



Guide to Change of Ownership

Guide

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 notify ASQA of any of the changes listed above using the **Notification of material change form**, available in ASQA's online portal [asqanet](https://asqanet.asqa.gov.au).

More information on these and other changes you must report to ASQA can be found on the [ASQA website](https://www.asqa.gov.au).

Background on policy and change 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.

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 governing persons 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 Declaration](#) for all governing persons.

Under the legislation:

- Governing persons means any person responsible for overseeing, directing, or exercising a degree of control or influence over the management or operation of an NVR registered training organisation, including executive officers and high managerial agents.
- Executive officers includes any person who owns 15% or more of the organisation, at any time during which the organisation is registered. Further details are provided within the Fit and Proper Person Declaration.

Notification timeframes when registered as an RTO

Under the requirements of the VET legislation, if your provider is only registered as an RTO, then you are required to notify ASQA of change of ownership as soon as practicable before the change takes effect or within 10 business days after the event.

Notification timeframes when registered as a CRICOS provider

Under the requirements of the [Education Services for Overseas Students Act 2000](#) (ESOS Act), 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.

Additional evidentiary requirements 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.

These requirements are a part of ASQA's commitment to ensuring providers are able to demonstrate regulatory compliance and deliver quality outcomes for their students.

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); and
- the relevant Self-Assessment Tool for Change of Ownership.
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 \(ELICOS providers\)](#).

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 may conduct a compliance audit to review that evidence. The performance assessment (audit) will consider the training provider's compliance with:

- the relevant regulatory framework ([VET Quality](#) or [ESOS legislative](#))
- the key concepts as detailed in the Self-Assessment Tool for Change of Ownership.

This performance assessment 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 following 12 months.

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.