

25 July 2018

Site Skills Group Australia operations, ASQA and AAT Market Update

The Directors of Site Group International Limited (“Site”, ASX:SIT) are pleased to provide the following market update regarding Site Skills Group Pty Ltd (“SSG”).

Gladstone and Central Queensland Community Engagement

In February 2018 SSG partnered with the Brisbane Broncos to drive community-based initiatives pertaining to life skills and job readiness monitoring.

The program was launched by the Bronco’s and involved SSG’s Casey McGuire, a 2006 Broncos Premiership player and Grand Final winner. The program involves engagement with local communities supported by Yaralla Sports club and Reef City Motors in Gladstone.

Casey McGuire has been responsible for driving community-based initiatives pertaining to life skills and job readiness mentoring, with engagement across local primary schools, secondary schools and junior clubs. Information regarding the program can be seen in a Gladstone Observer article published 26 June 2018 – attached to this announcement.

Northern Gas Pipeline Gas Operator Training Program

On 24 May 2018 leading energy infrastructure company Jemena graduated 12 Indigenous students from its Gas Operator Training Program.

The students were from the remote Barkly and Mount Isa regions of Northern Territory and Queensland with Site Skills Group responsible for delivery of the Gas Operator Training. Jemena’s training program was supported and facilitated by other local organisations, including the Karen Sheldon Group and Julalikari Council Aboriginal Corporation with the training mostly delivered at Papulu Apparr-kari’s new Language Centre.

The program was supported extensively by industry and the community, with Chairman of FMG Andrew Forrest AO recording a YouTube message congratulating the final graduates from the program.

Jemena has now employed two graduates to undertake a three year gas operator traineeship with the other 10 high performing graduates actively seeking work.



Graduates of the Northern Gas Pipeline Gas Operator Training Program

Queensland VET in Schools

Since January 2018, SSG has had 161 high school students from 12 Queensland schools commence Certificate II in Manufacturing Technology and Certificate III in Engineering Technical.

The Certificate II/III program are Science, Technology, Engineering and Maths (STEM) orientated courses providing students with exposure to engineering principles, AutoCAD and 3D Printing/Manufacturing. As part of the program developed in-house by Site, student's 3D print a workable drone.

The students from across several Queensland High Schools are undertaking these program which contribute directly to these students completing their year 12 Queensland Certificate of Education.

Since launching the program in FY2017 over 300 high school students have enrolled through this course.

Contract Renewals

In December 2017, SSG was audited by the Queensland Department of Education and Training for the delivery of its User Choice and Certificate III Guarantee training contracts with the Department.

The Department's audit consisted of a review of 18 training products.

On 4 July 2018, SSG received a renewal of its Vocational Education and Training Pre-Qualified Supplier status with the Queensland Department of Employment, Small Business and Training (formerly Queensland Department of Education and Training).

The renewal is for the delivery under the User Choice training program and will remain in place until 30 June 2019.

ASQA Audit and AAT Update

As previously announced to the market, on 18 April 2018 the Australian Skills Quality Authority (ASQA) provided SSG with a renewal of registration rejection decision following an audit.

The ASQA audit consisted of a review of 8 training products and ~40 students out of over 200 training products on Site Skills Group scope and an annual training delivery to over 25,000 students.

As part of the audit process, ASQA distributed a student survey to seek feedback on the student experiences. The results of this survey provided by ASQA found:

- 96% of students *Agreed* or *Strongly Agreed* that their Techers/Tutors/Trainers are professional and knowledgeable about the course subject;
- 87% of students *Agreed* or *Strongly Agreed* that they would recommend Site Skills Group to their friends and colleagues; and
- 93% of students were *Satisfied* or *Very Satisfied* with the overall training and support services provided by Site Skills Group

The final Audit Report issued by ASQA in support of the decision was dated 28 June 2017 and only provided to SSG in April 2018. In that time period, SSG delivered over 30,000 units of competency to over 15,000 individual Australians, with a greater than 90% completion rate and more than 80% of those Australian students in employment.

Following receipt of the decision, SSG immediately lodged an objection at the Administrative Appeals Tribunal (AAT) to have the decision reviewed.

On 21 May 2018 SSG was granted an unconditional stay of the decision allowing SSG to continue to enrol, train and graduate new and existing students.

SSG is continuing to expend significant operational resources in ensuring that it remains compliant and to achieve a favourable outcome in the AAT. SSG is focused on ensuring that the best interests of clients and students are maintained and to ensure that there is no disruption or impact on their studies.

We welcome shareholders and stakeholders to read a National Update released last week by the CEO of the training industry peak body, ACPET. The update focuses on the current relationship between the regulator and the training industry and has been attached.

Site will keep the market updated with any developments.

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About Site

Site Group International Limited (“Site”) operates several businesses specialising in the delivery of education, training and labour services. Services are delivered to government, corporate and individual clients, predominately operating in energy, mining, construction, oil and gas and industrial sectors.

Site Group International Limited is an emerging company with a strategic business model pursuing earnings-accretive growth based on previous acquisitions along with organic growth.

Wild Geese International

Site operate a Perth based specialist Oil and Gas Competency Development and Design consultancy business unit, out of Perth, and had been operating for ~15 years prior to joining Site.

An Australian Registered Training Organisation, Wild Geese have integrated in to Site’s broader national and international service capability.

Site Skills Training

An Australian Registered Training Organisation, Site Skills Training delivers Accredited and Non-Accredited High Risk Licence, Health and Safety and industry programs extensively throughout Australia and internationally. Site deliver ~25,000 short course programs in Australia each year including delivery of Apprenticeships and Traineeships, and VET in Schools programs.

Site Institute

Site Institute is an Australian Registered Training Organisation and International CRICOS education provider. Site Institute has students studying in Australia from countries including Argentina, Brazil, Chile, Colombia, Mexico, Peru and South Korea, with additional networks being established in other countries.

Site Online

Site established an online learning, learning software and platform development business. Site Online services and hosts Site’s learning, student and competency management systems across its businesses, develops online learning programs, and converts existing learning content in to online programs.

Site Online is also established to service requirements of clients including those of other business units.

Site Group International Pte Ltd

The Site Group International business division builds immersive training environments for the purposes of undertaking competency development, specifically the Engineering, Procurement, Construction and Commissioning of Safe Live Process Plant environments.

SGI is based in Singapore and Malaysia and services predominately oil and gas industry clients throughout the world, utilising industry best practice and international standards for the development of competency frameworks and implementation of training programs.

TESOL Asia

TESOL Asia is a training and industry focussed organisation for Teachers in the English as a Second Language (ESL) sector. It provides access to training, consulting, industry conferences and academic journals around the world.

Teaching English to Speakers of Other Languages (TESOL) focusses on bringing English language acquisition academics together with professional teachers to support and develop the industry globally.

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SAFE HANDS: Melissa Pittolo, Norberto Manatad, Irish Tylaran and Casey McGuire at Site Skills Gladstone. Matt Taylor GLA150618SITE

NEWS

Bronco's Casey McGuire delivers training in Gladstone



by [GREGORY BRAY](#)



26th Jun 2018 4:30 AM

A PARTNERSHIP between the Brisbane Broncos and Gladstone's Site Skills Training may seem like an unlikely combination.

But Site Skill's manager Nicola Curtis says it makes perfect sense as both teams are passionate about personal and team development.

"We're really proud to be partners with the Brisbane Broncos' game development program in Central Queensland," she said

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[Broncos pathway coming to Gladstone and CQ](#)

"One of our business development managers, Casey McGuire, is a Broncos alumni and he's the local game's development ambassador.

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As a local business we want to be actively involved in our community and give back where we can.

It's just one of many training programs the company has developed to meet the needs of local businesses and workers.

"We recently trained the first all-female scaffolding crew in Central Queensland," Ms Curtis said.

"They were dedicated, motivated and worked harder than anyone I've seen.

"The level of communication skills they displayed during practical construction activities was amazing.

"By all accounts they did an amazing job working as qualified scaffolders on their first shut-down."

Mrs Curtis said the company's growing success has allowed it to expand its regional footprint.

"We were a Gladstone facility but now we've branched out across Central Queensland," she said.

"We've got training capabilities and facility partners in Biloela, Rockhampton, Blackwater, Emerald and Mackay.

"We've taken a very proactive approach to building relationships with companies around the region."

Ms Curtis said the company works hard to create courses to train better qualified employees for long-term sustainability.

"We do a lot of custom work where we will design site-specific training for businesses that meets accredited course requirements.

"Instead of putting people through stock standard simulated exercises it's really important to use real life work scenarios, otherwise you're just ticking a box."

She adds that due to their success, Site Skills is currently in a recruiting phase.

"We need more qualified trainer assessors to service our growing business," Ms Curtis said.

"We've got some high goals to reach for across Central Queensland but I'm confident we have the best industry trainers and the right team to help achieve them."

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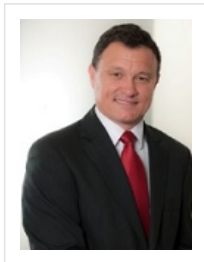
THE OBSERVER

Edition 766, 16 July 2018

As another week slides by

As another week slides by, this week I will continue my focus on Australia's regulatory environment. Last week I reflected on TEQSA so this week it's back to ASQA.

As I have mentioned the Chief Commissioner Mark Patterson has agreed to a webinar with our members. This will be an important discussion, so I decided to ask members for feedback to frame the discussion.



I know ASQA cites 90%+ satisfaction rates, however having led a regulator myself I am dubious about the feedback providers give their auditors. So, what do members think?

Before I report the findings to you I must issue a warning. We received a significant amount of feedback, both positive and negative. Normally in my weekly musings I attempt to interpret my analysis of key finds and trends. This edition though is about the members. The comments below are from members and on this important topic I have simply listed a few examples. There are many more so I do look forward to the discussion with the Chief Commissioner.

I also emphasise that I did not ask for hard evidence to justify the comment. I was more interested in the trend.

I am not reporting this as an attack on ASQA. I remain committed to a national regulator and want to develop a framework for improvement.

Many providers commented that they had a positive experience with ASQA. However, the majority reported a range of difficulties. In a general sense, members have concerns about ASQA's relationship with the industry. Providers are looking for a positive relationship aimed at improving understanding and quality, rather than being seen as waving a 'big stick'.

I have listed a few examples of the challenges below - I would be interested if this relates to your view?

Other specific comments include:

Relationship management

It has become very difficult to establish any rapport with ASQA in the absence of a dedicated Case Manager or specialist team to liaise with and discuss matters specific to your organisation.

There is a lack of flexibility to resolving problems, and ASQA staff are unable to listen or acknowledge evidence given and action taken.

ASQA staff give the impression that they wield the big stick and press the same points each time i.e.; RTO's noncompliance issues, reducing RTO numbers, creating additional requirements on RTO's that take time and effort to comply and an emphasis on the number of RTO's that have been closed down.

Short turn around requirements for information. Providers with delegation status were required to provide an extensive series of reports at short notice (two weeks). When the short reporting time was mentioned, ASQA offered a choice between relinquishing the delegation status 'without penalty' or completing the burdensome work. A less combative and more collaborative approach would inspire support and raised standards.

When attending an ASQA briefing I perceived it to be a boast of ASQA as to the number of RTOs failing audit. There appears to be an attitude of looking to find non-compliance, rather than compliance. I raised the point at the briefing that if an RTO had 70% of students fail an assessment task, it would be the responsibility of the RTO to review the assessment task and determine why such a high percentage of students are failing. This was brushed off with the response it is the RTO's responsibility to ensure their assessment process follows guidelines laid out in the standards. Why isn't ASQA's audit process being reviewed if such a high percentage of RTOs fail?

There are very significant delays in CRICOS applications. When feedback is received the overwhelming view is that ASQA reports often

ACPET on Twitter

now contain errors, are sloppy and contain broad generalisations and personal opinions.

Efficiency

ASQA's time management in audits is terrible and what should be a 2-day audit often stretches to 3 days at an enormous cost to the provider. The delays in decisions and audit reports means providers must wait significant periods to make legitimate changes to their business.

Members have to wait six months for an initial CRICOS audit. The auditors often report minimal or no non-compliances at the end of the audit, and yet when the audit report arrives there are a significant number. Any rectification audit can also take months to schedule.

The level of change of audit findings from the post-audit verbal briefing to the final report can leave the RTO confused as to what happens behind the scenes. To go from being told everything is OK with some minor improvements, to being presented with a report threatening conditions doesn't allow the RTO to adequately prepare to put in place rectifications from the time of the audit until the written report is received.

Addition to scope applications can experience significant delays. When it relates to a newly re-accredited course ASQA is unwilling to negotiate any accommodations or allowances, despite the potential impact upon students and our business.

Inconsistency

There is a considerable lack of consistency between auditors. One will approve assessment tools that another will throw out. Personal opinion is mixed in with factual findings.

ASQA needs benchmarking, reliability and consistency across auditors. Open interpretation by auditors is very subjective and leads to varying audit results. I have seen several instances where the same assessment tools were used in different RTOs for similar cohorts. Face to face and same age groups) where they have passed with no non-compliances in one instance and will have several non-compliances in another instance.

Unfair playing field. ASQA constantly moves the training goal posts.

The ASQA audit experience can be unpredictable. Our own audit experience involved the auditor informing us they were auditing us on a new set of standards that were a combination of RTO and VET FEE Help standards (because ASQA and DET were now collaborating on audits) and that the auditor could not tell us the specific combination of standards, but if we listened carefully we would be able to discern what legislative tool and in turn standard being used. Our own audit experience also involved some significant differences of interpretation of the implementation of standards between our auditor and our RTO leaders.

Double standard

Timely responses remain a major issue in our dealings with the regulator. While ASQA very readily polices any missed deadlines from RTOs, in our experience we've never received a response within the timeframe stated.

As the regulatory body, we do hold ASQA to a high standard of professionalism - especially given the repercussions on our business as an RTO if we were to disregard deadlines. It's not unreasonable to expect the same level of professionalism from ASQA.

Staff

There is a growing view that auditors have become overly aggressive and adversarial. Members are concerned about raising the behaviour with ASQA for fear of negatively impacting on the audit result.

The people staffing the phones and email help line at ASQA are all very polite and helpful in our experience. The same cannot be said for their audit team.

When ringing their office, I find the staff handling queries to be very obliging and go out of their way to assist and advise. If not sure they seek advice and come back to you.

On the whole, we have good relations with individual ASQA officers who work hard under very difficult conditions.

Customer service standard

There remains a lack of a partnership with the industry. Attempts to obtain genuine, specific advice on how to address issues are met with generic unhelpful responses.

- Part of the problem is the reluctance of ASQA to give advice. If ASQA defines the standards they should provide guidance on adhering to the standards, in a similar manner that the ATO will provide a ruling on any uncertainties with the tax law.
- Audit findings can be a cut and paste job and contain consistent errors.

I do wish to reiterate that these types of responses are not unusual for regulators in any industry. Some may be seen as low-level complaints. However, what has undoubtedly changed is the perception that something is different in ASQA. There is a view that ASQA has radically shifted to a more adversarial approach and is not willing to facilitate improved provider performance or outcomes.

This may be perception or anecdotal. However, regardless it is a growing sentiment and it can't be fixed by the industry alone.

Dare I mention it again - a regulatory partnership is urgently required.

Rod Camm
Chief Executive Officer

