

Senate Committee: Education and Employment

QUESTION ON NOTICE Budget Estimates 2017 - 2018

Outcome: Skills and Training

Department of Education and Training Question No. SQ17-000609

Senator Cameron, Doug asked on 31 May 2017, Proof Hansard page 96

RTO audits

Question

Senator CAMERON: Can you provide the list of companies that are of interest to the department?

Mr Morling: I would prefer to take that one on notice, because we do have a concern that some of these actions may not necessarily lead to compliance action, and we do not want pre-empt or prejudice any outcomes from those audits. I can tell you there are four companies that it is publicly known we have audited, which are Conwal, Productivity Partners, Phoenix, and AIPE.

Answer

The Department of Education and Training is unable to provide details of current investigations due to risks of prejudicing those investigations, and any compliance action the department is considering. Conwal and Associates Pty Ltd, Productivity Partners Pty Ltd, Phoenix Institute of Australia Pty Ltd, Australian Institute of Professional Education Pty Ltd and Careers Australia Education Institute Pty Ltd have publicly disclosed that they have been audited by the department.

ACT Education Group Pty Ltd, Adamattrin Pty Ltd, Asia Pacific Training Institute Pty Ltd, Conwal and Associates Pty Ltd, Franklyn Scholar (Australia) Pty Ltd, Productivity Partners Pty Ltd and Unique International College Pty Ltd have been suspended by the department for poor performance.

In addition, the ACCC is in Federal Court proceedings against four former VET FEE-HELP providers – Australian Institute of Professional Education; Unique International College; Cornerstone (Empower); and Phoenix – for alleged misleading and unconscionable conduct associated with marketing VET FEE-HELP supported courses.

The department is joined as a party to the four court actions against the former VET FEE-HELP providers, in order to seek to cancel the VET FEE-HELP debts of students who were subject to conduct in breach of the ACL and recover funds from the providers where appropriate.

The Federal Court found on 30 June 2017 that Unique International College made false or misleading representations and engaged in a pattern of behaviour that amounted to unconscionable conduct in breach of the ACL. The ACCC and the department are seeking orders for penalties and other relief which will be listed for hearing on a date to be determined.

The ACCC has accepted court enforceable undertakings from a further two VET providers. These providers have agreed to cancel enrolments and repay VET FEE-HELP funds to the Australian Government for students affected by certain marketing practices that breached the ACL.