

1. This is a detailed statement of my findings in regards to the misuse and roting of VET FEE-HELP funding by
2. Between 2008 and 2014, I was a full time employee of
In 2011, I was given the
position the then CEO and I was to undertake the task of
investigating all incumbent business processes in connection with VET FEE HELP funding.
3. In consultation with the CEO we decided the first project would be to process map the VET FEE-HELP Government submissions sector of the business, which was managed by the VET FEE MANAGER. In 2011, I met with the VET FEE MANAGER to discuss the Vet Fee-Help processes. In that meeting the VET FEE MANAGER began to inform me of the unprofessional conduct of senior staff members within the organization in relation to Vet Fee-Help. I could see that VET FEE MANAGER was uncomfortable when talking about these matters as she stated she was greatly concerned that vulnerable young students were being taken advantage of by the college and that they were being burdened with a large government debt. She mentioned that during her time as VET FEE-HELP manager, four main characters within the business had made her job extremely difficult to administer. The VET FEE MANAGER told me those people were The Owner of the College, The General Manager, The Head of Sales and Marketing and The Head of Hairdressing Faculty.
4. The VET FEE MANAGER explained that the above mentioned people were not interested in administering the VET FEE-HELP in accordance with guidelines set out by government and conspired to unethically influence students to sign up for diploma courses (See Paragraph 8). The above people would then plot to influence control over those enrolled students in many underhand ways so that the college could benefit from government funding. (See Paragraph 15 & 16) I then set about flow-charting the Vet Fee Process with the assistance of VET FEE MANAGER.
5. The VET FEE MANAGER was a professional, articulate and a well-respected person within the organisation and her work was always well presented. Her position in the company for the past three years had been VET FEE-HELP Manager. The VET FEE MANAGER resigned from her position due to the unethical practices surrounding NET FEE-HELP and left the company in 2012.

6. In 2011, I was instructed by CEO via email that an internal mock audit of the college was to be carried out in 2012, by a qualified auditor and employee of the college. CEO stated within his email; "you will need to spend the week with this team in your new role drive the components of the project".
7. Before the audit process, the qualified auditor stated to me that he suspected there were a number of non-compliance issues within the college and he reiterated comments made to me by the CEO in 2012, that if the college were to be officially audited at this time it would lose its registration.
8. 2012, the audit team met in the boardroom and consisted of Qualified Auditor, Compliance Officer, VET FEE MANAGER, Operations Coordinator and myself in my role I made original notes while attending the audit, which later went inexplicably missing. I did however while in possession of those notes compile an unfinished structured report based upon Essential Standards for continuing registration.
9. I was present when, head of Sales and Marketing was questioned by auditors in the boardroom, regarding the way in which the VET FEE Diploma of Hairdressing Salon Management was being offered to students as a practical course, over an unusually long time frame which was outside the normal industry standard and considerably more expensive than any other Diploma of Hairdressing Salon Management in the market place. Auditor also discussed with Head of sales how, at the time of sale, students were being told that the Certificate III and IV Hairdressing could be completed in the time allocated to the Diploma and that the college was running Cert III and Cert IV in Hairdressing concurrently with the Diploma. They wanted to know why students were only being enrolled in the Diploma and not being enrolled in either the Cert III or Cert IV. Auditor informed Head of Sales, that this was not only non-compliant, but students would probably not be insured if undertaking Certificate III or IV without being enrolled as per legislative guidelines. One of the major concerns of Auditor was the inaccurate and unethical way in which the Certificate III in Hairdressing, The Certificate IV in Hairdressing and The Diploma of Hairdressing Salon Management was being marketed by the sales department under Vet Fee Funding.

10. During the Audit, I visited the Student Administration department and found all students undertaking The Diploma of Hairdressing Salon Management under Vet Fee-Help, had three files allocated to them which included; The Diploma File (With Enrolment and course work evidence etc.); Certificate IV file (No Enrolment but with course work etc.) and Certificate III file (No Enrolment but with course work etc.) The two files without enrolment were held together with elastic bands and I believed this was done so if the college was audited, these files could be removed quickly and hidden, as they were non-compliant. The auditors would then be misled into thinking these students were only undertaking the Government funded VET FEE Diploma course.
11. Back in the Audit, the Auditor, in my presence, then asked Head of Sales about the scheduling of student time as the Diploma course was allocated a full time study load through Vet Fee-Help. They asked her why if the Diploma was allocated approx. 32 hrs. per week, why were these students' timetables showing them in practical Hairdressing lessons on the salon floor for 28 hours and only 4 hours in diploma. Head of Sales made no comment. It was obvious to me that the college was marketing the Vet Fee Funding incorrectly to the student. I suspected that students were being told that Vet Fee-Help was funding all the Cert III, Cert IV and Diploma courses. I confirmed this with Compliance Manager and he stated he had addressed this problem directly with The Owner and she was not only aware of it, but driving it.
12. With the information gained within the audit and VET FEE MANAGER's comments made to me in 2011, the situation now began to make a lot more sense to me. In my opinion, it also made sense to me why CEO was asking me to investigate the business processes within the college.

13. During the audit and after speaking to Head of Sales, Auditor spoke to Senior Sales Person who had been personally trained by Head of Sales and The Owner in regards to VET FEE HELP. Senior Sales was a senior member of the sales and marketing department and at that time was selling the Cert III, Cert IV Hairdressing and the Diploma of Hairdressing Salon Management at the college to potential students. Auditor began by asking about the sales process. Senior Sales stated to the audit team that she had issues regarding the unethical marketing of the courses that she was selling and in the past had several meetings with Head of Sales and The Owner regarding her concerns. In all meetings The Owner had reassured Senior Sales that there were no problems with the way in which the college was marketing and selling Vet Fee-Help enabled courses. Senior Sales Person also stated that students who were currently enrolled in The Diploma of Hairdressing Salon Management were making complaints to her about unfair treatment at the college and students wanted to withdraw from their course and were being ignored. She stated that The Owner directed her to forward potential withdrawals and complaints to Head of Sales. Senior Sales Person told us that she then referred all potential withdrawing students and complaints to Head of Sales. One example of a recurring complaint made by students was when they had made their initial enquiry via the college web site, a "Laptop" was being offered on enrolment and was not forthcoming.
14. Senior Sales Person also stated that students were not receiving promised hairdressing kit, uniform and textbooks also mentioned in the written contract. She went on to say that the Compliance Manager had previously advised her that the sales process was non compliant and that before students undertook Certificate III or Certificate IV in Hairdressing, they must be enrolled in those specific courses and receive a letter of offer. This process was not being followed. She then stated that a further sales team meeting had taken place in the office of Owner, after Compliance Manager had advised her and Head of Sales of this non compliance and The Owner stated in that meeting to all sales staff, that they were to carry on selling the course as a practical Hairdressing course and not to change anything until she said so. Senior Sales Person informed Auditor that Compliance Manager was not at that particular meeting. Auditor asked Senior Sales Person if students were aware that Vet Fee-Help was only financing the Diploma course.

15. Senior Sales stated that students were being led to believe that Vet Fee-Help was financing all three courses and that they were being led to believe that they would leave the college as fully qualified hairdressers. I remember that Auditor both appeared to be visibly shocked by what she was saying. They asked her where this directive was coming from and she stated from The Owner herself. She also stated that Owners main concern was getting students past their first census date of funding and staff members were either told to ignore complaints from students or delay withdrawals until that census date had passed. The Census date is a date which when passed makes the student liable for funding debt and the college is guaranteed a payment of funding from Federal Government. I believe that at the time of the audit if the first census date was passed the college received over \$15,000.00 per student. Senior Sales Person also stated that the complaints procedure was embarrassing at the college and she was frustrated and angry at how vulnerable students were being misled and that she felt bullied by Head of Sales and The Owner to continue selling the course in this way or lose her job.
16. A major concern of mine at the time was that several students had apparently tried to withdraw from the VET FEE-HELP course and management were destroying withdrawal letters from students.
17. Educators at the college were also reporting to me on a regular basis that senior management were ignoring students who wanted to discuss withdrawal from VET FEE-HELP.
18. When Senior Sales Person left the Boardroom, Auditor had an open discussion with the rest of the audit team and stated they would have a conversation with The Owner over lunch and inform her that this was unethical and non compliant and it could not go on if the college was to be compliant for the audit due in 2012.
19. The audit team also saw Head of Business Management Faculty. He failed to produce any documentation to the audit team, stating he had been too busy to prepare anything. It should be noted that [redacted] failed the A.S.Q.A. (Australian Skills Quality Authority) audit in 2012 and had their re-registration refused. This was later rescinded in 2013.
20. On [redacted] 2012, I started compiling a report of my findings in regard to non-compliance issues. I did not make reference to Senior Sales Person's comments or the criminal fraud I suspected was taking place as Auditor stated they would address these issues with The Owner & CEO directly. I believe Auditor submitted own separate reports to The Owner and CEO. When asked, I was told they were private and confidential and I could not see them.

21. In 2012 after the audit was complete I was called to Owners office. Also present were Auditor & Compliance Manager. I was directed by The Owner to cease all Business Process work.
22. During my time at [redacted] whenever there was an opportunity to exploit the system with little chance or fear of detection, I believe that The Owner would take that opportunity and drive it. Throughout the organization, there was a lack of ethical leadership or support by senior management and there was a cultural acceptance of corrupt and criminal practices. I believe that there is evidence, from my own observations and from other staff members I worked alongside and from documentation contained within the organisation, to support the allegations of fraudulent activities that I observed take place whilst I worked at [redacted]
23. In 2012 and after a prolonged personal attack of bullying and harassment, I reported sick on Work Cover suffering from acute anxiety and stress disorder.
24. In 2014 I was dismissed from [redacted]
25. It has since come to my attention that many vulnerable students who attended this college reported serious misconduct and breaches of VET FEE HELP to the relevant authorities including ASQA and trading standards, with little or no help.
27. I am prepared and willing to give any further assistance to the senate enquiry.