



MEDIA RELEASE

Update on targeted audits of VET FEE-HELP providers

25 November 2015

On 20 October 2015, the Australian Skills Quality Authority (ASQA), the national regulator for vocational education and training, released a report of the findings of its targeted audits of VET FEE-HELP-approved providers. The report of the findings is available on the [ASQA website](#).

ASQA's audits were prompted by an increase in the number of complaints it had received from students about VET FEE-HELP. ASQA received 110 VET FEE-HELP complaints in the period up to 31 December 2014. These complaints were analysed and 16 RTOs approved for VET FEE-HELP that were of concern to ASQA were identified. In addition, a control group of five RTOs for which there had not been any recent complaints were included. These RTOs were selected because each was a large provider with a significant number of students enrolled under VET FEE-HELP arrangements.

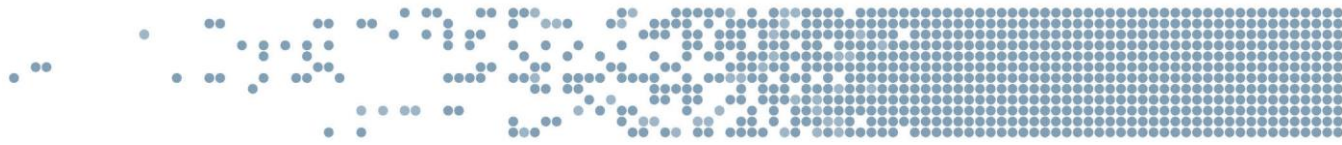
The results of the 21 targeted audits and 417 student interviews undertaken by ASQA indicated that there were concerning levels of non-compliance with the *Standards for Registered Training Organisations 2015* among certain RTOs approved for VET FEE-HELP.

ASQA's report detailed the findings of 16 of the 21 audits as follows:

- Seven RTOs were able to demonstrate full compliance with the relevant requirements of the VET Quality Framework and NVR Act at the conclusion of the audit. ASQA does not intend to take any further action in relation to these RTOs. These RTOs were:
 - Australis College Pty Ltd (RTO 31518) trading as Australis College, Australis Natural Health College, Beauty Skills Academy, Ipswich School of Beauty and Lauder Beauty
 - Pragmatic Training Pty Ltd as trustee for Training Trust (RTO 121391) trading as Pragmatic Training Pty Ltd, Pragmatic Training Courses, National Academy of Early Childhood, National Academy of Beauty, National Academy of Technology and Australian Institute of Business Leadership
 - Unity College Australia Incorporated (RTO 6330) trading as Unity College Australia
 - Flight Training Adelaide Pty Ltd (RTO 40173) trading as Flight Training Adelaide/Adelaide Flight Training Centre and Adelaide Flight Training Centre
 - The Academy of Interactive Entertainment Ltd (RTO 88021)

Contact officer

Scott Chandler
(07) 3223 1040
media@asqa.gov.au

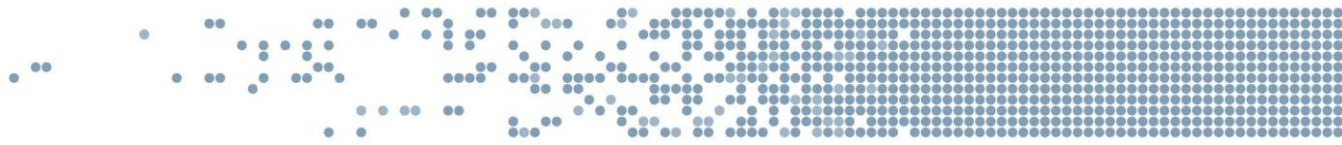


- Australian Careers Institute Pty Ltd (RTO 110070) trading as Sage Academic & Sage Massage, Sage Institute of Child Care, Sage Institute of Sales, Sage Institute of Fitness, Sage Institute of Education, Sage Institute of Aged Care, Sage Institute of Massage and Sage Institute of Business
- Sunraysia Institute of TAFE (RTO 4693) trading as Sunraysia Institute of TAFE.
- Eight RTOs were able to demonstrate full compliance with the relevant requirements of the VET Quality Framework and NVR Act at the conclusion of the audit process. However, ASQA determined that the imposition of certain conditions was warranted, based on the issues examined during the audit and the commitments made by these RTOs to address these issues. These RTOs were:
 - Access Group Training Pty Ltd (RTO 90867) trading as Access Group Training
 - ACTE Pty Ltd (RTO 31455) trading as Australian College of Training and Employment; EVOCCA College, Nuvocca, and EMPACER
 - Careers Australia Education Institute Pty Ltd (RTO 22479) trading as Careers Australia Education Institute Pty Ltd, ACAE Aust College of Applied Education
 - Gurkhas Institute of Technology Pty Ltd (RTO 22088) trading as Royal Gurkhas Institute of Technology (RGIT) Australia and Gurkhas Institute of Hospitality & Management
 - International Skills Institute Pty Ltd (RTO 40541) trading as International Skills Institute
 - MHM Australasia Pty Ltd (RTO 6980) trading as Australasian College Broadway (NOTE: The RTO has appealed to the AAT about the imposition of conditions)
 - Smart City Vocational College Pty Ltd (RTO 6494 trading as Smart City Vocational College
 - The Health Arts College Pty Ltd (RTO 21588) trading as The Health Arts College.
- One RTO, Unique International College Pty Ltd (RTO 91350) trading as Unique International College had its registration cancelled under the *National Vocational Education and Training Regulator Act 2011* (NVR Act) and the *Education Services for Overseas Students Act 2000* (ESOS Act). The RTO has applied to the Administrative Appeals Tribunal (AAT) for a review of ASQA's decisions and a stay of those decisions pending a hearing of the review applications. The date on which ASQA's decisions come into effect has been extended pending the AAT's determination on the RTO's stay applications.

The remaining five RTOs were still subject to ongoing regulatory scrutiny by ASQA at the time of the report's release. This scrutiny has now been finalised in three of the five cases and ASQA can advise of the results of those audits.

Holmesglen Institute (RTO number 0416) - trading as Holmesglen Institute

ASQA's audit found areas of non-compliance in the provider's training and assessment strategies and assessment systems; the amount of training being provided; support being provided to students; and information being provided to prospective learners.



The RTO provided rectification evidence as to how it had addressed these matters, however minor non-compliances remained with clauses 1.1 and 1.8 of the national Standards. Based on this, ASQA issued the RTO with a written direction to rectify the remaining non-compliances.

Cornerstone Investment Australia Pty Ltd (RTO 5500) trading as Australian Institute of Commerce and Language and EMPOWER INSTITUTE

ASQA had received complaints about students being enrolled in courses without their knowledge or permission or being aware that they had incurred a VET FEE-HELP debt.

The audit found non-compliance in the areas of student recruitment and monitoring of recruitment by third parties, provision of learner support, assessment, marketing and monitoring of marketing by third parties, insufficient trainers and assessors for the numbers of students enrolled and consumer information regarding fees and payment terms.

The RTO provided rectification evidence as to how it had addressed these matters which ASQA considered. On the basis of the revised audit findings, on 23 November 2015 ASQA found the RTO remained critically non-compliant and as a result it gave notice of its intention to cancel the provider's registration - or impose a lesser sanction - under both the NVR Act and the ESOS Act. As is standard practice, the provider has 20 working days to respond to ASQA's notice of intention. After this period a decision will be made, following analysis of any response by the provider.

Study Group Australia Pty Ltd (RTO 5806) trading as ACPE Academy, Martin College, Australian Institute of Applied Sciences and Embassy English

During the audit undertaken ASQA, the RTO advised that it had recently changed its practices in response to concerns it had identified in relation to its enrolment process and assessment of students prior to enrolment. ASQA reviewed these changes as part of the RTO's existing practice at the time of the audit. Notwithstanding these changes, the audit found non-compliance with the Standards in relation to assessment practices. In response, the RTO has implemented strategies to address these issues.

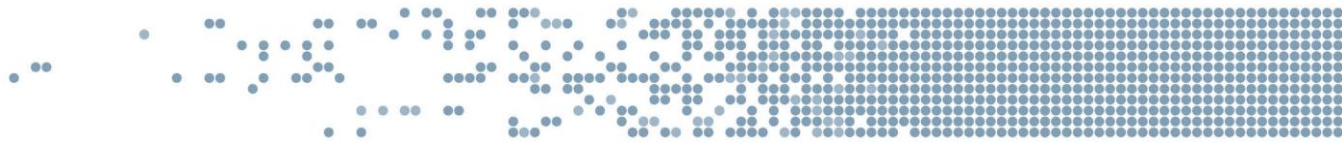
On the basis of the audit findings and the subsequent strategies the RTO implemented to address non-compliance, ASQA found the RTO compliant at the conclusion of the audit. However, on the basis of the audit findings ASQA considers it necessary to monitor the RTO's implementation of these strategies and for further documentation to be collected to allow ASQA to effectively undertake this monitoring. As a result, ASQA has imposed, under section 29(1) of the NVR Act, the following conditions on the RTO's registration:

- the RTO is required to retain enrolment and assessment records for 12 months, and
- the RTO is required to report data back to ASQA on a regular basis.

This will allow ASQA to check the improved practices have been implemented and to monitor these improvements.

College of Creative Design and Arts Pty Ltd (RTO 32401) trading as College of Creative Design and Arts and Keystone College

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changes, the audit found non-compliance with the Standards in relation to assessment practices. In response, the RTO has implemented strategies to address these issues.

On the basis of the audit findings and the subsequent strategies the RTO implemented to address non-compliance, ASQA found the RTO compliant. On the basis of the audit findings, however, ASQA considers it necessary to monitor the RTO's implementation of these strategies and for further documentation to be collected to allow ASQA to effectively undertake this monitoring. As a result, ASQA has imposed, under section 29(1) of the NVR Act, the following conditions on the RTO's registration:

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Australian Institute of Professional Education Pty Ltd (RTO 91437) trading as AIPE, Australian Institute of Professional Education, Studyonline and Study Connect

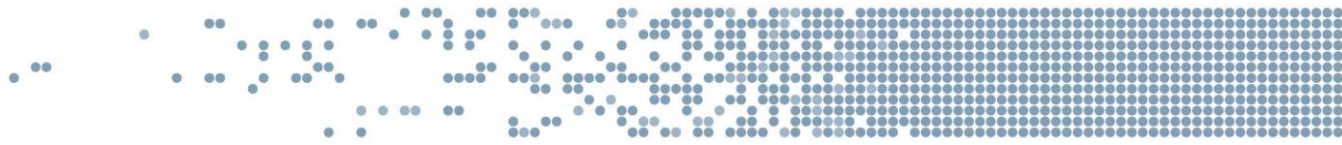
ASQA had received complaints about students being enrolled in courses without their knowledge or permission, resulting in a VET FEE-HELP debt. The RTO claimed it had improved marketing material and clarified the withdrawal process. Notwithstanding these changes, the audit found non-compliance with the Standards for RTOs 2015. Specifically, the audit found non-compliances in the areas of student recruitment and monitoring of recruitment by third parties, provision of learner support, assessment, marketing and monitoring of marketing by third parties, and consumer information regarding fees and payment terms. The RTO provided rectification evidence on 7 August 2015 as to how it had addressed these matters. The rectification evidence did not demonstrate that the RTO has addressed the identified non-compliances.

On the basis of the analysis of the rectification evidence, the RTO remained critically non-compliant. Therefore the Commissioners gave AIPE notice that ASQA intends to make a decision to cancel the RTO's VET registration and to cancel its CRICOS registration, or impose a lesser sanction. The Commissioners made this decision on 27 October 2015. The RTO was given notice of the decision on 4 November 2015. The RTO has until 2 December 2015 to provide a written response to the notice of intention.

Further actions

Between 1 January and 20 October 2015, ASQA received a further 162 complaints with a VET FEE-HELP component. Eighty-one of these complaints were in relation to the 21 RTOs audited as part of this project. Twenty-five of the complaints relate to a further five providers of concern to ASQA. Of these five RTOs, four are currently subject to regulatory activity which had not been finalised at the time of this report.

The fifth, Phoenix Institute of Australia Pty Ltd (RTO 21582), was notified of ASQA's intention to cancel its registration on 12 October 2015. Phoenix responded to ASQA's notice on 9 November 2015. ASQA Commissioners considered the response and evidence provided and, on 23 November 2015, cancelled the provider's registration under the NVR Act and its registration for VET courses under the ESOS Act. ASQA's decision will take effect from 6 January 2016. The provider is able to seek a review of ASQA's decisions by the Administrative Appeals Tribunal.



In response to what it has learnt through its targeted audits of VET FEE-HELP RTOs, ASQA will implement a number of actions which it believes will minimise the risk of any unethical or inappropriate action taken by RTOs in relation to the VET FEE-HELP loan scheme. These actions include:

- continuing to closely monitor and target RTOs approved for VET FEE-HELP where complaints and intelligence data, and the outcomes of its targeted audits, indicate this is necessary
- continuing to engage with the Australian Competition and Consumer Commission (ACCC) and the Department of Education and Training (DET) to share regulatory intelligence and coordinate regulatory action to ensure RTOs not complying with the Standards are penalised to the full extent of the respective laws
- establishing a dedicated working group with DET to continue sharing intelligence on areas of risk and emerging risk, and
- developing additional information about the *Standards for RTOs 2015* as well as information to assist potential students make informed decisions about choosing a training provider.