

3 December 2015

COMMENT ON MEDIA COVERAGE OF VET SECTOR & VET-FEE HELP

Highlights

- iCollege notes the recent media coverage relating to federally funded VET-FEE Help fee assistance for students and the corresponding tightening of the sector's regulatory environment
- The Company confirms that these issues do not impact iCollege, whose students are not VET-FEE help reliant or eligible
- iCollege reaffirms its strategy to achieve high quality student outcomes, including:
 - High course completion rates of over 70% (industry average of ~36%)
 - Excellent employment prospects following course completion in Aged Care, Allied Health, Hospitality, Business Services and Project Management Industries
- Outstanding student outcomes facilitate user pay revenue model, accompanied by additional funding from State Government programs
- iCollege is consolidating a highly fragmented industry which is under pressure from tightening regulatory environment, through strategic M&A activity

The Board of iCollege ("ICT or the Company") note the recent media coverage of the Vocational Education and Training (VET) sector, specifically the issues pertaining to the federally funded VET-FEE help scheme for students and confirms that iCollege (including all of its subsidiaries or recently acquired Registered Training Organisations, RTO) has not held, past or present a VET-FEE help license and therefore these issues do not impact iCollege.

While iCollege intends on applying for a VET-FEE HELP license in due course to allow more students access to its courses, it will do so from a strong foundation with a commitment to ethical and sustainable training that focuses on student outcomes and clear career pathways.

iCollege is squarely focused on its strategy to achieve high quality student outcomes and is pleased to be delivering high course completion rates of over 70% of students, against an industry average of ~36%, along with excellent employment prospects provided through iCollege strategic partnerships, for students following completion.

This strategy and the outstanding student outcomes it produces, has facilitated iCollege's shift to a user pay revenue model, accompanied by additional income from State Government funding programs. Additionally, the recently announced partnerships by iCollege with peak industry bodies such as the Western Australian Business Association and Clubs Queensland, are paving the way for fresh funding funding sources from both the public and private sector.

iCollege operates in a highly fragmented RTO industry and the current tightening of the regulatory environment is presenting many consolidation opportunities, on favourable terms. This aligns strongly with iCollege's M&A strategy.

Executive Chairman, Mr Ross Cotton, commented:

“VET-FEE HELP is a highly valid and nationally important program that allows a number of Australians to access valuable education and skills training. We welcome the reforms in the industry and will endeavor to enter this space, after due liaison with Government, with an unwavering and underlying commitment to high quality student outcomes including course completion and career pathways.”

-ENDS-

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