**EXPLANATORY STATEMENT**

***VET Student Loans (Approved Course Provider Application Fee) Determination 2017***

**Authority**

The instrument is made by the Secretary of the Department of Education and Training under subsection 31(1) of the *VET Student Loans Act 2016*.

**Purpose**

The purpose of the *VET Student Loans (Approved Course Provider Application) Determination 2017* (Determination)is to prescribe a fee for making applications for approval as an approved course provider under the *VET Student Loans Act 2016* (the Act). The Act is part of a package of legislation which was introduced to reform the student loan arrangements for vocational education and training (VET) courses.

Providers of VET courses are approved as approved course providers for the purposes of VET student loans under the Act. Subsection 28(2) of the Act provides that an application by a body for approval as an approved course provider must be accompanied by the application fee. Subsection 31(1) of the Act provides that the Secretary may prescribe fees for the making of such applications. Applicants will be invoiced the amount of the fee after receipt of the application. Applicants must pay the fee by the due date detailed on the invoice.

The application fee assists with the recovery of the costs incurred by the Department of Education and Training associated with processing and assessing applications. These costs were determined by identifying the activities that comprise the assessment of each application and the time, skills and resources required to complete each activity. This process is detailed in the Cost Recovery Implementation Statement for VET student loans, found at [www.education.gov.au/vet-student-loans](http://www.education.gov.au/vet-student-loans).

The Act does not specify any conditions that need to be satisfied before the power to make the Determination may be exercised.

**Commencement**

The Determination commences on the day after it is registered.

**Consultation**

The department consulted on the Cost Recovery Implementation Statement with the VET Student Loans Implementation Advisory Group (Advisory Group) on 24 January 2017 and 23 June 2017. The Advisory Group was established to ensure stakeholder views are understood and considered during the transition period. The Advisory Group comprises representatives of industry, regulators, consumer protection advocates and VET student loans providers.

Further, consultation on fees was consistent with the Senate Education and Employment Legislation Committee Inquiry into the VET Student Loans Bill 2016 and two related bills, which encouraged the Department of Education and Training to consult with key stakeholders to ensure that fees and charges are implemented on a fair and equitable basis, taking into account any impact on students.

**Regulation Impact Statement**

A Regulation Impact Statement (RIS) on the redesign of the VET FEE-HELP scheme, of which the VET Student Loans program was the outcome, was prepared and certified by the Commonwealth Department of Education and Training under the best practice regulation requirements in October 2016, OPBR ID 20451. This RIS outlined the option that was reflected in the *VET Student Loans Act 2016*, including charging application fees.

**Explanation of provisions**

**Section 1** states the name of the Determination.

**Section 2** states that the Determination commences on the day after it is registered.

**Section 3** states the authority for making the Determination is subsection 31(1) of the Act.

**Section 4** states that for subsection 31(1) of the Act, the fee for making an application for approval as an approved course provider under the Act is $5 110.