

FACT SHEET

Financial Viability Risk Assessment

Financial viability risk assessments are a mandatory requirement for all organisations seeking initial registration with the Australian Skills Quality Authority (ASQA), the national VET regulator.

ASQA may also undertake a financial viability risk assessment at any other time during a provider's period of registration.

For registered training organisations

The *National Vocational Education and Training Regulator Act 2011* (the Act) sets out the requirements for registered training organisations (RTOs) to comply with financial viability requirements.

Section 24 and Section 157(4) of the Act require ASQA RTOs to satisfy the *Financial Viability Risk Assessment Requirements 2011*. The Act also requires ASQA to apply the Risk Assessment Framework in performing its functions.

For CRICOS providers

Under Section 7A of the *Education Services for Overseas Students Act 2000* (ESOS Act), ASQA is the designated authority for organisations registered—or seeking registration—on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) to provide VET courses to overseas students visiting Australia on a student visa.

ASQA is also the designated authority for most organisations registered—or seeking registration—on CRICOS to provide English Language Intensive Courses for Overseas Students (ELICOS) to overseas students visiting Australia on a student visa.

The ESOS Act sets out the requirement for CRICOS providers to comply with financial viability requirements.

Section 9AH of the ESOS Act requires ASQA to ensure that providers have:

- a demonstrated capacity to provide education of a satisfactory standard, and
- an appropriate business model, including access to adequate financial resources.

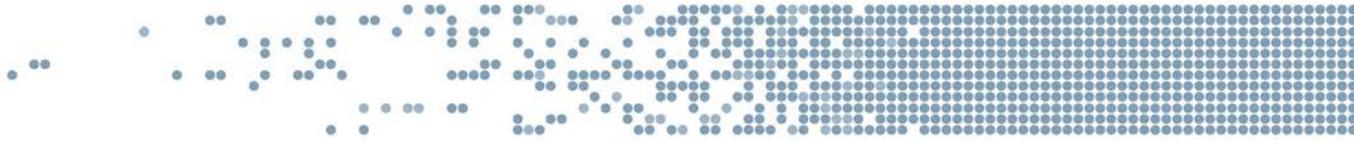
How do the assessments work?

When considering financial viability, ASQA considers common indicators of financial performance and position to determine:

- the organisation's likely business continuity, and
- its financial capacity to deliver quality outcomes.

Indicators of financial performance and position

These common indicators of financial performance and position are listed in Part 4 of the [Financial Viability Risk Assessment Requirements 2011](#).



New requirements from apply 1 October 2013

As of 1 October 2013, ASQA requires new applicants for initial registration to demonstrate financial viability by completing and submitting the [FVD-0001—Financial viability risk assessment pack](#).

The pack must be completed by all applicants seeking initial registration with ASQA as either:

- a registered training organisation (RTO)
- a provider registered under the ESOS Act and listed on CRICOS (CRICOS provider).

What is the FVD-0001—Financial viability risk assessment pack?

This pack requires the applicant to provide answers to a series of questions about their organisation's financial viability, including questions about forecasted financial projections and business ratios.

The introduction to the pack includes a step-by-step guide to completing it.

The assistance of a nominated accountant will be required to complete the pack.

What is a 'nominated accountant?'

A nominated accountant is an accountant engaged by an organisation applying for initial registration.

The Nominated Accountant must be:

- a member of one or more of the following professional bodies: CPA Australia, The Institute of Chartered Accountants in Australia or The Institute of Public Accountants, or
- registered with the Australian Securities and Investment Commission as an auditor.

You must submit the completed Financial Viability Risk Assessment Pack prior to, or at the same time as, submitting an application for initial registration as either an RTO or a CRICOS provider.

If you have not done so, ASQA will consider your application incomplete.

Incomplete applications

If ASQA considers your initial registration application to be incomplete, you will be notified of the incompleteness and provided with ten working days to rectify it.

Failure to rectify the incompleteness within the prescribed timeframe will result in ASQA rejecting your application. Your application fee will also be forfeited.

More information

Contact the ASQA Info line on 1300 701 801 between Monday and Friday, 9.00 am to 7.00 pm, AEST, or email enquiries@asqa.gov.au.