



**Shadow Attorney-General  
Shadow Minister for National Security  
Federal Member for Isaacs**

4 November 2016

Mr Grant Hehir  
Auditor-General  
GPO Box 707  
CANBERRA ACT 2601

**By email only: [grant.hehir@anao.gov.au](mailto:grant.hehir@anao.gov.au)**

Dear Mr Hehir

I refer to media reports regarding a \$1.84 million grant paid by the Turnbull Government to the North East Vocational College, a small trades training college in suburban Adelaide.

Former Senator Day was personally involved in lobbying Ministers to obtain this grant. He was a Director of the College at the time this grant was paid and had been Chair of the organisation for 10 years.

According to reports, this \$1.84 million grant was awarded to the College linked to Senator Day without any competitive tender process. The only justification the Government is able to offer for this significant expenditure of public funds is the report of the “Apprenticeships Reform Advisory Group”, which was personally convened by then Assistant Minister for Education and Training Simon Birmingham and chaired by two Liberal Party politicians, Craig Laundy MP and Senator Joanna Lindgren.

The grant to the North East Vocational College was one of just three grants – all for \$1.84 million – made in the first stage of the “Apprentice Training Alternative Delivery Pilots” scheme, which is designed to shift the financial burden for apprentices from builders to the publicly backed education sector. The other two grant recipients were peak industry bodies Master Builders Australia and the National Electrical Communications Association.

The \$1.84 million grant to the North East Vocational College was grossly disproportionate:

- Unlike the other two grant recipients which are peak industry bodies, the North East Vocational College is a small organisation with just seven classrooms;
- The \$1.84 million grant to the College eclipsed its entire annual revenue, which was \$1.59 million in 2015 and \$1.64 million in 2014;
- The grant equates to \$90,000 for each of the 20 construction apprentices participating in the program through the College. By comparison, an equivalent Certificate IV in construction and building at TAFE costs just \$3,000 per student; and
- It was almost \$500,000 more than the College itself said it needed. In his original submission to the Government, Senator Day requested a grant of just \$1.4 million.

Further, the grant represents a windfall for the College without any commensurate benefit for students, who will be forced to pay tens of thousands of dollars in tuition fees to the College, financed by loans through the VET-FEE HELP scheme. The College will also continue to charge employers to hire their apprentices on top of the \$1.84 million grant from the Turnbull Government and the public subsidy through VET-FEE HELP.

I ask you to please urgently investigate this expenditure of a significant sum of public funds and determine whether the \$1.84 million grant to the North East Vocational College represented value for money for the Australian taxpayer. I also ask that you urgently investigate the process by which this grant was awarded and what involvement the Prime Minister, Minister Birmingham or their offices had in the making of this decision.

In my view, this sizeable grant was not justified by any merits-based decision-making process.

I am asking you to undertake this review as I am concerned the Turnbull Government may have awarded the grant to Former Senator Day to help secure his vote for Government legislation in the Senate.

I look forward to your response.

Yours sincerely,



**Mark Dreyfus QC MP**