

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Supplementary Budget Estimates 2015 - 2016**

Outcome: Skills and Training

Department of Education and Training Question No. SQ15-000810

Senator Carr, Kim provided in writing.

VET FEE-HELP provider

Question

How does the Department verify that a provider is giving DET accurate information? What does the Department's process for assessing an application entail? Is it just a desk audit? Or do you do site visits, or seek market intelligence on the provider? Is it fair to suggest that the design of the system is such that it should be considered that becoming a VET FEE-HELP provider is a bigger hurdle to pass, then just becoming registered as an RTO with ASQA? Does the Department conduct spot checks or audits on existing providers? How does that work?

Answer

The Department of Education and Training confirms the accuracy and currency of information submitted by an applicant with the appropriate agencies or bodies. The department's process for assessing these applications entails financial viability assessments, which are comprehensive and incorporate investigation into any ambiguities or irregularities in the information submitted by the applicant. It also includes Fit and Proper Person integrity checks and compliance checks of provider policies.

Registered training organisations (RTOs) applying for VET FEE-HELP provider approval under the *Higher Education Support Act 2003* (HESA) do so using the HELP IT System (HITS), which is the required form approved by the Minister.

Applicants must provide information with regard to their organisational structure and governance. To apply and be approved an RTO must:

- be a body corporate
- have its business established under the law of the Commonwealth, state or territory, carry on its business in Australia and have management and control in Australia
- have, or be taken to have, education as its principal purpose
- be an RTO approved by ASQA or other relevant registration body
- fulfil the VET tuition assurance requirements in accordance with Schedule 1A to HESA
- offer at least one VET course of study
- satisfy the Minister it is willing and able to meet the VET quality and accountability requirements
- comply with any requirements set out in the VET Guidelines
- ensure the RTO and each person making decisions that affect the whole or a substantial part of the RTO pass the 'fit and proper person' test.

In addition, applicants are required to provide financial information indicating current and future financial viability.

Applicants also provide policies and procedures that relate to student protections required under HESA including tuition assurance, student grievance, fees, re-crediting of a student's FEE-HELP balance under 'special circumstances' and privacy. Only after all documents have been assessed as compliant and evidence of tuition assurance is received is the RTO approved as a VET FEE-HELP provider.

HESA sets out the timeframes for the Minister to make a decision to approve or reject an application, which includes, initial assessment period, and additional time for requesting and assessing additional information.

A registered training organisation has to be approved under clause 6 of Schedule 1A to the *Higher Education Support Act 2003* to allow students access to a VET FEE-HELP loan. Approval is enacted by registration of the legislative instrument on the Federal Register of Legislated Instruments.

No. The department does not conduct site visits.

Site visits are not undertaken as part of the application process. The department confirms the applicant's registration as a training provider status with the appropriate regulatory authority. Also the financial viability assessment is comprehensive and incorporates investigation into any ambiguities or irregularities in the information submitted by the applicant.

Being an RTO is a prerequisite to becoming a VET FEE-HELP provider. The approval process has a rigorous financial viability assessment due to the protection of Commonwealth monies, and a rigorous assessment of student protections to ensure tuition is delivered to students funding their tuition with VET FEE-HELP loans.

Yes. The department does conduct spot checks on existing providers.

The Minister's delegate may request information from VET Providers in accordance with clause 24 of Schedule 1A to HESA, and may undertake compliance assurance action under Schedule 1A to HESA.

The department may evaluate information the provider makes available online, interrogate their submitted data, and investigate their current financial viability position, and interview students and other stakeholders.