

## iCollege to benefit from Federal Government's largest investment in skills development and vocational training

iCollege Limited (ASX: ICT) ('ICT' or 'the Company') is pleased to provide this update to shareholders on how the Company will benefit from the Australian Federal Government's spending commitment on skills development and vocational training as outlined in the Federal Budget delivered on 11 May 2021.

The May 2021 Federal Budget marked one of the Australian Government's largest ever financial commitment to funding skills development and vocational training. iCollege is exceptionally well-placed to capture the benefits from this investment and ensure more Australian citizens benefit from the delivery of quality Vocational Education and Training (VET) courses.

The following table summarises the Government's spending commitment and the opportunities for iCollege given its status as an accredited VET provider operating 8 campuses in 5 states and territories.

<b>FEDERAL GOVERNMENT SKILLS &amp; TRAINING INITIATIVES OUTLINED IN 11 MAY 2021 FEDERAL BUDGET</b> <small>Source: <a href="http://www.dese.gov.au/about-us/resources/portfolio-budget-statements-2021-22">www.dese.gov.au/about-us/resources/portfolio-budget-statements-2021-22</a></small>	<b>OPPORTUNITY/IMPACT/BENEFIT TO iCOLLEGE</b>
<p><b>Apprenticeships:</b> A commitment of <b>\$2.7B</b> over four years for the Boosting Apprenticeships Commencements initiative.</p> <p>Employers will be given an extra \$1.5 billion to hire 100,000 apprentices and trainees in the next year as the government extends one of its most successful job creation programs for the second time.</p> <p>The scheme has been a key pillar of the Morrison Government's plan to avoid a youth unemployment crisis induced by the pandemic and was extended in March this year to create another 70,000 places.</p>	<p>iCollege holds subsidised training contracts across 5 states and territories. Each funding contract provides access* to government funding under the apprenticeships and traineeships model.</p> <p>In recent months, iCollege has made significant progress in addressing industry needs and following significant market analysis, is actively pursuing new lucrative training opportunities.</p> <p>The board and management of ICT believe there is a largely untapped addressable market and the funding commitment of the Federal Government has the potential to positively impact future revenues.</p>
<p><b>JobTrainer:</b> An additional <b>\$506.3M</b> will be made available to extend the JobTrainer program over two years with a matching contribution from the states and territories.</p> <p>This expansion of the government's current JobTrainer program is expected to create another 163,000 free or very low fee training places.</p>	<p>In addition to the circa \$6bn existing funding that the State and Federal Governments commit to the vocational sector, the JobTrainer funding is welcomed and provides vocational students access to free or very low fee training opportunities in skill shortage, high demand industry sectors.</p>

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<b>Skills Reform:</b> A five-year <b>\$285M</b> commitment to establish the successor to the Skills Service Organisations, improve data collection and analysis, and to deliver a project on work placements.	While not directly linked to the delivery of training services, the establishment of this organisation and the gathering of relevant data will enable iCollege to better utilise and deploy resources for expansion and planning with a greater degree of certainty.
<b>Aged Care:</b> iCollege is strongly placed to capitalise on a <b>\$216.7M</b> investment to grow and upskill 33,800 new aged care workers over the next two years.  This investment has been promised to meet recommendations arising from the Royal Commission into Aged Care Quality and Safety.	Aged and disability care training currently generates approximately 25% of iCollege's revenue.  The funding to the aged care sector is likely to create additional awareness and demand for training of personnel who wish to either upskill or enter into this sector which has a high demand for trained staff.  iCollege is well positioned to continue the significant growth in aged care training through its broad national geographical presence.
<b>Foundation Skills:</b> A four-year commitment of \$23.6M to support foundation skills and accelerate the inclusion of digital skills for job seekers.	iCollege has a proud history of delivering the Foundation Skills program within the Correctional Facilities in Queensland.  With this boost in spending, iCollege will continue with its stated goal of expanding the delivery of Foundation Skills to other industries and focus on areas where students benefit from additional support to ensure they are Job Ready.

\*ICT will need to apply to the state government for variation to their contract in certain states to access funding under the apprenticeship and traineeship model.

#### Management Commentary:

**iCollege Managing Director Ashish Katta said:** *“The Federal Government’s commitment to skills development and vocational training is one of the largest by any Australian government and iCollege is well positioned to be a major beneficiary of this spend. As the table above clearly illustrates and given our extensive course offerings in a number of sectors where the Government is investing in training and development, iCollege has a significant market advantage that will help underpin our revenue base well into the future. iCollege is in great shape. We are on-track to deliver record revenue and earnings for FY2021.”*

This announcement has been approved for release by the Board of iCollege Limited.

-Ends-

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