

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2016 - 2017**

Outcome: Agency: ASQA

Department of Education and Training Question No. SQ17-000032

Senator Cameron, Doug asked on 01 March 2017, Proof Hansard page 21

ASQA - Advice given to the Minister regarding MHM

Question

Senator CAMERON: Mr Paterson, did you provide any advice to the minister in relation to this company?

Mr Paterson: I am not aware of any particular advice. I have no record of it.

Senator CAMERON: Can you take that on notice?

Mr Paterson: I am happy to take that on notice.

Answer

The Australian Skills Quality Authority (ASQA) has provided the following response

MHM Australasia Pty Ltd (RTO 6980 – The Australasian College Broadway) was first registered as a vocational education and training (VET) organisation in July 1999 by the NSW Department of Education. The provider had previously been approved, in 1996, as a provider of courses to international students under the Education Services for Overseas Students Act (ESOS Act).

ASQA has gathered information about this RTO and has conducted a number of regulatory activities.

2012–2013 Renewal of registration

In May 2012, the RTO applied to ASQA to renew its VET registration under the *National Vocational Education and Training Regulator Act 2011* (NVR Act). At the same time, the provider also applied to renew its registration under the ESOS Act.

ASQA conducted an audit of the RTO in response to these applications and, on 17 December 2012, MHM Australasia Pty Ltd was advised that ASQA had rejected both applications for renewal of registration. The decision was to take effect from 31 January 2013.

MHM Australasia Pty Ltd applied to the Administrative Appeals Tribunal (AAT) for a review of ASQA's decisions and, on 23 January 2013, the AAT granted a stay of the decisions which allowed MHM Australasia Pty Ltd to continue to trade while the review matter progressed.

As part of the review, MHM Australasia Pty Ltd was able to provide new evidence and material. In addition, MHM Australasia Pty Ltd reduced its scope of registration from 23 to nine qualifications. ASQA considered all information provided and, on 11 March 2013, it was agreed in the AAT that the provider's VET and ESOS registrations be renewed.

The decision to reject the applications, and the subsequent decision to allow the renewal of registrations, was published in ASQA's Annual Report 2012–2013.

2015 Department of Education and Training Briefs

In March 2015, ASQA contributed to a Ministerial Brief that was prepared by the Department of Education and Training. ASQA provided information about the RTO's registration, complaints received by ASQA, and forthcoming regulatory activity by ASQA.

In April 2015, ASQA contributed to a Ministerial Brief that was prepared by the department and sent to Senator the Hon Simon Birmingham, former Assistant Minister for Education and Training. The content of this Brief related to a complaint received by Assistant Minister Birmingham about the actions of MHM Australasia Pty Ltd in 2013.

2015 – VET FEE-HELP Targeted Audit project

MHM Australasia Pty Ltd was one of the 22 RTOs audited as part of a strategic review which included a targeted audit of certain RTOs that were also registered as VET FEE-HELP providers. The project was announced by Assistant Minister Birmingham, on 24 February 2015.

The audit took place on 14–15 April 2015 and examined the RTO's compliance against the Standards for RTOs 2015. The audit found area of non-compliance in the areas of student recruitment and assessment. The RTO provided rectification evidence as to how it had addressed these matters.

On the basis of the audit findings, ASQA found the RTO compliant at the conclusion of the audit. However, ASQA considered it necessary to monitor the RTO's implementation of its improved enrolment and assessment procedures and for further documentation to be collected to allow ASQA to effectively undertake this monitoring. As a result, ASQA imposed additional conditions on the RTO's registration.

The findings of the compliance audit were provided in a Ministerial Brief to the Hon Luke Hartsuyker MP, former Minister for Vocational Education and Skills; and the department on 22 October 2015.

The findings of the compliance audit were also published in the ASQA Report - *Targeted audits of VET FEE-HELP providers* on 23 October 2015.

The decision to impose the conditions on the RTO's registration was a reviewable decision and, on 12 November 2015, MHM Australasia Pty Ltd applied to the AAT for a review of ASQA's decision. The RTO withdrew this application on 18 March 2016, and ASQA's decision remained.

2016 – VET FEE-HELP Regulatory Strategy

The 2016 VET FEE-HELP Regulatory Strategy was developed in consultation with the Department of Education and Training and responds to the findings of the ASQA 2015 VET FEE-HELP targeted audit program. In total, audits of 26 RTOs were conducted by ASQA as part of this Regulatory Strategy. As conditions were imposed on the registration of MHM Australasia Pty Ltd, ASQA conducted a follow-up compliance audit on the RTO to assess the RTO's compliance with the NVR Act.

As part of the 2016 VET FEE-HELP Regulatory Strategy, ASQA and the department have strengthened communication and information sharing protocols. These protocols have ensured that, since March 2016, a Provider Compliance Report is sent to the office of the Minister for Education and Training on a weekly basis on behalf of the department and ASQA. The Report provides a summary of new information about RTOs that are also approved VET FEE-HELP providers.

The audit of MHM Australasia Pty Ltd took place on 8 September 2016 and examined the implementation of improved enrolment and assessment procedures from the 2015 VET FEE-HELP Targeted Audit project. The audit found continued areas of non-compliance and, on 2 November 2016, ASQA made the decision to issue a notice of intention to impose a sanction to remove a number of qualifications from MHM's Australasia Pty Ltd's scope of registration.

Minister Birmingham; the Hon Karen Andrews MP, Assistant Minister for Vocational Education and Skills; and the department were informed of this decision in Brief on 4 November 2016.

The RTO was provided an opportunity to respond to this notice, which it did on 7 December 2016. At the time MHM Australasia Pty Ltd went into administration and subsequent liquidation, ASQA had not completed the review of the response provided by the RTO.

2016 – RTO administration

On 28 December 2016, ASQA accessed the ASIC website and ascertained that MHM Australasia Pty Ltd went into administration on 23 December 2016.

On 6 January 2017, ASQA and the department advised Minister Birmingham's Office in the Provider Compliance Report that the RTO had gone into administration. The department also provided a separate Provider Closure Brief about MHM Australasia Pty Ltd.

On 9 January 2017, the administrator advised ASQA that it was attempting to sell MHM Australasia Pty Ltd as a going concern. ASQA was advised in February 2017 by the administrator that it had been unable to sell the RTO as a going concern and that it was intending on withdrawing the RTO's registration.

On 10 March 2017, ASQA made the decision to issue a notice of intention to cancel the registration of MHM Australasia Pty Ltd. ASQA made this decision because the RTO had entered into liquidation and effectively ceased operating as an RTO. The liquidator was provided until 17 March 2017 to respond to the notice.

The liquidator did not respond to the notice in the required timeframe. Consequently, on 22 March 2017, ASQA made the decision to cancel the registration of MHM Australasia Pty Ltd. The department was informed of this decision that same day. Minister Birmingham and Assistant Minister Andrews were informed of this decision on 23 March 2017. The RTO will be informed of the decision during the week of 27 March 2017.