

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 BUDGET ESTIMATES HEARING

Outcome: 3
Output Group: 3.3 – AEI Group

DEST Question No. E172_04

Senator Carr tabled at the EWRE consideration of Budget Estimates on 5 June 2003

Question:

Australian College of Technology

- a) Is the Department aware of the circumstances surrounding the collapse last year of the Australian College of Technology?
- b) Who are the three owners of this College?
- c) Is it the case that this provider is currently in receivership?
- d) Do you know whether the company has paid out any entitlements owing to its former employees?
- e) Do you know the outcome of any legal proceedings embarked upon by the former employees of Australian College of Technology, or on their behalf, in an attempt to obtain their entitlements?
- f) Have the former employees of Australian College of Technology received any Commonwealth funds in connection with the collapse and closure of this College?
- g) If not, has an application been made to the Commonwealth for financial assistance to pay these former employees their entitlements?
- h) What will this, or has this, cost the Commonwealth?
- i) Has an amount to cover this cost been included in the Forward Estimates anywhere in the Budget?

Answer:

Australian College of Technology

- (a) After an extensive investigation conducted by the Department, the registration of the Australian College of Technology Pty Ltd (ACT) was cancelled from the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) on 21 August 2002 for breaches of the ESOS Act. Later the same day, after ACT's cancellation, ACT appointed voluntary administrators. ACT went into liquidation on 17 September 2002.
- (b) A company search of the Australian Securities and Investments Commission (ASIC) database shows Mr Nabil Nasr is the sole director of the company and that XLNET Pty Ltd is the ultimate holding company. XLNET Pty Ltd was the sole shareholder, holding 100,000 \$1.00 shares.
- (c) The ASIC database shows that Mr Bradley Vincent and Ms Ann Fordyce of Calabro Partners were appointed as voluntary administrators on 21 August 2002 and subsequently appointed as liquidators on 17 September 2002.
- (d) The Department is not aware whether any entitlements owing to its former employees have been paid out.
- (e) The Department is not aware of any legal proceedings by former employees or their representatives to obtain entitlements.
- (f) The Department of Employment and Workplace Relations has advised that \$143,770 has been paid to former employees of ACT under the General Employee Entitlements and Redundancy Scheme.

- (g) Not applicable.
- (h) See (f) above.
- (i) Any payments due to eligible applicants under the General Employee Entitlements and Redundancy Scheme will be met from the funds available to this Scheme. These are identified at Outcome 2.2.5 in the Department of Employment and Workplace Relations Portfolio Budget Statements.