

18 April 2017

ASQA Legislation and Correspondence

The Directors of Site Group International Ltd (“Site”) confirm that as previously announced Productivity Partners Pty Ltd (Productivity Partners) continues to deal with the Commonwealth Department of Education and Training (“the Department”) and the regulator, Australian Skills Quality Authority (“ASQA”) regarding ongoing enquiries into the operations of that company. On 13 April 2017, Productivity Partners received from ASQA a Notice of non-compliance and intention to cancel Productivity Partners Registered Training Organisation (“RTO”) registration. The company has until 22 May 2017 to provide a response to ASQA before a final decision is made.

As previously advised, Productivity Partners is no longer enrolling students as an RTO with the completion of all students in February 2017. For completeness, Site confirms that revenue from Productivity Partners’ RTO activities will continue to be recognised in the 6-month period to 30 June 2017 (within the Tertiary Education segment for reporting purposes). At this stage, post 30 June 2017, the Company does not expect any further revenue will be recognised or received from the Productivity Partners business into the Tertiary Education segment. Site will continue to provide further details as to the overall impact of the cessation of operations by Productivity Partners on the Group’s position for the financial years post 30 June 2017.

Productivity Partners, which operated Captain Cook College (“the College”), received full re-registration from ASQA in April 2015, which provided registration through to 2020. In addition, the College completed an external and independent audit against the relevant standards in 2016 which delivered positive results. Contrary to normal practice, the College has not received a formal audit from ASQA in over 5 years. For reasons not clear to the College, ASQA has elected to bypass industry accepted practices and issue a notice of intent to cancel the RTO registration without completing a formal audit of the College against the Standards for Registered Training Organisations.

On 28 October 2016, ASQA issued Productivity Partners with the highest possible compliance history category being “Demonstrated Consistently Compliant.” ASQA defines the compliance history as follows: -

“The Compliance History indicator is based on information about compliance found through audits and complaints, and also takes into account a provider’s ability to meet standard reporting and payment requirement.

A provider’s Compliance History is an indicator of the provider’s historical compliance with core regulatory obligations”

While the company believes there are no grounds for the intention to cancel, should ASQA proceed, Site will look at whether it is in its best interest to challenge the decision in the Administrative Appeals Tribunal (AAT).

Site continues to correspond with the Department of Education and Training regarding the Deloitte audit report, which we have received the final version and continues to provide relevant information to the ACCC in accordance with the Section 155 notices received on 11 March 2016 and 3 March 2017.

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Media and Investors

Vernon Wills

Managing Director and CEO

+61 (7) 3114 5188

vern.wills@site.edu.au

Craig Dawson

CFO

+61 (7) 3114 5188

craig.dawson@site.edu.au

Principal & Registered Office: Level 4, 488 Queen St, Brisbane QLD 4000