

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Additional Estimates 2010-2011**

**Outcome 2 - Schools**

**DEEWR Question No.EW0834\_11**

**Senator Hanson-Young provided in writing.**

**Question**

**ICA CASEY COLLEGE & ICA MELTON COLLEGE**

"Please provide details of all capital and recurrent funding grants to the ICA Casey College and ICA Melton College since the start of 2009 and a -What efforts have the department made to recoup this funding and/or to ensure that the Commonwealth receives some proceeds from the sale of the schools or winding up of the company that controls these schools? b- When did the department become aware of the financial difficulties of Independent Colleges Australia and how was that information conveyed to the department? c-Was the financial health of the company subject to any audit or review by the Commonwealth prior to the appointment of the voluntary administrator? "

**Answer**

Since the start of 2009, ICA Melton and ICA Casey Colleges have received the following funding:

Building Education Revolution

- ICA Melton - \$114,190
- ICA Casey - \$171,136

Recurrent Grants

- ICA Melton - \$1,737,483
- ICA Casey - \$2,688,310

Establishment Assistance

- ICA Melton - \$33,750

(a) The Department engaged an external auditor to examine the financial records of the ICA schools. The auditor was able to confirm that Commonwealth and state grants provided to the schools were used on the purposes for which they were provided. Grants paid in 2009, including Establishment Assistance, have been acquitted. The voluntary administrator appointed to the companies which owned and operated the schools has been asked to acquit the grants paid to the schools in 2010. If the funds are adequately acquitted there will be no requirement for the Department to seek recovery of recurrent grant funds. If the voluntary administrator is unable to do so the Department will seek to recover un-acquitted recurrent grants.

The Department will seek to recover all unexpended Building the Education Revolution funding. The Block Grant Authority has been advised that the unspent funding held by them on behalf of the school will be recovered.

- (b) In November 2010 the Department was advised by a Director of the companies which owned and operated the schools of the potential liquidation of the companies, sale of the premises, and likely closure of the schools.
- (c) The approved authorities of the schools (i.e. the companies approved to own and operate the schools) were required to have their 2009 finances audited by an independent auditor by June 2010. The approved authorities complied with that requirement.

The follow up of outstanding acquittals and the recovery of unspent and/or un-acquitted funds, where relevant, is part of the Department's normal accountability and debt management processes. These processes are applicable to all non-government schools in receipt of funding under the *Schools Assistance Act 2008*.