

## **NZX/ASX RELEASE**

2 December 2016

### **IQE – AUSTRALIAN VET FEE-HELP FUNDING UPDATE**

- Notification received from the DET regarding outstanding 2015 VFH funding; payment of A\$3.5m expected shortly
- DET is continuing to assess Conwal’s application for an A\$6m funding cap uplift for 2016
- DET is considering suspending any new VFH student enrolments for Conwal for the remainder of 2016, pending development of a rectification plan focused on student engagement and completions. Conwal ceased enrolling students in November 2016 due to the VFH scheme ending on 31 December 2016
- Conwal has applied for provisional approval to join the new 2017 VSL scheme, however approval by the DET remains uncertain.

Intueri Education Group (NZX/ASX: IQE) advises that it has received notification from the Australian Department of Education and Training (DET) with regard to the outstanding VET FEE-HELP (VFH) payment for 2015, for its Australian subsidiary Conwal & Associates Pty Ltd (Conwal). IQE expects to receive a payment of A\$3.5m from the DET shortly.

In addition, the DET has confirmed it is continuing to assess Conwal’s application for an A\$6m uplift in its 2016 funding cap. A 2015 outstanding payment and the requested 2016 uplift were included in Intueri’s 2016 financial forecasts.

Conwal has received notification from the DET that it is considering suspending any new VFH student enrolments for Conwal for the remainder of this year, pending development of a rectification plan focused on student engagement and completions. As the VFH scheme will not be open to new students after the end of 2016 and Conwal has already ceased enrolments, Intueri considers this will have minimal impact on 2016 or 2017 revenues. Intueri is very supportive of any further steps that it can take to improve completion rates for online learners.

Earlier this week, Conwal lodged its application for provisional approval to join the new 2017 Vet Student Loan (VSL) scheme. In light of the recent DET notification, Conwal considers approval to join the new VSL scheme remains uncertain.

Intueri also advises that its Australian subsidiaries, Conwal and Online Courses Australia Pty Ltd, have yet to receive notification from the Australian Skills Quality Authority (ASQA) regarding the response to ASQAs recent audits, which were provided on 6 November 2016. Intueri expects a response from ASQA shortly.

Chris Kelly, Intueri Chair said: “We are delighted that we can now expect an outstanding VFH payment from the DET for 2015. This funding payment is expected shortly and will assist the group to develop its Australian business plans in response to the new VSL legislation and maintain normal operations in New Zealand.”

-Ends-

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About Intueri:

Intueri Education is a New Zealand headquartered group of private training establishments delivering vocational education to students in New Zealand and Australia and from around the world. We provide industry-appropriate courses and qualifications across a diverse range of industries, working closely with those industries to ensure training remains relevant and employment-outcome focused. Intueri is dual listed on the NZX and ASX under the ticker symbol IQE.