

## **ASX ANNOUNCEMENT**

### **Simonds Group Ltd - Builders Academy Australia (BAA) Update**

**Melbourne, 19 December 2016:**

#### **Quality Review and Audit Activity**

Wholly owned subsidiaries of Simonds Group Ltd, House of Learning Pty Ltd (trading as Builders Academy Australia, or BAA) and City-Wide Building Training Services Pty Ltd (CWBTS), are nationally accredited RTOs under the Australian Skills Quality Authority (ASQA) and hold funding contracts across multiple states.

As part of the ongoing accreditation process and approval process for Registered Training Organisations (RTO's) and for approved delivery under state and federal funding regimes, RTO's are reasonably expected to be regularly subject to compliance monitoring activity and audits.

Both BAA and CWBTS have experienced compliance monitoring audits and reviews over the 2016 calendar year from both funding bodies and ASQA. All audit activity has now concluded with previous outstanding matters that were requiring further clarification or investigation now closed.

#### **2017 Standard VET Funding Contract – Skills First Approval**

BAA is pleased to have been offered a Victorian 2017 Standard VET Funding Contract that allows for students to access government subsidised training under the new Victorian 'Skills First' scheme. From 1 January 2017 this scheme replaces that currently in place being the Victorian Training Guarantee.

The application and corresponding approval process for this new contract was extremely thorough and the success achieved through BAA being offered a new contract is a great endorsement of the quality outcomes being achieved for students.

Under 'Skills First' providers are allocated an initial 1000 funded enrolment places, with an opportunity then available to make application for further places as required. This initial allocation does not affect continuing students who enrolled and started their studies in the 2016 calendar year.

In addition to the Victorian 'Skills First' contract BAA has also had its funding contract in Queensland renewed with CWBTS holding ongoing contracts in New South Wales, Queensland and the Australian Capital Territory.

BAA currently also holds a 2016 VET FEE-HELP contract allowing for students nationally to take out loans with the Federal Government to pay for their tuition fees for the Diploma level qualifications they offer. A new scheme called 'VET Student Loans' will come into place from 1 January 2017 with information still being released to providers in relation to a 'provisional approval' period that will be in place from 1 January 2017 to 30 June 2017 before further contracts are made available.

At present BAA has less than 10 active students who have been utilising the VET FEE-HELP loan scheme to pay for their tuition fees. Any changes that may come into effect under the 'VET Student Loans' scheme would only be expected to have minimal impact.

### **BAA Advisory Committee**

With the transition from a private company to a public company in November 2014 and with the ever changing regulatory environment in respect to RTO's, the Simonds Group Board established an Industry Advisory Committee to assist BAA in meeting its various compliance obligations. This Committee has provided valuable input and guidance in a time that has seen extensive regulatory change and unprecedented scrutiny on the sector.

With strong quality assurance and reporting processes now in place we now believe the time is right to dissolve the BAA Industry Advisory Committee and for reporting to occur directly into the Simonds Group Audit and Risk Committee which will oversee compliance with all regulatory requirements associated with BAA and CWBTS. The Advisory Committee will complete its role by 31 December 2016.

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