

ASX Announcement

24 December 2015

Commonwealth Department of Education and Training Litigation Update on Deferred Payment

The Federal Court of Australia yesterday ordered that the previously announced proceedings issued by Phoenix Institute of Australia Pty Ltd (Phoenix) against the Commonwealth Government is to be heard in mid-February 2016.

Phoenix is seeking to have the Court set aside or quash decisions by the government to defer three VET FEE-HELP payments of \$13.3 million each due to be paid in October, November and December 2015 and to compel payment of those amounts.

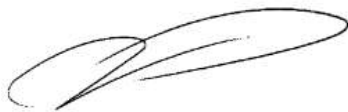
The Court also ordered that by consent between the parties the proceedings be referred to a mediation in late January 2016 - early February 2016.

ACN and Phoenix are hopeful that the matter can be satisfactorily resolved by negotiation and the disputed payments released to enable Phoenix to meet training obligations to its students.

The Company will keep the market updated as the matters proceeds.

Reconfirming Subsequent Event in 30 June 2015 Annual Report

At the request of ASIC the company reconfirms the subsequent event as at Note 33 "Events Subsequent to reporting date" in the Annual Report whereby the Group released approximately 1,100 students from their debt obligations despite the group's legal entitlement to the fees from these students. The impact on the results of the Group for the period ended 31 December 2015 as also disclosed at note 33 in the Annual Report is a reduction in profit after tax of \$1.7m.



Ivan Brown
Managing Director

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Australian Careers Network Group (ASX: ACO) is a full service vocational education and training provider encompassing student marketing and recruitment, direct and subcontracted education and training delivery (registered and non-registered), the issuing of registered qualifications, tracking, processing and reporting functions under the Australian Skills Quality Authority (ASQA) and the Victorian Registration and Qualifications Authority (VRQA).

Its primary services include workplace training and classroom based accredited certificates and diplomas, heavy equipment licensing, simulative and flexible learning, industry-experienced training and assessment and partnering with job seeking agencies to provide employment pathways to students seeking employment upon completion of a qualification.