

**Senate Committee: Education and Employment**

**QUESTION ON NOTICE  
Additional Estimates 2015 - 2016**

**Outcome: Agency: ASQA**

**Department of Education and Training Question No. SQ16-000049**

Senator Carr, Kim asked on 10 February 2016, Proof Hansard page 87

**ASQA: VET FEE-HELP (Cornerstone)**

**Question**

Senator Birmingham: Some of them are, as you would appreciate, subject to legal proceedings by the ACCC. I do not want to shut anything down, but, equally, none of us would want to prejudice—

Senator KIM CARR: But if it is the case that they are subject to legal proceedings, I presume a charge has been laid.

Mr Robinson: I will come back to you with some information about that.

Senator KIM CARR: That is important information too. The provider here, I am told, had \$90 million worth of VET FEE-HELP funding. Can the department tell me whether or not that is true?

Mr Morling: Which provider?

Senator KIM CARR: This is Cornerstone.

Mr Morling: I will just check that quickly and see if I have got it.

Mr Robinson: We have worked closely with the ACCC over some of these cases, and they are taking particular actions about some of these matters.

Senator KIM CARR: That is fine. Are you not able to enlighten me—if they have charged someone, that is an action—

Mr Robinson: I will come back to you with what we can.

**Answer**

The Australian Skills Quality Authority has provided the following response.

The Australian Competition and Consumer Commission (ACCC) announced on 9 December 2015 that it was taking action against Cornerstone Investment Aust Pty Ltd (trading as Empower Institute).

The ACCC alleges that from at least March 2014, Cornerstone made false or misleading representations and engaged in misleading or deceptive and unconscionable conduct, in breach of the Australian Consumer Law, when marketing and selling VET FEE-HELP funded courses to consumers in remote communities and low socio economic areas in New South Wales, Western Australia, Victoria, Queensland and South Australia.

The ACCC is seeking redress for affected consumers (by cancelling VET FEE-HELP debts), pecuniary penalties, corrective notices and orders requiring the implementation of a consumer law compliance program. The ACCC and the Commonwealth are seeking declarations, injunctions, orders for the repayment of course fees paid by the Commonwealth to Cornerstone in respect of any VET FEE-HELP loans cancelled by court order, as well as costs.

A hearing has now been scheduled for 17 October 2016 in the Federal Court before Justice Gleeson.