

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Budget Estimates 2017 - 2018**

Outcome: Agency: ASQA

Department of Education and Training Question No. SQ17-000573

Senator Cameron, Doug asked on 31 May 2017, Proof Hansard page 37

ASQA: action in relation to Sage and Careers Australia

Question

Senator CAMERON: Did the new system identify problems at Sage and Careers Australia before their collapse?

Mr Paterson: Yes.

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Senator CAMERON: Can you provide details.

Mr Paterson: We were in the process of taking regulatory action in relation to Careers and we had taken regulatory action in relation to Sage.

Senator CAMERON: On notice can you provide details of what that action was.

Mr Paterson: Yes.

Answer

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

Sage (Australian Careers Institute Pty Ltd – RTO ID: 110070)

Following the conduct of a compliance audit of this Registered Training Organisation (RTO) in November 2016, ASQA determined that Sage was not compliant with the requirements of the *Standards for Registered Training Organisations 2015*. Compliance with these Standards is a condition of continuing registration as an RTO under the *National Vocational Education and Training Regulator Act 2011* (NVR Act).

As such, on 24 February 2017, ASQA issued the RTO a written direction requiring it to:

- rectify this breach by addressing each non-compliance identified; and
- retain evidence that it had complied with the written direction for examination at a future regulatory activity

Sage was subsequently placed in liquidation on 16 March 2017.

Careers Australia (Careers Australia Education Institute Pty Ltd – RTO ID: 22479)

ASQA commenced a compliance audit of this RTO on 22 August 2016.

Based on the evidence gathered during the audit, ASQA believed that the RTO did not demonstrate compliance with the *Standards for Registered Training Organisations 2015*. Compliance with these Standards is a condition of continuing registration as an RTO under the NVR Act.

Additionally, ASQA was concerned by the apparent low level completion rates of a significant number of VET FEE-HELP students, particularly those enrolled in online training courses, with this RTO.

As a consequence of this, the RTO would also not have been compliant with the requirements of the *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007* (National Code 2007) and the *National Code of Practice for Providers of Education and Training to Overseas Students 2017* (National Code 2017); as prescribed under the *Education Services for Overseas Students Act* (ESOS Act). Specifically the provider does not have the clearly demonstrated capacity to provide education of a satisfactory standard.

On 25 May 2017 ASQA was advised that Careers Australia Group Limited (the holding company of the RTO Careers Australia Education Institute Pty Ltd) had entered voluntary administration.

At this time ASQA had finalised its compliance audit and was undertaking a legal review of the evidence gathered. Subject to this review, ASQA planned to issue a notice of its intention to cancel the RTO's registration under the NVR Act and its registration as a registered provider under the ESOS Act.

ASQA is legally obliged to consider the RTO's response before deciding whether to impose the decision to cancel registration.

As Careers Australia Group Limited has entered voluntary administration, ASQA has temporarily suspended further activities on this matter.

On 26 May 2017, ASQA made a disclosure to the administrator relating to its current regulatory activities and findings in relation to the RTO.

The disclosure noted that, should the RTO or any part of the RTO re-commence training and assessment in whatever company form, ASQA will require the new owner or operator to remedy any non-compliances and related harm and to demonstrate continuing compliance with the relevant legislation and the VET Quality Framework.