be deemed to be an obligation in law.

(c) After subsection(3), inserting the following new subsection-

“(4) A student or former student as the case may be, who is under a loan or bond agreement is required to provide a guarantor or guarantors in the event he or she intends to leave the country for any purpose during the term of his or her loan conditions or bond period.”

Clause 4- Section 17 of the Principal Act is amended by-

(a) In subsection (2) after “granted”, inserting “however, a guarantor is obliged to make loan repayments or fulfill bond conditions if the student or former student, as the case may be leaves the country and defaults in loan repayment or fulfilment of bond conditions”; and

(2) subject to subsection (3), any existing scholarship or student loan shall continue on the basis and conditions as when scholarship was initially awarded or the student loan initially granted ~~however, a guarantor is obliged to make loan repayments or fulfill bond conditions if the student or former student, as the case may be leaves the country and defaults in loan repayment or fulfilment of bond conditions.~~

(b) in subsection (3), deleting “Board” and substituting “Fiji Revenue and Customs Authority”.

(3) The ~~Board~~ Fiji Revenue and Customs Authority shall be responsible for the facilitation and enforcement of existing scholarships and student loans granted.

Clause 5- Section 18 of the Principal Act is amended by deleting “Board” wherever it appears and substituting “Fiji Revenue and Customs Authority”.

**TSL 18-Fulfilment of loan or bond agreement**

- 18 (1) The ~~Board~~ **Fiji Revenue and Customs Authority** shall take action on any student or guarantor of a student, who-
- (a) Fails to make loan repayments or partial payments thereof: or
 - (b) Breaches or fails to fulfill any condition, required by an agreement made under section 16(1) or (2).
- (2) Pursuant to subsection (1), any action taken by the ~~Board~~ **Fiji Revenue and Customs Authority** shall include-
- (a) Issuing a written notice or directive to the Director of Immigration to place a stop order on the person leaving the country;
 - [...]
 - (f) Such other action as the ~~Board~~ **Fiji Revenue and Customs Authority** deems necessary.
- (3) Pursuant to subsection (2) (a), the ~~Board~~ **Fiji Revenue and Customs Authority** shall issue a written notice or directive to the [...] under subsection (1), leaving the country.

Clause 6- Section 21 of the Principal Act is amended by deleting “from 1 January to 31 December of each year” and substituting “the same as the financial year of Government”.

- (21) The Board’s financial year shall be ~~from 1 January to 31 December~~ **the same as the financial year of Government** of each year.

Clause 7- Section 25 of the Principal Act is amended by—

- (a) renumbering section “25” as section “25.—(1)”; and
- (b) after subsection (1), inserting the following new subsection—

“(2) The Minister may, upon the recommendation from the Fiji Revenue and Customs Authority, make regulations for the recovery of loans under loan schemes in this Act.”

Clause 8- Schedule 2 to the Principal Act is amended by—

- (a) in paragraph 2—
 - (i) deleting “Form 7” and substituting “Year 13”;
 - (ii) after “(or Foundation studies)”, inserting “or Year 12”; and
 - (iii) after the first sentence, inserting the following sentence—
“In the case of a Year 12 student, loans will be available for programmes or courses as approved by the Government.”; and

(2) Tertiary Education Loans Scheme (TELS) for all other new students.

All other students who have completed ~~Form 7~~ **Year 13** (or Foundation studies **or Year 12**) in the Previous year can take low-interest loans (or interest-free loans in the case of students whose parental income is less than \$25,000 per annum) under this scheme to cover university tuition fees if students study on full-time basis.

- (b) in paragraph 4 after “expenses,”, inserting “stationery and other incidental expenses,”.

(4) Accommodation Support Scheme (ASS)

This scheme is for full-time students who can borrow at nominal interest rates to support accommodation costs (hostel or rental), food expenses, **stationery and other incidental Expenses**, and bus fares if travelling from home or rented premises.

Clause 9- of the Bill provides for a **transitional provision** where all existing guarantors are obliterated from any such responsibility or obligation under the Act except for cases where the student has



already left the country and has defaulted in loan repayments or fulfillment of bond conditions and where a guarantor is currently making loan repayments or fulfilling of bond conditions. The Bill also provides that all loan or bond agreements prior to the commencement of the Bill are deemed to have been entered into with the FRCA.

Gender analysis

The Bill does not appear have any disproportionate impact on women or men.

Further Information

- Tertiary Scholarship and loans (Budget Amendment) Bill 2017, can be seen here: <http://www.parliament.gov.fj/bills/> [Accessed on 04 July 2017]
- Tertiary Scholarship and Loans Board website. Available at <https://www.tslb.com.fj/Home>

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