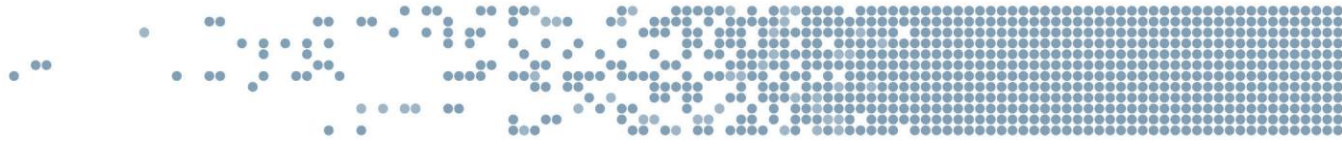




GUIDE

Guide to change of ownership

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Introduction

Registered training organisations (RTOs) and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) providers are not permitted to transfer their registration from one legal entity to another.

However, where a change of company shareholdings occurs, but the ABN/ACN of the entity registered with ASQA does not change, then the provider may continue as long as they notify ASQA of the change of ownership.

ASQA refers to this event as a **change of ownership**.

This guide outlines your responsibilities when changing the ownership of a training provider and explains how ASQA will respond to these changes. For the purposes of this guide, changes to company shareholding of 50 per cent or more are considered **significant**.

Other changes to the registration of a training provider, not covered by this guide, include:

- changes to the legal entity (changes to the ABN/ACN)
- mergers of a training provider into another registered training provider
- changes to chief executive officers or principal executive officers
- changes to high managerial agents, executive officers or directors
- changes to the financial status of the training provider.

You should be notify ASQA of any of the changes listed above using the Notification of material change form. This form can be found in ASQA's online portal, [asqanet](#).

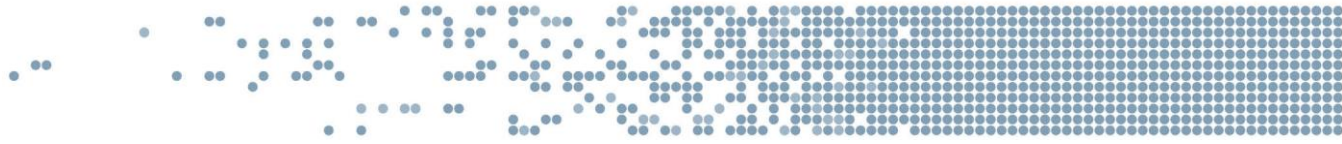
More information on these and other changes you must report to ASQA can be found on the [ASQA website](#).

Background and policy on changes of ownership

ASQA considers registration applications against the applicant's ability to comply with the Vocational Education and Training (VET) Quality Framework and the Education Services for Overseas Students (ESOS) Framework (if applicable). Applications for initial registration undergo a rigorous assessment process to ensure applicants can operate a training provider that meets required standards, and provide high-quality training and assessment as expected by students, Australian industry and employers.

ASQA seeks to ensure that buying into a training provider is not a way for a purchaser to circumvent the scrutiny applied to initial applications.

In 2018, ASQA implemented changes to the way it handles initial registration processes. As a result of these changes, ASQA revised the way it manages changes to provider ownership.



ASQA applies scrutiny when notified of [significant changes of ownership](#), and in the 12 months after this change of ownership. This scrutiny is applied to ensure providers are:

- appropriately prepared to deliver courses
- continue to be resourced to deliver quality training outcomes
- comply with regulatory requirements—including that people associated with the training provider meet the [Fit and Proper Person requirements](#).

What are your notification requirements when changing ownership?

You must notify ASQA of any change of ownership via the Notification of material change form, available in [asqanet](#). You will need to provide a [range of evidence](#) when completing this form, including completed [fit and proper person declarations](#) for any person that gains 15 per cent or more ownership of a training provider.

Notification timeframes when registered as an RTO

If your provider is only registered as an RTO, then you are required to notify ASQA of change of ownership as soon as practicable **after the event**.

This is a requirement under s25(2) of the [National Vocational Education and Training Regulator Act 2011](#).

Please note: in line with Standard 8.1 of the [Standards for Registered Training Organisations \(RTOs\) 2015](#), ASQA must receive this notification as soon as practicable, with 90 days after the event the latest it can be received.

Notification timeframes when registered as a CRICOS provider

If your training provider is registered as a CRICOS-only provider, or as both an RTO and CRICOS provider, you must notify ASQA of a change of ownership as soon as practicable **before** the change takes effect.

This is a requirement under s17A (3) of the [Education Services for Overseas Students Act 2000](#).



Additional evidentiary requirements

ASQA has introduced new evidentiary requirements for the following change of ownership situations. These changes are a part of ASQA's commitment to ensuring providers are able to demonstrate regulatory compliance and are able to deliver quality outcomes for their students.

When 50 per cent or more of a provider's ownership changes within a 12-month period

Where 50 per cent or more of the ownership of a training provider—or their parent entity/ultimate owner—changes at once or over a 12-month period, additional evidence must be submitted to ASQA. In this situation, you are required to complete and provide ASQA with:

- a [Financial Viability Risk Assessment Tool](#)—this must be completed as a new registration (start-up) application type
- Section A of the Self-Assessment Tool for Change of Ownership—this must include the required supporting evidence detailed in the tool. Please note, there are two versions of this tool, a standard version and a version for ELICOS providers:
 - [Self-assessment tool for change of ownership](#)
 - [Self-assessment tool for change of ownership \(ELICOS providers\)](#).

When 100 per cent of a provider's ownership changes within a 12-month period

Where a training provider—or their parent entity/ultimate owner—change 100 per cent of their shareholdings over a 12-month period, both Section A **and** B of the appropriate Self-Assessment Tool for Change of Ownership must be completed and submitted to ASQA if the provider has either:

- no ongoing students, **or**
- not had more than 10 students complete a course within the previous 12 months of registration.

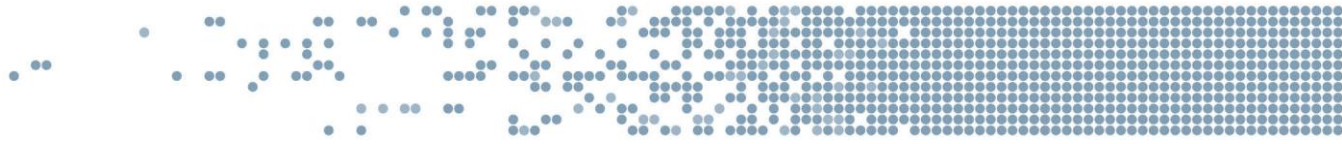
How does ASQA respond to changes of ownership?

ASQA will record all notifications of material change for a change of ownership once the notification and required evidence are submitted.

Compliance audits

Where significant changes to ownership are subject to additional evidentiary requirements (see above), ASQA will conduct a compliance audit to review that evidence. The audit will consider the training provider's compliance with:

- the relevant regulatory framework ([VET Quality](#) or [ESOS legislative](#))
- the clauses and standards in the Self-Assessment Tool for Change of Ownership.



This audit will focus on whether your training provider is, and will remain, sufficiently resourced to provide quality training and assessment, accurate information, and adequate support to students.

If non-compliance is found during a compliance audit, proportionate regulatory action will be taken.

Increased scrutiny for 12 months

Training providers that have a significant change of ownership may also face additional scrutiny in the 12 months after the compliance activity is finalised.

This scrutiny will be applied to any applications to change scope of registration from training providers during this period, and through a provider review at the conclusion of the period. Both of these activities may trigger regulatory action, which could include further compliance audits.

Charges

There is no cost to lodge a notification of material change; however, a compliance audit activity triggered by a notification may incur compliance audit charges for any RTO regulated under the NVR Act. For details of the charge rate, see the [ASQA Guide to Fees and Charges](#).

Parent companies/ultimate ownership

ASQA's policy on change of ownership extends to the parent companies or ultimate owners of registered training providers. If a parent company or the ultimate ownership of a training provider changes, the above notification and evidentiary requirements apply.