

Attachment A

Information provided by the Bruce Hartwig Flying School about the 'credit' arrangements offered to students

PETERSON, Brett

From: [redacted]
Sent: Tuesday, 14 April 2015 9:30 PM
To: Education - TQSS - Tertiary Study Enquiries
Subject: Re: Flying students enrolled in South Australian Advanced Diploma [SEC=UNCLASSIFIED]

Hi Chris

Many thanks for your reply. The course in question expired in 2014, and the SA Government agreed that the currently enrolled students could complete the course they were enrolled in, and Skills SA subsequently extended the completion dates to 23 June 2015. We therefore extended all our students to 23 June 2015, as the final date to complete their course. This gave them more time to achieve the requirements and be awarded the Advanced Diploma.

We have made it very clear to our 20 students that they are free to complete their course by 23 June 2015. If they feel they are not able to complete the course within that time-frame, we are holding discussions on an individual basis to receive internal Credits that they can only use to further their flight training. For example, some students will still be able to attain their Commercial Licence, IFR, or multi-engine instrument ratings and have no gap to pay, as we waive their contracted payment obligations as part of our agreement with them.

It is our understanding (based on advice) that because the students can complete the course if they wish (and we are authorised to continue teaching the course until 23 June 2015), that there are no negative implications for the students or the school in regard to the tuition assurance implications under the Act. Each student will make their own decision re their course based on their personal circumstances, and we will provide them with maximum support to assist them achieve their flight training goals. We have thus far received only positive feedback from the students, as they appreciate that [redacted] and I are doing our best to assist them within the legal and economic constraints that we face.

On a lighter note, I am pleased to report that we have exceeded our 2015 forecast already for the Diploma course. Enrollments in our Private Pilot Training course (precursor to the Diploma, and self-funded) has been surprisingly strong. We are currently in Shanghai, having attended an Aviation Training Forum for the Chinese market. Interest has been strong from mainland China, Singapore and Vietnam. We are therefore optimistic about the school's prospects in both the domestic and international markets.

Best regards

----- Original Message -----

From: "Education - TQSS - Tertiary Study Enquiries" <[redacted]@education.gov.au>
To: [redacted]
Sent: 14/04/2015 12:55:55 PM
Subject: Flying students enrolled in South Australian Advanced Diploma [SEC=UNCLASSIFIED]

Hell

As discussed in February, while the department does not offer business advice, the approach to students enrolled in the old South Australian advanced diploma you have outlined below seems fair.

After we spoke, it occurred to me that if the flying school does not seek to have the course renewed, then it may be the case that your legal entitlement to deliver that course would thus cease.

Would it thus follow that even a student who has expressed an interest in continuing their enrolment in this course may have to cease training, as the course they enrolled in was no longer offered?

Have you considered the tuition assurance implications under the *Higher Education Support Act 2003* of "ceasing to offer" that advanced diploma course?

Regards

Chris James

Assistant Director
HELP Operations
Provider Assurance and Systems Branch
Commonwealth Department of Education and Training
50 Marcus Clarke Street,
Canberra ACT 2601

From: ..
Sent: Monday, 9 February 2015 5:07 PM
To: Education - TQSS - Tertiary Study Enquiries
Subject: Attention: MR CHRIS JAMES

Chris

As discussed, we have a problem to resolve with respect to our Advanced Diploma Course (15725SA). As you are aware, when [redacted] and I purchased the Bruce Hartwig Flying School in April 2014, there were 20 students enrolled in this State-approved course, which has subsequently expired. We are not seeking to have the course renewed.

The previous owner established the Advanced Diploma as a one-semester course of 18 months duration. All the student census dates occurred either in 2013 or 2014, and the VET monies have been received. The course end dates are 2 March 15 and 25 May 15 for the two batches of students who enrolled.

The issue we face is that there are a number of students who are clearly going to fail the course. This is due largely to:

- Students not studying full-time and falling behind in their flying due to other commitments
- Some students struggling with the difficulty level of the course
- Most students being unable to fund the gap cost of the VET funding and the course cost of \$114,900 that they signed up for.

I understand that the School can legally retain all of the VET funds and pursue the students for unpaid gap funds owing in the event that the students fail the course, however neither I nor myself consider this to be a moral or ethical outcome for the effected students. We have devised an alternative that your opinion is sought on. In short:

- The student voluntarily withdraws from the course
- We convert their remaining internally-calculated VET balance School Credits that can be used for further flight training
- The students are free to continue studying for their CASA licenses, and to top-up the Credit funding if need be. For example, we have one student who would have enough Credits to complete their instrument rating and CPL, but not their ATPL. This student would greatly prefer to take this path than to fail the Advanced Diploma course and still owe the \$20,000 gap.

Fortunately, we track any "drawing down" of the VET funds on a student-by-student basis, using our standard pricing. Although it is a fixed-price course we internally invoice the prepaid amount for each student in our balance sheet, so we can calculate a funds balance (whether received from VET or other sources such as the Skills For All state subsidy, or prepayments made in cash). It is this balance we are proposing to convert to Credits. We are also proposing to relieve the students of the gap that they currently owe if they choose to withdraw and take the School Credit path.

I have attached an example draft of the agreement we would be seeking to use should any of our Advanced Diploma students wish to avail themselves of this option. We have not yet offered this option to any student, as the opinion of the Department is a dependency before proceeding with this concept. In considering this concept, please be aware that our students are vastly more interested in attaining their licences eg. CPL, Instrument, ATPL, Type Rating etc. than achieving a Diploma or similar qualification. That is why our preferred option to give them relief from the current situation is to offer Credits to apply to the specific training each individual needs to attain their own flying career accreditation goals.

The other option which may apply to a small number of students is for us to make an early repayment on the student's VET debt on their behalf. We would like an opinion from the Department on the viability of that option as well.

I must stress that the above is being contemplated for the **Advanced Diploma 15725SA students only**, which is a once-off issue. This course has been closed since we took over the business, and no enrollments further will be taken.

I would appreciate a reply as soon as possible, as 8 March 15 is less than a month away and we would like to meet with each student and discuss their individual circumstances and options in advance of their course end date.

Best regards

Bruce Hartwig Flying School

Parafield Airport | South Australia 15106

Office: +61 (0) 8 8258 4244

www.hartwigair.com.au



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<http://www.avast.com/>

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www.avast.com

Attachment B

Information provided by the Bruce Hartwig Flying School about course costs for

PETERSON, Brett

From: brett.peter@hartwigair.com.au
Sent: Monday, 20 July 2015 3:01 PM
To: JAMES Christopher
Subject:
Attachments: Advanced Diploma Course Cost - Fanaffi.pdf

Hi Chris

As discussed, please find attached an explanation regarding the course cost, as discussed.

Regards

Bruce Hartwig Flying School

Parafield Airport | South Australia | 5106
Office: +61 (0) 8 8258 4244 | Mobile: +61 (0) 8 8258 4244
www.hartwigair.com.au



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15725SA Advanced Diploma of Aviation

Student: ... gi

Course Cost Calculations

The former management of the Bruce Hartwig Flying School created a curriculum for the delivery of 15725SA Advanced Diploma of Aviation (AD) at a fixed course cost of \$114,900, consisting of one VET unit of study for the entire VET course of study. The duration of the course is 18 months (to allow for contingencies for poor weather, aircraft maintenance/ repairs etc).

It's original AD contract calculations follow:

| | |
|------------------------------------|-------------------|
| VET course of study cost | \$ 93,204 |
| Ineligible for VET assistance cost | \$ 21,696 |
| Total course cost | \$ 114,900 |

Fanaafi passed her VET census date on 24/3/2014.

In accordance with the requirements of the Higher Education Support Act 2003, we publish our relevant policies (including our grievance procedure) on our website:

<http://hartwigair.com.au/vet-compliance/>

Fanaafi commenced the formal School grievance process on 9 July 2015 regarding the outstanding \$14,482 course gap payment. This is currently being reviewed via our formal quality management system. The "Ineligible for VET Assistance Cost" of \$21,696 is the cost of covering Non-VET eligible training.

At the time, a State Skills For All (SFA) subsidy of up to \$14,673 was available to be applied to the Ineligible for VET Assistance Cost if the student passed all of the eligible SFA units.

It should be noted that SFA funding is contingent upon student progress through the course. The student is liable for the \$21,696 but the School agreed to credit the student with any SFA funding received against the student's Ineligible for VET Assistance Cost.

In this case, SFA funding received by the School is \$5,714.27 to date. Therefore, the current closing position for her Remaining Student Funding Gap is as follows:

Revised calculation at 19 June 2015

| | |
|--------------------------------------|------------------|
| Course cost | \$ 114,900 |
| Admin deposit | \$ 1,500 |
| VET funding | \$ 93,204 |
| Skills For All received | \$ 5,714 |
| Remaining Student Funding Gap | \$ 14,482 |

Fonaafi did not progress sufficiently far through the Advanced Diploma as to be eligible for the full \$14,673 SFA funding subsidy, and therefore must finance the original \$21,696 ineligible for VET Assistance Cost from other sources.

Attachment C

Course compliance information provided by the Bruce Hartwig Flying School

PETERSON, Brett

From: [redacted]
Sent: Monday, 20 July 2015 2:53 PM
To: JAMES, Christopher
Subject: 15725SA Advanced Diploma of Aviation - compliance report
Attachments: BHFS Curriculum compliance report 010715.xls

Hi Chris

Please find attached our VET compliance report for 15725SA Advanced Diploma of Aviation as discussed.

Regards

, Bruce Hartwig Flying School

Parafield Airport | South Aust | 5110

Office: +61 (0) 8 8258 4244

www.hartwigair.com.au



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Qualifications (Non-Accredited courses/ CASA licence)

Private Pilot Licence

Commercial Pilot Licence

Single Engine Command Instrument Rating

Multi Engine Command Instrument Rating

Theory courses

PPL (Private Pilot Licence Theory)

CPL (Commercial Pilot Licence Theory)

IREX (Instrument Rating Theory)

Attachment D

(a) the timing and duration of study

(b) whether the student debt reported was consistent with the course fees pertaining to the VET course of study the student had enrolled in

PETERSON, Brett

From: Education - HEIMS Data Collections
Sent: Thursday, 24 September 2015 3:28 PM
To: WOOD, Paul
Subject: RE: 0000 - #40755 - Paul Wood - VET FEE-HELP Debts for four students who enrolled Bruce Hartwig Flying School [SEC=UNCLASSIFIED]
Attachments: 0000_40755_Paul Wood_VFH Debts at Bruce Hartwig_4 Students.xlsx

Follow Up Flag: Follow up
Flag Status: Completed

Hi Paul

THE details of the reported data for the students you queried are as follows;

This student has been reported by Bruce Hartwig Flying School and Aerocentre as enrolled in an Advanced Diploma of Aviation (2014) and has incurred a total HELP debt of \$93,204.00; this data has not been revised. The ATO applies indexation to any outstanding debt on an annual basis.

Name:

This student has been reported by:

RMIT University as enrolled in Dip Air Trans (Airline Pilot) (2011)
Bruce Hartwig Flying School and Aerocentre as enrolled in an Advanced Diploma of Aviation (2014)

They have incurred a total HELP debt of \$94,433.01; this data has not been revised. The ATO applies indexation to any outstanding debt on an annual basis.

Name:

This student has been reported by Bruce Hartwig Flying School and Aerocentre as enrolled in an Advanced Diploma of Aviation (2014) and has incurred a total HELP debt of \$93,204.00; this data has not been revised. The ATO applies indexation to any outstanding debt on an annual basis.

Name:

This student has been reported by Bruce Hartwig Flying School and Aerocentre as enrolled in an Advanced Diploma of Aviation (2014) and has incurred a total HELP debt of \$93,204.00; this data has not been revised. The ATO applies indexation to any outstanding debt on an annual basis.

The reported details for each of these students are in the attached spreadsheet.

From: WOOD,Paul

Sent: Thursday, 24 September 2015 12:26 PM

To: Education - HEIMS Data Collections

Subject: RE: 0000 - #40755 - Paul Wood - VET FEE-HELP Debts for four students who enrolled Bruce Hartwig Flying School [SEC=UNCLASSIFIED]

Importance: High

Hi Team

Can you please confirm the VET FEE-HELP loan debts for the following four students who enrolled at Bruce Hartwig Flying School Pty-Ltd in 2013 and 2014:

Thanks

Paul Wood

Assistant Director

Payments, Data and Provider Management (A-H)

VET FEE-HELP Branch

Skills Programmes Group

Australian Government Department of Education and Training

Opportunity through learning

www.education.gov.au

The Department of Education and Training acknowledges the traditional owners and custodians of country throughout Australia and their continuing connection to land, waters and community. We pay our respect to them and their cultures, and elders past, present and future.



| Provider Code | Provider | CHESSN | Date Created | Students Family | Students Given Name | CHESSN Issued By |
|---------------|--|------------|--------------|-----------------|---------------------|------------------|
| 7360 | Bruce Hartwig Flying School and Aerocentre | 6520449624 | 18/11/2013 | | | |

| Provider code | Provider name | Master CHESSN | Student Number | Family Name | Given Name | Birth Date | Year | Course Code | E308 Course name | CoS Commence Date | E330 - Type of attendance | E329 - Mode of attendance | UoS Code | Census Date | EFTSL | Charged Amount | Paid Up Front | Debt Amount | Loan Fee | Completion status |
|--|--|---------------|----------------|-------------|------------|------------|------|-------------|--------------------------------------|-------------------|---------------------------|---------------------------|----------|-------------|-------|----------------|---------------|-------------|----------|-------------------|
| 7360 | Bruce Hartwig Flying School and Aerocentre | | | | | | 16 | 2014 | 157255A Advanced Diploma of Aviation | 1/11/2013 | Full time | Internal/Extern: | 157255A | 20140210 | 1 | \$114,900.00 | \$21,696.00 | \$93,204.00 | \$0.00 | Incomplete |
| Total reported debt including loan fee | | | | | | | | | | | | | | | | | \$93,204.00 | | | |

| Provider code | Provider name | Master CHESSN | Student Number | Family Name | Given Name | Birth Date | Year | Course Code | E308 Course name | CoS Commence Date | E330 - Type of attendance | E329 - Mode of attendance | UoS Code | Census Date | EFTSL | Charged Amount | Paid Up Front | Debt Amount | Loan Fee | Completion status |
|--|--|---------------|----------------|-------------|------------|------------|------|-------------|-------------------------------|-------------------|---------------------------|---------------------------|----------|-------------|-------|----------------|---------------|-------------|----------|-------------------|
| 7360 | Bruce Hartwig Flying School and Aerocentre | 0 | 3 | | | | 2013 | 157255A | Advanced Diploma of Aviation | 1/09/2013 | Full time | Internal/External | AVD | 20131118 | 0.1 | \$114,900.00 | \$27,840.00 | \$87,059.04 | \$0.00 | Incomplete |
| 3034 | RMIT University | | 3 | | | | 2011 | 12868VIC | Dip Air Trans (Airline Pilot) | 1/02/2011 | Part time | Internal | 23783 | 20110331 | 0.04 | \$1,536.24 | \$0.00 | \$1,536.24 | \$307.25 | Withdrew |
| 3034 | RMIT University | | 3 | | | | 2011 | 12868VIC | Dip Air Trans (Airline Pilot) | 1/02/2011 | Part time | Internal | 23784 | 20110331 | 0.015 | \$576.09 | \$0.00 | \$576.09 | \$115.22 | Withdrew |
| 3034 | RMIT University | | 3 | | | | 2011 | 12868VIC | Dip Air Trans (Airline Pilot) | 1/02/2011 | Part time | Internal | 23785 | 20110331 | 0.04 | \$1,536.24 | \$0.00 | \$1,536.24 | \$307.25 | Withdrew |
| 3034 | RMIT University | | 3 | | | | 2011 | 12868VIC | Dip Air Trans (Airline Pilot) | 1/02/2011 | Part time | Internal | 23786 | 20110331 | 0.005 | \$192.03 | \$0.00 | \$192.03 | \$38.41 | Withdrew |
| 3034 | RMIT University | | 3 | | | | 2011 | 12868VIC | Dip Air Trans (Airline Pilot) | 1/02/2011 | Part time | Internal | 23787 | 20110331 | 0.03 | \$1,152.18 | \$0.00 | \$1,152.18 | \$230.44 | Withdrew |
| 3034 | RMIT University | | 3 | | | | 2011 | 12868VIC | Dip Air Trans (Airline Pilot) | 1/02/2011 | Part time | Internal | 23788 | 20110331 | 0.005 | \$192.03 | \$0.00 | \$192.03 | \$38.41 | Withdrew |
| 3034 | RMIT University | | 3 | | | | 2011 | 12868VIC | Dip Air Trans (Airline Pilot) | 1/02/2011 | Part time | Internal | 23789 | 20110331 | 0.005 | \$192.03 | \$0.00 | \$192.03 | \$38.41 | Withdrew |
| 3034 | RMIT University | | 3 | | | | 2011 | 12868VIC | Dip Air Trans (Airline Pilot) | 1/02/2011 | Part time | Internal | 23790 | 20110331 | 0.02 | \$768.12 | \$0.00 | \$768.12 | \$153.62 | Withdrew |
| Total reported debt including loan fee | | | | | | | | | | | | | | | | | \$94,433.01 | | | |

| Provider code | Provider name | Master CHESSN | Student Number | Family Name | Given Name | Birth Date | Year | Course Code | E308 Course name | CoS Commence Date | E330 - Type of attendance | E329 - Mode of attendance | UoS Code | Census Date | EFTSL | Charged Amount | Paid Up Front | Debt Amount | Loan Fee | Completion status | |
|--|--|---------------|----------------|-------------|------------|------------|------|-------------|------------------|------------------------------|---------------------------|---------------------------|-------------------|-------------|----------|----------------|---------------|-------------|-------------|-------------------|------------|
| 7360 | Bruce Hartwig Flying School and Aerocentre | | | | | | 93 | 2014 | 15725SA | Advanced Diploma of Aviation | 1/12/2013 | Full time | Internal/External | 15725SA | 20140224 | 1 | \$114,900.00 | \$21,696.00 | \$93,204.00 | \$0.00 | Incomplete |
| Total reported debt including loan fee | | | | | | | | | | | | | | | | | | \$93,204.00 | | | |

| Provider Code | Provider | CHESSN | Date Created | CHESSN | Students Family Name | Students Given Name | CHESSN Issued By |
|---------------|--|------------|--------------|----------------|----------------------|---------------------|------------------|
| 7360 | Bruce Hartwig Flying School and Aerocentre | 6598521093 | 27/12/2013 | Sooaemalaelagi | Fanaafi | Karen Duke | |

| Provider code | Provider name | Master CHESSN | Student Number | Family Name | Given Name | Birth Date | Year | Course Code | E308 Course name | CoS Commence Date | E330 - Type of attendance | E329 - Mode of attendance | UoS Code | Census Date | EFTSL | Charged Amount | Paid Up Front | Debt Amount | Loan Fee | Completion status |
|--|--|---------------|----------------|-------------|------------|------------|------|-------------|--------------------------------------|-------------------|---------------------------|---------------------------|----------|-------------|-------|----------------|---------------|-------------|----------|-------------------|
| 7360 | Bruce Hartwig Flying School and Aerocentre | | | | | | | 2014 | 157255A Advanced Diploma of Aviation | 1/12/2013 | Full time | Internal/External | 157255A | 20140324 | 1 | \$114,900.00 | \$21,696.00 | \$93,204.00 | \$0.00 | Incomplete |
| Total reported debt including loan fee | | | | | | | | | | | | | | | | | \$93,204.00 | | | |

Attachment E

Email to

the note and advice to (then) Minister Hartsuyker

PETERSON, Brett

From: Education - TQSS - Tertiary Study Enquiries <TSEnquiries@education.gov.au>
Sent: Tuesday, 30 June 2015 6:08 PM
To:
Subject: Your Query to the National Training Complaints Hotline [DLM=Sensitive:Personal]

Sensitive: Personal

Hi,

Thank you for summarising your difficulties with the former Advanced Diploma of Aviation course as delivered by Bruce Hartwig Flying School.

As discussed on the phone last week, as you did not elect to withdraw from the VET course of study you enrolled in, on or by the published census date, the only remedy relevant to your circumstances is the official "refund and remittance procedure" provided under the *Higher Education Support Act 2003* is which I advised you to examine some months ago:

I recently checked with the school to see if you had ever applied for a refund under this provision of the Act; they indicated (and you subsequently confirmed) that you have not.

If you now do elect to follow the refund and remittance procedure published on the website of the school, you may subsequently be able to lodge an appeal with the Australian Administrative Appeals Tribunal (AAT) for the purposes of obtaining an order that would cancel all or some of your VET FEE-HELP debt.

As previously advised, under the Act, the school has seemingly met the requirements to be paid in respect of the VET course of study; yet was prepared to offer a valuable concession to effected students – apparently out of good will – in recognition that the former owners may have made decisions which, even if legally sound, could be seen as being contrary to the interests of some of the students that they allowed to enrol in the obsolescent SA qualification. I cannot offer any advice on whether or not their offer was in your interests to accept.

As a Commonwealth officer, I also cannot offer any advice on the terms or the method of operation of the South Australian government's former "Skills For All" programme.

If you are concerned with the school's standards of teaching, you would need to bring your concerns to the attention of ASQA and/or the Civil Aviation Safety Authority (CASA).

I wish you well in your future studies.

Regards

Chris James

Assistant Director
HELP Operations
VET FEE-HELP Branch
Commonwealth Department of Education and Training
50 Marcus Clarke Street,
Canberra ACT 2601

From: Education - National Training Complaints
Sent: Tuesday, 30 June 2015 11:55 AM
To: Education - TQSS - Tertiary Study Enquiries
Subject: 34881 - National Training Complaints Hotline - referred complaint - Sooäemalèlagi
[DLM=Sensitive:Personal]

Sensitive: Personal

Dear VET FEE-HELP team

We have received the complaint listed below through the National Training Complaints Hotline for your consideration.

We will advise the complainant their complaint has been forwarded to your area. We will also advise them to contact tsenquiries@education.gov.au if they have any follow-up queries.

Noted below are the details of the complainant and their issue.

National Training Complaints Hotline – complaint summary

Education.gov.au

| | |
|-----------------------------|--|
| ID: | 150617-001445 |
| Date of complaint: | 17 June 2015 |
| Complainant details: | Telephone/Mobile number: Email Address: Preferred method of contact: Phone State/Territory: SA Post Code: ; RTO complained about: Bruce Hartwig Flying School; Code: 4439 |
| Complaint details: | Complaint regarding VET FEE-HELP debt refund. Complainant's RTO was taken over by new people and ever since students learning and training has suffered. The RTO is providing complainant with conflicting information about how much she is to pay them after VET FEE-HELP and Skills for All have been taken into account. Complainant advised the RTO is now pressuring her into either signing a contract or having a \$17,400 gap to be paid. Complainant is not allowed to access anything at the school, and has been stopped from continuing the course until the contract has been signed. Complainant wants to seek legal advice on the contract but the RTO is not allowing her time to do this. Further, she was only given 4 weeks' notice that the course was finishing and found that she was 4 months behind on study with no prior notification. She is unsure how her training is going and feels she is being backed into a |

| | |
|----------------------------|---|
| | corner with no options. Complainant would like her VET FEE-HELP debt removed so it can be put towards the new RTO she is enrolling in. |
| Additional: | The caller does not permit disclosure of their personal details to the organisation that is subject of the complaint |
| Further information | Full details regarding the complaint are outlined in the email below. |
| | |
| | |

Regards
National Training Complaints
Department of Education and Training
Phone: 13 38 73

Text of full complaint

Date and Time Call Received: 17/06/2015 03:54 PM
Incident: 150617-001445

Privacy and confidentiality:

Did caller understand and agree to the privacy policy and disclosure of their personal information? Yes

If no:

Did they choose to make an anonymous complaint?

Did the call end at this point?

Authority to make the complaint:

Was the caller calling on behalf of someone else? No

If yes:

What was their relationship?

What is the name of the affected individual?

Was verification of consent needed?

Was verification provided?

Did the call end at this point?

Verification Reference Number:

Previous attempts to resolve complaint:

Has caller previously attempted to resolve the complaint with their training provider/employer/broker/relevant organisation? Yes

If yes:

Date the complaint was made 24/02/2015

Name of the person who dealt with the complaint

Date of response from the training provider/employer/broker/relevant organisation (if known): 24/02/2015

What did they offer to do? They were going to fast track and help her through her course.

Has the training provider/employer/broker/relevant organisation informed the complainant that it now considers the matter closed?

No

If no:

Reason for not attempting to resolve the complaint with their training provider/employer/broker/relevant organisation

Did the caller elect to follow-up the complaint first using the complaints mechanism of the [training provider/training broker/employer/relevant organisation]?

Did the call end at this point?

Has the caller taken the complaint to another agency or organisation? Yes

If yes:

Date the complaint was made: 03/06/2015

Name of the agency or organisation who dealt with the complaint: Australian Skills Quality Authority

Date of response from the agency or organisation: 03/06/2015

What did they offer to do? Fill out the complaints form and they will contact her back

Has the agency or organisation informed the complainant that it now considers the matter closed? No

Caller's details:

Name:

Address Line:

Town/Suburb:

State/Territory: SA
Post Code:
Date of Birth:
Telephone/Mobile number:
Email Address:
Preferred method of contact? Phone
How did you find out about the National Training Complaints Hotline? Word of mouth
Does the caller permit disclosure of their personal details to the organisation that is the subject of the complaint? No
Is the caller using the National Relay Service? No
Is the caller using the Translating and Interpreting Service (TIS)? No
If yes:
What is the caller's spoken language?

Complaint details:
Does your complaint relate to a particular course or qualification? Yes
If yes:
Course/qualification code: 15725SA
Course/qualification name: Advanced Diploma of Aviation
Delivery venue/site: Parafield Airport
Name of RTO: Bruce Hartwig Flying School
When did the course commence? 25/11/2013

Is the complaint about a specific trainer? No
If yes:
Name of Trainer:

Is the complaint about a specific Registered Training Organisation (RTO)/Broker/Employer/Organisation? Yes
If yes:
Name of Registered Training Organisation (RTO)/Broker/Employer/Organisation: Bruce Hartwig flying school

Are you an Employee of a Registered Training Organisation (RTO)? No
If yes:
RTO code (on training.gov.au):
Location of RTO/Broker/Employer/Organisation:

Are you an apprentice/trainee? No
If yes:
What is the name of the employer?:

Are you an international student? No
If yes:
Is the complaint about a problem with a private registered education provider relating to an overseas student?

Is the complaint about VET FEE-HELP? Yes
Have you given your tax file number to a training broker/provider? Yes

Details of complaint: I am complaining about the Bruce Hartwig Flying School. The school was taken over by new people and since then students have had problems with their learning and training. I believe the delivery of the course and the funding for the course is not executed very well. She is having misunderstandings with the school and the amount money she has told that is funded by VET FEE-HELP and Skills For All and what her gap is. \$96,000 from VET FEE-HELP and \$14,673 Skills For All. That left her with a gap of \$2,727 that she has to pay. Been told by the registered training organisation that she has run out of money. The school has told her that they have only received \$5,714.27 Skills For All leaving her with a \$17,400 gap. Then they that they received the right amount. The school keeps giving her different amounts of she owes and is not consistent with the actual amount from skills or herself is owed. The school is forcing her to sign the contract or she will have a \$17,400 gap that she will have to pay out of her own money. The school is not allowing her to access anything from the school until she signs the contract agreed by the school and F. She has been stopped from continuing the course unless she signs the contract but she has not received legal advice for the contract and they are not allowing her time to do that. The discussions between student and school is not consistent. The information she has been receiving is very inconsistent with the course and previous discussions They only gave her 4 weeks advance notice on when the course was finishing and she was 4 months behind unknowingly and was not given advice previously if she was falling behind her study. She is unaware of how her training is going. She is very unsure of what the amount she is getting from Skills For All. Overall she feels like she is being backed into a corner and may have no option to pay when she feels she shouldn't have to.

What resolution does the caller want? The \$96,000 to be returned to VET FEE-HELP and put towards her new flying school she is enrolling in.

PETERSON, Brett

From: JAMES, Christopher
Sent: Monday, 12 October 2015 2:00 PM
To: WOODALL, Kate
Cc: BARTLETT, Michael
Subject: Bruce Hartwig Flying School issues [SEC=UNCLASSIFIED]
Attachments: Complaint about Bruce Hartwig Flying School.docx

Hello Kate

As requested, attached please find relevant material for inclusion in a draft response to the query on BHFS, received late last week.

I have confirmed with Maple Ko that no AAT applications in respect of BHFS have been lodged as yet.

Regards

Chris James

Assistant Director
Payments, Data & Provider Management
VET FEE-HELP Branch
Level 6, 50 Marcus Clarke Street, Canberra ACT 2601
PH:
Email: Chris.James@vet.gov.au
Section XLVb Deieno's Est

Complaints against the Bruce Hartwig Flying School

Background

The Bruce Hartwig Flying School (BHFS) is approved by the Civil Aviation Safety Authority (CASA) to deliver flight training courses leading to the award of the Commercial Pilot License (CPL) and the Multi-Engine Command Instrument Rating (ME/CIR). These are the two qualifications CASA, and hence the airlines, require every pilot to have before they may be employed as the pilot of a passenger carrying aircraft.

While only a CASA approved flying school can train pilots, if the flying school wishes to offer its students financial assistance under the VET FEE-HELP scheme of the Commonwealth it must first also be approved :

- (i) as a registered training organisation by the Australian Skills Quality Authority (ASQA); and
- (ii) as a VET provider under the *Higher Education Support Act 2003 (HESA)*.

As the cost of becoming a commercial pilot in Australia currently ranges from \$80,000 to \$120,000 nearly all trainee pilots need to obtain financial assistance to complete their studies. BHFS therefore applied for and obtained ASQA registration as a training organisation and HESA approval to offer VET FEE-HELP loans for its Diploma and Advanced Diploma level vocational courses.

Unique Circumstances of BHFS

All flying schools approved as VET providers, including BHFS, deliver the ASQA accredited Diploma of Aviation (AVI50408) which includes the ME/CIR curriculum but excludes most of the CPL curriculum.

It is important to note that, because ASQA currently classifies the CPL as a Certificate IV qualification, and HESA does not cover Certificate IV level courses, there is normally no VET FEE-HELP assistance available either for the delivery of CPL training or for the associated CASA pilot examination.

Yet until June this year, BHFS had South Australian Government approval to award existing students an obsolescent SA Government accredited Advanced Diploma of Aviation (15725SA). Unlike AVI50408 this obsolescent qualification did include the complete CPL curriculum. As an 'Advanced Diploma' course, 15725SA attracted VET FEE-HELP assistance for both the CPL and for the ME/CIR.

While this obsolescent course expired in 2014, the SA Government extended the completion date for existing BHFS students to June 2015, after which no further 15725SA qualifications could be awarded.

The affected BHFS students were aware, or should have been aware, that if they had not completed their training by the cut-off date, set by the SA Government, they could not be awarded the 15725SA qualification.

The Complaint Received

In May 2015, [redacted] contacted the Department by email to discuss some issues his daughter, [redacted], was having with BHFS and her dissatisfaction with the slow progress of the 15725SA course she had enrolled in. She was particularly concerned about the very large VET FEE-HELP debt she had by then incurred (without her having obtained a qualification) and the advice from BHFS that she was ineligible, under the VET Guidelines 2013 to obtain any refund.

explained that the 15725SA course his daughter enrolled in had a single census date (for the entire VET course of study) and that, since she had no problems with her training up to that point, his daughter had no reason to consider withdrawing from the course on or by the census date.

All VET FEE-HELP providers are required to have in place policies and procedures to allow students to apply for remittance of FEE-HELP debts and to have complaints heard. The information published on the website of BHFS about the consequences of not withdrawing by the (single) census date was confirmed as correct to by the Department and she was encouraged to follow this BHFS-refund and remittance procedure.

When the Department queried BHFS about concerns, BHFS indicated that she had received an unusually high number of instructional hours, at considerable cost to BHFS, in the aircraft without achieving satisfactory progress.

Despite information on how to seek a refund and debt remission under HESA being provided to her by the Department, repeatedly, failed to follow the published refund and remittance procedure for many months. When finally did complete the required refund and remission procedures, BHFS's decision was to refuse a refund or remission of debt, on the basis that the census date had passed before she attempted to withdraw from the VET course of study.

The Department has also been contacted by several of classmates who were similarly dissatisfied with BHFS, and were given the same advice; i.e. to apply for a refund and debt remission under the procedures published on the BHFS website.

contends that the reason his daughter did not obtain her CPL or ME/CIR qualification was that BHFS delivered slow, ineffective training. As training quality is a matter for ASQA and, in the case of flight training, for CASA, the Department indicated to that he may wish to raise his concerns with them.

subsequently indicated that he has been in contact with CASA, with ASQA and with the South Australian Office of the Training Advocate on this matter, but has not obtained the action he seeks.

While a copy of an email to from , where she subsequently enrolled to complete her training, does seem to lend support to 's view (it shows that she obtained her CPL after just 23.5 hours of further instruction at FTA and is progressing well toward her goal of obtaining her ME/CIR) this falls outside the jurisdiction of the Department.

Current Situation

On 23 September 2015, an email to the Department from indicated that he had sought assistance from "Senator Nick Xenophon and the Minister for Education" to progress his daughter's case to resolution.

Under the Higher Education Support Act 2003 the final hearing of a student's unsuccessful application to have a FEE-HELP debt remitted is the Administrative Appeals Tribunal. While it is anticipated that up to four BHFS students will make applications to AAT in coming weeks to have their \$94,000 FEE-HELP debts remitted; no such application has in fact been lodged to date.

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Australian Government
Department of Education and Training



Ministerial
MC15-004723

Reply Level Minister Hartsuyker
Subject Government removal of VET FEE-HELP limit

Summary of Issues

On 29 September 2015, [redacted] wrote to the Prime Minister, the Hon. Malcolm Turnbull MP, concerning the idea of removing the current \$97,728 VET FEE-HELP loan limit. [redacted]'s email was referred to you as the issue raised falls within your portfolio responsibilities.

- As pilot training is very expensive, most eligible students rely on the VET FEE-HELP student loan scheme to meet their tuition costs. Many students attempting to become commercial pilots use up nearly their entire VET FEE-HELP loan limit without earning the qualifications required.
- The Australian Government has recently amended the *Higher Education Support Act 2003* (HESA) in order to rein in costs. To remove the limit on VET FEE-HELP loans as [redacted] is proposing would, at this time, be inconsistent with the Government's policy direction and public expectations.

Background

- A number of [redacted]'s fellow students at the Bruce Hartwig Flying School have written to Senator the Hon. Simon Birmingham, Minister for Education and Training, (MC15-004529), to the Department of Education and Training, and to the Australian Skills Quality Authority to express their disappointment at having incurred very large VET FEE-HELP debts, without having achieved the qualifications required by the Civil Aviation Safety Authority (CASA) to be employed as a commercial pilot.
- When these claims were investigated, the Bruce Hartwig Flying School was found not to have breached either the *National Vocational Education and Training Regulator Act 2011* or HESA. The Australian Administrative Appeals Tribunal has presented no adverse findings against the school.
- Many people are attracted to the idea of becoming an airline pilot. As the VET FEE-HELP scheme has removed the former financial barriers to their accessing flight training, the proportion of unsuitable students accepted by flying schools, as in other fields of education, may be rising.

Consultation

- The Bruce Hartwig Flying School graduated less than five pilots assisted by VET FEE-HELP in 2014 (the latest period for which full year data has been published). The school was therefore asked why so few of the student pilots, enrolled in the obsolescent Advanced Diploma of Aviation, achieved the qualifications CASA require every commercial pilot to obtain.
- The school's response to this question was that the former owners of the business made little effort to assess the aptitude of those seeking to enrol, and that some of them should never have been accepted. The school decided to keep trying to train them as, having already passed the single census date for VET FEE-HELP, no refund was due to them under the HESA rules in force at that time.

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MC15-004723

| Minister | | Comments | |
|--|-------------|-------------------------------|--------------------|
| Signature, Date | | | |
|  9/3/16 | | | |
| Contact Officer | Chris Alach | Director, VET FEE-HELP Branch | Ph: (02) 6121 5320 |

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