



Australian Government

VET **Student** Loans

# APPROVED COURSE PROVIDER APPLICATION GUIDE

APRIL 2021

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# GUIDE FOR APPLICANTS SEEKING TO BECOME A VET STUDENT LOANS APPROVED PROVIDER

## 1. Introduction

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The VET Student Loans (VSL) program provides income contingent loans to eligible students undertaking vocational education and training (VET) in approved courses with an approved course provider. The program aims to increase access to higher-level VET qualifications for eligible students that may otherwise not be able to afford to pay upfront.

Before completing an application, you must understand what it means to be an approved course provider under the *VET Student Loans Act 2016* (the Act), and the responsibilities and obligations of an approved course provider under the Act and the VET Student Loan Rules 2016 (the Rules). You should also check that at least one of the courses your organisation offers is listed in the [VET Student Loans \(Courses and Loan Caps\) Determination 2016](#).

More information about the VSL program is also available from the [Department of Education, Skills and Employment's](#) (the department) [website](#).

### 1.1 Approved Course Provider Application Guide

The Approved Course Provider Application Guide (the guide) sets out the process for applying to become a VSL approved course provider, and the content and format required for preparing and lodging an application. It should be used in conjunction with the Application Quick Reference Guide (the QRG).

This guide provides additional information regarding:

- the evidence required to be submitted to support claims
- how to complete the Application Workbook
- the support available to you

### 1.2 Information verification and privacy

#### What will happen with the information provided?

Your personal information is protected by law, including the *Privacy Act 1988* (Privacy Act). Information collected by the department for the purpose of responding to your application will be used and disclosed only where authorised by law including under Part 9 of the Act, Division 180 of the *Higher Education Support Act 2003* (HESA) and/or the Privacy Act.

The department may disclose information or evidence you provide to independent qualified auditors or to other relevant government agencies to be checked and verified as needed. You can find more information about the way in which the department manages your personal information, including how to access and correct your information, in our full privacy policy at [www.dese.gov.au/privacy](http://www.dese.gov.au/privacy).

A copy of the department's privacy policy is available in your Application Pack.

### What will happen if information is not provided?

Full and frank disclosure is essential. Please ensure you disclose all pertinent information, as failure to disclose material information will be taken into consideration in the assessment of your application. If it is deemed that further information is required, the department will send a request outlining the information required and a date by when that information/evidence is required. When this information is provided, the department will recommence processing your application.

## 2. Applying for approval

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### 2.1 Registering your interest

Use the [online enquiry form](#) to express interest in being a VSL approved course provider. After submitting an expression of interest, you will receive an automated response email.

When a new application round opens, you will receive an Application Pack. To ensure you submit a valid application, complete all components of the pack as outlined in the guide. The pack will comprise the following:

- VSL Applicant Workbook (the workbook)
- VSL Applicant Quick Reference Guide (the QRG)
- VSL Credentials Information Form
- Registering in HITS for new HELP providers Quick Reference Guide
- departmental privacy policy

Applications must be lodged using the department's HELP Information Technology System (HITS) on or before the closing time.

### 2.2 Application fee

You must pay the application fee each time you apply in a VSL approved course provider application round. The application fee assists with the recovery of the costs associated with processing and assessing applications.

The department issues these invoices only after:

- an application is correctly lodged in HITS
- the lodged application is accepted as being ready for assessment.

The fee amount per application is currently \$5,110. This must be paid within 14 days after receipt of the invoice. The application fee may be refunded if the application cannot be assessed – for example, because the application is not in the approved form. The application fee will not be refunded if an application has been assessed and the applicant is not approved as an approved course provider. If you do not pay the application fee, the Secretary of the Department of Education, Skills and Employment (the secretary) is not required to consider the application.

### 2.3 Amending application resources

The department may amend the guide, QRG or application process at any time (including extending the closing time). If the guide, QRG or process changes prior to the closing time, all applicants that have registered their interest will be notified by email and directed to updated information on the department's website. If appropriate, the department may give applicants that have already submitted their application the opportunity to amend their applications.

If the department amends any aspect of the guide, QRG or the application process after the application closing time, it may seek amended applications.

## 2.4 Support

If you have questions regarding the application process or department's IT systems contact the department via the [online enquiry form](#) or the VSL applicant's enquiry line (02) 6240 0650 between 9:00am and 5:00pm AEST.

Questions regarding the department's IT systems may include but are not limited to, how to:

- obtain and use logons and passwords for the HITS system
- lodge your application documents in HITS
- use the Excel features included in the workbook.

## 3. Course provider requirements

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### 3.1 Guiding documents

The [Act](#) and the [Rules](#) set out the requirements VSL approved course providers must meet. You should be familiar with these requirements before lodging an application, (see section 25 of the Act and Part 4 of the Rules).

Under section 25 of the Act, the secretary may only approve an RTO as an approved course provider if they are satisfied it meets the following requirements:

- is a body corporate that is not a trustee
- was established under the law of the Commonwealth, a state or territory
- carries on business in Australia and has central management and control in Australia
- is an RTO listed on the National Register
- meets the provider suitability requirements
- is a fit and proper person

Divisions 2 and 3 in Part 4 of the Rules provide more detail about the fit and proper person requirements and the provider suitability requirements. You will be assessed on whether you meet these requirements based on your responses in the workbook and the substantiating evidence you submit as part of your application.

### 3.2 Central management and control

Central management and control refers to the control and direction of an organisation's operations. This may involve:

- setting investment and operational policy
- appointing company officers and agents and granting them power to carry on the company's business
- overseeing and controlling those appointed to carry out the day-to-day business of the organisation
- making decisions in matters of finance, including determining how profits are used, [see further information at [TD 2017/26](#) for guidance].

You will need to confirm that your organisation has central management and control in Australia, and the person(s) who make(s) the high-level decisions that set the organisation's general policies, and determines the direction of the organisation's operations, is also based in Australia.

### 3.3 Listed course providers

Listed course providers are bodies defined in section 27 of the Act. These bodies include:

- major Australian universities (Table A and Table B providers)
- TAFEs established under relevant state and territory laws
- other RTOs owned by the Commonwealth, a state, or a territory

See

## 4. Credential Information Form for Key Personnel Response

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This six-page form must cover the suitability of each of the Key Personnel disclosed in the HITS system. The purpose of this form is to gather enough information to allow each of those persons to be assessed against the fit and proper requirements specified in division 2, part 4 of the Rules.

## 5. VSL Applicant Workbook

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All the forms in the workbook must be completed:

- Entity Details
- Financial Details
- Key Personnel
- Course History
- Proposed Courses
- Authorisation Declaration
- Statutory Declaration

These tabs must be completed if applicable:

- Third Party
- Articulation Agreements

The workbook must be completed and returned to the department in Microsoft Excel format, by uploading it to HITS.

It is critical that any worksheet or form that requires a signature is uploaded **with** a signed PDF version.

### General requirements (see section 22 of the Rules)

Your application should demonstrate you:

- are committed to the delivery of high-quality VET, and achieving the best outcomes for students
- act efficiently, honestly, and fairly in all dealings with students, stakeholders and the Commonwealth (including the National VET Regulator, ASQA)
- have a record of satisfactory conduct in relation to any previous VET you have delivered, and for which the Commonwealth, a state or a territory provided funding (including loans to students).

### 5.1 Entity details

This form requires you provide basic information about your organisation and contact details.

### 5.2 Financial Details

This form collects a customised breakdown of your revenue. This is required for the purposes of section 23(3)(d) of the Rules. The benchmark of 20 per cent of trading revenue from non-government sources is an indicator of your financial viability.



## 5.3 Key Personnel

The form enables each key personnel member to provide information about their experience and expertise in performing the positions they hold in your organisation.

### 5.3.1 Personnel - Management and Governance

Key personnel for this section is a defined term in section 16 of the Rules. It includes:

- a director, officer, or member of your governing body
- any person who is concerned with or takes part in your executive or senior management
- any person who exercises control or influence over your management or direction
- any person who exercises control or influence over the allocation of your resources.

List all persons in your organisation who meet the definition of key personnel and identify the positions they hold. Not identifying all key personnel may delay consideration of your application. Every person you list as key personnel in your workbook must correspond **exactly** to the persons you disclose on the Key Personnel page of the HITS system.

### 5.3.2 Personnel - Educators and Trainers

The purpose of this section is to provide evidence to demonstrate that each person in your organisation delivering training or education has experience in providing VET, and the appropriate level of skills and qualifications to execute their role. [Section 31 (2b) of the Rules].

## 5.4 Course History

This form is used to outline your course history for the most recent 3 years.

## 5.5 Proposed Courses

On this form, list each course you propose to deliver as an approved course provider. You must provide details of the tuition fees and estimated enrolments for each course you nominate.

## 5.6 Third party

This form is for you to request approval to engage a third party to deliver a course, or parts of a unit or course, you're seeking to offer. It should only be completed if you require third parties to assist in the delivery of the courses you are seeking to offer.

## 5.7 Articulation Agreement

If you have Articulation Agreements guaranteeing advanced standing to students completing a VSL approved course you deliver if they enrol in a Bachelor degree, you should disclose this on this form.

## 5.8 Provider suitability

Your application to become a VSL approved course provider must demonstrate that you meet all of the provider suitability requirements specified in the Rules. Your responses and evidence should address each of the provider suitability requirements:

- financial performance
- management and governance
- experience and course offerings
- student outcomes
- workplace relevance.

### 5.8.1 Financial performance (sections 23 to 25 of the Rules)

Your organisation must demonstrate that it meets all the financial performance information requirements set out in sections 23 to 25 of the Rules.

To demonstrate this, you must:

- complete the financial details tab in the workbook
- complete the financial performance section of the Provider Suitability tab in the workbook
- submit all the supporting evidence required.

The financial viability of an applicant will be assessed based on the collective result of the indicators and other required information (for example, the percentage of revenue from sources other than Australian Government income contingent loans is **one** of the indicators considered when looking at the financial viability of an applicant).

To assess your organisation against the requirements of section 23 of the Rules, the department required audited annual financial statements for the most recently completed reporting period and financial statements for the prior 2 reporting periods. Further, if your organisation is approved, section 113 of the Rules requires providers to submit audited financial statements each year of their approval.

### 5.8.2 Management and governance (see sections 26 to 30 of the Rules)

Your organisation must demonstrate:

- robust and appropriate management and governance structures
- clearly defined decision-making processes that ensure accountability for decisions and actions
- the resources necessary to support employees and students
- systems in place to maintain student records, ensure data integrity and report data consistently, accurately and on time to the department.

To demonstrate this, you must:

- complete the provider suitability requirement 2 – Management and governance section on the Provider Suitability tab
- provide the mandatory evidence required
- Answer the mandatory questions

Describe how the organisations decision-making processes are managed and coordinated

- For example: explain your organisational structure, outline the responsibilities of key roles and how the activities of your organisation are managed and coordinated in practice including, but not limited to:
  - organisation ownership
  - succession planning
  - controls for working with vulnerable people
  - business continuity strategies

Describe what resources the organisation has in place to support its employees and students

- For example: explain the resources or policies you use to support your staff and students including, but not limited to:
  - counsellors
  - administrative staff
  - professional development opportunities

Describe how the organisation submits data consistently, accurately and on time to external bodies

- For example: explain how you maintain your student records and ensure the privacy and integrity of the data. This may include your policy development and implementation or Demonstrate your record of reporting data consistently, accurately and on time to external bodies.

#### **5.8.2.1 Paying commissions and the use of agents**

If you are paying commissions and using or third parties or agents in enrolling students, you are required to provide details of your current practise and outline how this will be changed to meet approval requirements.

#### **5.8.2.2 Compliance with laws and meeting standards**

Your organisation must comply with relevant laws and continually meet the appropriate RTO quality standards for training and assessment. Details of relevant laws and standards are provided in section 29 of the Rules.

If you have been found in breach of any of the laws or standards you should describe the circumstance and the outcome, then explain how to ensure future compliance.

#### **5.8.3 Experience and course offerings (see sections 31 to 32 of the Rules)**

Your organisation must demonstrate experience in providing quality VET and a strong history of delivering diploma and advanced diploma qualifications and courses (for at least 3 years) such as student, course and completion rates data will be assessed.

To demonstrate this, you must:

- complete the provider suitability requirement 3 – Experience and course offerings section on the Provider Suitability tab
- Answer if you been on a preferred provider register or have delivered state subsidised courses, if yes, provide details and documentation to support this claim.

RTOs may consider submitting additional evidence regarding the recognition of the quality of their organisation by:

- students
- teachers
- employers
- industry organisations
- community organisations
- interactions with different levels of governments.

Substantiating evidence must be in a form that can be validated by reference to external bodies. Evidence must not be restricted to your current students, graduates, or staff.

If you have not been offering one (or more) of the courses you nominated for a period of 3 years or more, then you will need to provide verifiable information the department can use to determine whether you may be considered a potential high-quality provider of the course/s.

#### **5.8.4 Student outcomes (see sections 33 to 34 of the Rules)**

Your organisation must demonstrate adequate completion rates for each of its courses (or parts of courses) that lead to a diploma, advanced diploma, graduate certificate, or graduate diplomas.

To demonstrate this:

- complete the provider suitability requirement 4 – Student outcomes section on the Provider

#### Suitability tab

- provide the mandatory evidence required
- provide answers in the mandatory fields

Describe your process for capturing student engagement including online activity and attendance

- For example: explain how you monitor engagement levels of student engagement in its courses
  - the duration online and number of times a student has logged-in (for an online course)
  - if the student has satisfied course assessments
  - if the student signed attendance sheets
  - if the student was issued a statement of attainment
  - other monitoring results

Describe your process for assessing student satisfaction

- List any surveys undertaken to measure the student satisfaction and the results of those surveys, for example actual copies of student completed surveys
- Provide quality indicator survey outcomes, such as:
  - evidence of the most recent 3 years
  - actual completed survey examples
  - a statement of how and when the surveys are undertaken
  - collated survey data
  - evidence of what has occurred as a result of the information collected

How does your organisation record and manage complaints received?

- Describe the process used including
  - the number and type of complaints received
  - copy of the complaints register including actions taken as a result

How have you improved your system as a result of complaints received?

- Explain how your organisation has addressed these complaints
- what systems were put in place to address the issue.
- Were systems improved? Provide examples

Describe how your organisation ensures prospective students are academically suited to the courses they wish to enrol in

- For example: describe the methodology used to ensure students are academically suited to the courses they choose, for example:
  - details of the enrolment process
  - copies of forms completed by students and staff
  - the assessment and feedback provided.

Substantiating evidence must be in a form that can be validated by reference to external bodies.

#### **5.8.5 Workplace relevance (see section 35 of the Rules)**

Your organisation must demonstrate it has established and maintained relevant and appropriate links with industry and other bodies to ensure their courses meet workplace needs and improve employment outcomes for students.

To demonstrate this:

- complete the provider suitability requirement 5 – Workplace relevance section on the Provider Suitability tab
- provide the mandatory evidence required
- provide answers in the mandatory fields

What links have you established with industry to ensure your courses meet workplace needs and improve students' employment outcomes?

- Evidence to support this requirement may include:
  - industry member participation on course or provider advisory boards and the impact of their participation
  - evidence of membership of relevant professional associations and how these assist with ensuring your course delivery remains current and relevant for employers
  - details about your involvement in relevant industry organisations or presentations at conferences
  - projects undertaken in cooperation with peak employer organisations
  - references or statements from industry and employer groups

What links have you established with other bodies to ensure your approved courses meet workplace needs and improve students' employment outcomes?

- Evidence to support this requirement may include:
  - substantial formal arrangements for relevant student placements with employers
  - evidence of employment outcomes for students.

Information must be able to be validated by external bodies and personnel outside your organisation.

Where your organisation delivers qualifications in different industry sectors, evidence should be provided to support engagement with **each** industry.

## 5.9 Senior Authorised Officers Authorisation Declaration

This form must be executed by either a director, company secretary or other person who is legally empowered to give assurances and enter into commitments on your behalf. It authorises the department to undertake necessary steps to assess the information in the application.

## 5.10 Statutory Declaration

This form is required to be executed by either a director, company secretary or other person who is legally empowered to give assurances and enter into commitments on your behalf. It declares the information contained in the application is true and correct.

## 6. Submission of applications

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### 6.1 Substantiating evidence

It is in your interest to provide complete and relevant information with justification and substantiating evidence against each provider suitability requirement. Substantiating evidence should include:

- documentation from an external source
- copies of your own internal policies and procedures, and evidence of their use.

Claims made by you that are **not** supported by evidence from external sources **and** verifiable, may result in the delegate not being able to be satisfied that the relevant criteria for assessment are met.

### 6.2 Word Limits and Presentation

There is a word limit to your written response for each of the provider suitability requirements. There is no word limit on the substantiating evidence documents you upload to HITS as a part of your application.

There is a document limit to your substantiating evidence. One to 4 separate documents may be submitted for each of the provider suitability requirements. You should compile your evidence before scanning it into appendices for each provider suitability requirement (refer to the submission response).

### 6.3 Applications must be submitted using HITS

An application must be lodged through HITS. Therefore, without HITS access credentials your organisation will not be able to meet the submission requirements.

The only exception to this is where, due to exceptional circumstances, an alternative application submission arrangement has been approved, in writing, by the department in advance of the closing time. To seek approval of such an arrangement, you must begin by contacting the department using the [online enquiry form](#).

**Note:** All HITS logons and passwords are automatically deactivated after 40 days. If your organisation does not have an active HITS logon ID or password, it is very important that you immediately obtain new or reactivated HITS credentials (see Appendix A).  
Initial HITS access will take at least 24 hours to activate.

## 6.4 Important dates

The following table sets out general information and important dates:

Activity	Date	Description
Deadline for applicants to register expressions of interest (EOI) through the department's <a href="#">online enquiry form</a> .	Interested bodies may register an expression of interest at any time	Applicants should register an EOI to become a VSL course provider through the department's <a href="#">online enquiry form</a> as soon as possible to allow enough time to complete and submit an application in the approved form by closing time. EOIs received outside of the application period will be considered in the next period.
Opening time for applications	9:00am AEST 27 April 2021	The workbook and the submission response will be emailed to each of the applicants that registered an expression of interest through the department's <a href="#">online enquiry form</a> .
Deadline for submission of questions	Interested bodies may submit questions at any time	Questions should be submitted using the <a href="#">online enquiry form</a> or by phone on (02)6240 0650.
Deadline for organisations applying for HITS credentials	3.00pm AEST 27 May 2021	If applicants do not already have an active HITS account, they are required to apply for HITS credentials as soon as possible (see Appendix A). Applications for HITS credentials received after deadline cannot be processed before the closing time for applications.
Closing time for applications	3.00pm AEST 4 June 2021	Providers may submit an application any time before the closing date. Applications will be processed on a rolling basis, actioned upon receipt, and following payment of the application fee.
Applicants advised of the outcome of their applications		The department will write to applicants once the outcome of their application is decided by the delegate of the secretary.

## 6.5 Closing Time

Applications for approval as an approved course provider must be received by the closing time of the application period (see the table above). Applications received outside of the closing time may be considered at the discretion of the delegate. The department may advise the application will be considered in the next application round. The department generally has two application rounds per calendar year. If additional information is required, the department will notify the applicant.

Applications received by the closing time will be acknowledged by the department.

## **6.6 Authorised contact person**

The HITS system requires every applicant to nominate at least 5 contacts, selected from the HITS contacts list, including one or more who will be authorised to communicate with the department during the application process. Please refer to the 'Contacts – Adding a contact' section of the [HITS User Guide](#) for further information.

The primary contact person(s) nominated by the applicant must be among the key personnel identified in the Key Personnel Form of the workbook and the Credentials Information Form.

## **6.7 Late lodgement policy**

The department may accept any application received after the closing time where the department is at fault or where the secretary (or their delegate) is satisfied there are exceptional circumstances. The applicant will need to provide evidence to establish that there are exceptional circumstances. The department's decision about whether to accept a late application will be final.



## 7. Assessment of applications

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### 7.1 When applications will not be considered

In accordance with section 32 of the Act and section 39 of the Rules, the secretary is not required to consider or decide an application in the following circumstances:

- the application is not in the approved form (set out at paragraph 2.1 of the guide)
- the applicant does not pay the application fee
- subject to paragraph 7.8, the application is submitted after the closing time for applications.

In addition, where an applicant does not meet one or more of the course provider requirements at paragraphs 25(2) (a), (b) or (d) of the Act – that is, to be a body corporate that is not a trustee to be established under the law of the Commonwealth, a state or a territory or to be a registered training organisation on the VET National Register (see [training.gov.au](http://training.gov.au)), the department will not consider the application any further.

Where the department does not consider an application, the department will give the applicant written notice and reasons for not considering or deciding the application.

### 7.2 Assessment

Applicants will be assessed against the information they provide.

The department may use any relevant information obtained in relation to an application (including independent inquiry) in the assessment of applications.

The department may request an applicant provide further information, but it is at the secretary's complete discretion not to request further information.

Where an applicant does not meet one or more of the provider suitability requirements at Part 4 Division 3 of the Rules, the department will issue a formal notice of intention to not approve and set out the reasons for this position. The department will invite the applicant to respond to the department's concerns with written submissions before a final decision is made.

The department will not refund the application fee in these instances.

### 7.3 Clarification

The department may:

- request further information from you for the purposes of deciding the application, either before assessing the application, or during the assessment of the application
- make independent enquiries about any matters that may be relevant to the assessment of an application, including contacting industry referees.

If you do not provide any further information requested of you within the timeframe specified by the department in its request, this may adversely affect the assessment of your application.

## 8. Approval as an approved course provider

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### 8.1 Approval

You will be notified in writing of the secretary's decision regarding the outcome of your application. If approved, the notice will specify the period for which your approval has effect. The period cannot be for more than 7 years. If the period is for less than this time, the notice will explain why. If the application is not approved and the applicant wishes to have the decision reviewed, they can seek judicial review (review by the Courts as to whether there has been an error of law) of the decision. Judicial review could be sought in accordance with the *Administrative Decisions (Judicial Review) Act 1997* or potentially in accordance with section 75(v) of the Constitution.

### 8.2 Conditions

The secretary may impose conditions on your approval as an approved course provider. You will be given written notice of the conditions and the reasons for imposing the conditions.

A provider fee limit will be imposed on all approved course providers. This will be a limit on the loan amounts that can be paid to a provider in a calendar year. Course fee limits may also be imposed on providers – this is a limit on the loan amounts available for a particular course(s).

## 9. External dispute resolution scheme

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### 9.1 Approved external dispute resolution scheme

Applicants do not need to demonstrate that they meet this requirement as part of their application. To be an approved course provider, you must be a member of an approved external dispute resolution scheme. However, all approved course providers are taken to be members of the approved external dispute resolution scheme operated by the VET Student Loans Ombudsman (see further section 42BA of the Act and the VET Student Loans (External Dispute Resolution Scheme) Specification 2017). This enables providers to satisfy the course provider requirement at paragraph 25(2)(h) of the Act, if they are approved.

## 10. Tuition protection

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### 10.1 Approved tuition protection arrangements

Australian VET students whose providers have access to VSL are now automatically covered by the Australian Government's Tuition Protection Service.

The Tuition Protection Service (TPS) assists students whose education providers are unable to deliver their course of study. It was initially established in 2012 as a service for international students. From 1 January 2020, the service was expanded to include eligible domestic students accessing VSL at a private education provider. The tuition protection arrangements are sector-funded and underpinned by a sustainable provider levy framework. The levy framework will cover the long-term costs of tuition protection by requiring all non-exempt VSL providers to pay levies, commensurate with their size and risk. If approved as a VSL approved provider, you would be liable to pay an annual TPS levy. The TPS will notify providers when levy amounts become available for each provider. Further information is available on the [Tuition Protection Service](#) website.

The [VET Student Loans \(VSL Tuition Protection Levy\) Act 2020](#) is the statutory authority for this levy.

## 11. Policy and Law

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### 11.1 Ethical dealing

Applicants to become an approved course provider must not:

- engage in misleading or deceptive conduct, or make false or misleading claims or statements, in relation to their application or the application process
- attempt to solicit information from or influence improperly any current or former officer, employee, contractor, or agent of the department
- violate any applicable laws or Australian Government policies regarding the offering of inducements in connection with the application process
- engage in, procure or engage others to engage in, any activity that would result in a breach of the Lobbying Code of Conduct and Australian Public Service Commission Circular 2008/4 Requirements relating to the Lobbying Code of Conduct and post-separation contact with government
- otherwise act in an unethical or improper manner or contrary to any law.

If an applicant engages in behaviour contrary to the guide, this will impact on the assessment of their application, for example against the 'fit and proper person' requirement. In addition, the department may refer the matter to relevant Commonwealth, state, or territory authorities. This right is in addition to any other remedies the department may have under law.

### 11.2 Application of law and Commonwealth policy

Applicants should familiarise themselves with all relevant Commonwealth legislation and policies relating to the application process and the provision of VSL – in particular the Act and the Rules.

The establishment of a time or date in this guide does not create an obligation on the part of the department to take any action by that time or date; or, create any right in an applicant to expect that any action may be taken by that time or date.

### 11.3 Applicant's sole risk

Participation in any stage of the application process is at the applicant's sole risk, cost, and expense. The department is not responsible in any circumstance for any costs or expenses incurred by the applicant in preparing or lodging an application or in taking part in the process.

### 11.4 Conflict of interest

You must declare in the workbook (the Senior Authorised Officers Statutory Declaration and Authorisation) if, at the time of lodging your application, an actual, potential or perceived conflict of interest concerning you or a related entity exists or might arise during the term of approval or in relation to your application.

An actual, potential or perceived conflict of interest means any matter, circumstance, interest, or activity affecting you (including your officers, employees, agents and subcontractors) which may or may appear to impair the assessment of your application or your ability to be an approved course provider.

A conflict of interest may exist, for example, if applicants (including any of their officers, employees, agents, and subcontractors) have a relationship:

- professional, commercial, or personal with the department's personnel involved in the evaluation of applications
- with, and obligations to, an organisation that would affect their performance as an approved course provider or would bring disrepute to or embarrass the department.

If at any time prior to becoming an approved course provider, an actual, potential or perceived conflict of interest concerning you or a related entity arises or may arise for any application, you must immediately notify the department via the [online enquiry form](#).

If an actual, potential, or perceived conflict of interest arises, the department may:

- exclude the application from further consideration
- enter into discussions to seek to resolve the conflict of interest
- take any other action it considers appropriate.

## 12. Confidential information

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The department will treat as confidential any information that is by its nature confidential and is provided by applicants in connection with the application process. You should clearly identify in your application the information that you consider should be protected as confidential information. The department will only consider a request for confidentiality where:

- the information to be protected is identified in specific rather than global terms
- the information is by its nature confidential
- disclosure would cause detriment to the parties concerned.

The department will not be taken to have breached any obligation to keep information provided by applicants confidential to the extent that the information is:

- disclosed by the department to its advisers, officers, employees, or subcontractors solely in order to conduct the application process or to prepare and manage any resultant approval
- disclosed to the department's internal management personnel, solely to enable effective management or auditing of the process
- disclosed by the department to the responsible Minister
- disclosed by the department in response to a request by a House or a Committee of the Parliament of the Commonwealth of Australia
- shared by the department within the department's organisation, or with another Australian Government department or agency, where this serves the Australian Government's legitimate interests
- shared by the department with any organisation to the extent necessary to inform the department's evaluation process. This may include, but is not limited to:
  - ASQA, the Victorian Registration and Qualifications Agency (VRQA) or the Training Accreditation Council of Western Australia (TACWA)
  - the Tertiary Education Quality and Standards Agency (TEQSA)
  - relevant state and territory training bodies.
- authorised or required by law to be disclosed
- in the public domain otherwise than due to a breach of the relevant obligations of confidentiality.

## 13. Other matters

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### 13.1 Public statements

Except with the prior written approval of the department, you should not make a statement, issue any document or material, or provide any other information for publication in any media concerning the application assessment or notification that you have been approved as an approved course provider.

For the avoidance of doubt, participation in the application process does not limit your right to enter into public debate or criticism of the Australian Government, its agencies, or personnel.

### 13.2 Additional rights of the department

Without limiting other rights contained in this guide or limiting its rights at law or otherwise, the department may do any or all of the following at any time:

- seek amended applications
- forward any clarification about the application process to all known applicants on a non-attributable basis and without disclosing any confidential information of an application
- provide additional information to applicants.

## 14. Appendices

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### Appendix A: eSAM & HITS information for applicants

#### How to obtain mandatory HELP IT System (HITS) user access credentials

It is important you allow sufficient time to complete and submit an application in the approved form. Note that if you do not allow sufficient time to get access to HITS, you will not be able to submit the application within the required timeframe.

#### New HITS users

Organisations that do not have an existing record in HITS are considered to be New HITS users. If you are a new applicant, please follow the instructions below to set up your HITS user access credentials.

Click on [Register and Apply](#) on HITS. Complete all **required** fields and click “Submit”.

Please note: If you receive the below error message, your organisation is **already registered** in the system and you should proceed to the next steps:

*The Organisation details provided has a matching record in the system. Please contact your Organisation security administrator to access the application. Contact [VETStudentLoans@employment.gov.au](mailto:VETStudentLoans@employment.gov.au) if you need further assistance.*

Within two business days of submitting your registration the department will email an ICT Security Pack to the person listed as your contact during your HITS registration. The ICT pack must be completed and returned to the department as soon as possible.

The department has developed an IT user security arrangement for HITS access whereby each organisation will manage their own staff’s access to HITS through two nominated Provider Security Contact (PSC) administrators. The ICT pack requires you to nominate two PSC administrators on the Initial Access Request form. Each nominated PSC must also complete the ICT Security Declaration form.

When the department receives the completed Initial Access Request form and ICT Security Declaration forms, an eSAM registration email and confirmation key will be sent via SMS to each nominated PSC. This will initiate the set-up of their HITS user access credentials.

Once they have completed organisation’s registration you will be able to log into HITS with your eSAM details via the page.

#### If your organisation is already registered in HITS

If you have previously registered your organisation in HITS and have current eSAM login credentials you will be able to update your HITS profile and proceed with an application.

If your organisation was previously registered in HITS but you do not have eSAM secure identification credentials, or if they have expired, you must request an ICT pack via the [enquiry form](#) to gain access to HITS. The department will then send you the appropriate forms to nominate new PSCs for them to gain access to HITS. The PSCs will then be able to manage HITS access for other staff in your organisation.

**Note:** If you still require assistance after reviewing the above resources, please call the VSL enquiry line for VSL applicants on (02) 6240-0650 between 9:00am and 5:00pm AEST.

## IT system requirements for applicants

To use HITS (and to complete the workbook) you must use a computer with Windows 7 or above, Excel 2010 or above, and be able to scan and send the required evidentiary documents (in support of your application) in colour and in PDF.

Please note the HITS URL has an embedded anti-phishing rule that times the URL out for 30 minutes after it is first used. The link must always be refreshed, otherwise a user may experience an error or must enter their password several times before they can log in.

It is the responsibility of the applicant to ensure their IT systems, used for the purpose of their application, support the HITS compatible software referred to above.

## Common user errors in HITS

A number of applicants in the previous VSL application rounds failed to submit a valid application prior to the closing date because they had not familiarised themselves with the correct use of HITS.

The 5 most common HITS user errors observed were:

1. Only a member of your staff with CEO or SAO user access privileges to the HITS system will be able to click on the 'Lodge' button to submit an application. You **must** click on 'Lodge' to submit your application (until this is done, your VSL application will be treated as an **incomplete** draft).

**Note:** If the 'Lodge' button in HITS is either greyed-out or invisible, this means you are not logged-on to HITS with user access privileges high enough to submit an application in HITS. Your PSC officer (not the department) can upgrade your HITS access privileges for you.

2. You must **not** click on 'Lodge' in HITS until you have uploaded **every** document and completed every required field in HITS, because after you click on 'Lodge' your organisation will be locked out of editing or uploading documents to HITS until the outcome of the VSL application process is announced.

**Note:** If you inadvertently click on 'Lodge' prior to the closing of the VSL application period, and wish to add to, or amend, the draft application you submitted, please call the VSL enquiry line for VSL applicants on (02) 6240-0650 between 9:00am and 5:00pm AEST for your application to be unlocked. The department will ordinarily decline such requests after the closing time and date.

3. Documents uploaded to HITS **must** have names (including the file extension) of less than 100 characters, for example 'Audited Financial Statements 2019.pdf' (35 characters) **can** be uploaded to HITS without risk of corrupting the file, whereas 'Revised and Annotated Audited Special Purpose Financial Statements for the period ending 31 December 2019.pdf' (112 characters) **cannot**.
4. Do **not** 'zip' documents with names longer than 99 characters into a zip file with a 20-character name as the systems will not allow unzipping of files containing lengthy file names.
5. HITS enables you to upload up to 5 documents simultaneously. Individual documents must not exceed 15MB. Some individual documents of over 15MB in size may **appear** to upload successfully to HITS, but typically become damaged and are unreadable by departmental staff.

### Document naming convention in HITS

Your submission response, your supporting documentation, and your completed workbook should use short (less than 100 characters in length), standardised file names comprising:

Example of name	Example of naming convention
• Your four-character HITS ID number	4567
• The document name	Employer Endorsement from XYZ
• The date of the document	20200327
Full document name	4567-Employer Endorsement from XYZ-20200327

**All** attachments uploaded to HITS should be listed by title in your submission response.



## Appendix C: VSL applications from listed providers

Due to the different risk profiles of **government-owned** (referred to in the Act as ‘listed course providers’) and **privately-owned** training organisations, the Commonwealth exempts listed providers from submitting certain components of information required from an applicant.

Pursuant to section 37 of the Rules, a listed course provider does not need to establish that it meets the following course provider requirements:

- the requirement in paragraph 25(2)(a) of the Act, to be a body corporate that is not a trustee
- the parts of the Financial Performance provider suitability requirement set out in sections 23 and 24 of the Rules
- the part of the Experience and Course Offerings provider suitability requirement set out in section 31 of the Rules.

### 1. Which bodies are listed course providers?

A listed course provider is defined in section 27 of the Act as a:

- Table A provider – see section 16-15 of the HESA
- Table B provider – see section 16-20 of the HESA
- body established to provide vocational education or training under one of the following:
  - the *Technical and Further Education Commission Act 28 1990* (NSW)
  - the *Education and Training Reform Act 2006* (Vic)
  - the *TAFE Queensland Act 2013* (Qld)
  - the *Vocational Education and Training Act 1996* (WA)
  - the *TAFE SA Act 2012* (SA)
  - the *Training and Workforce Development Act 2013 1* (Tas)
  - the *Canberra Institute of Technology Act 1987* (ACT)
- training organisation owned by the Commonwealth, a state, or a territory.

### 2. Is your organisation owned by the Commonwealth, a state, or a territory?

As ownership is not always unambiguous, applicants that consider they are owned by the Commonwealth, a state or a territory should provide evidence to the department to demonstrate this and upload such evidence to HITS with their application.

Relevant factors that may be considered by the department in determining whether an applicant is owned by the Commonwealth, a state or a territory include:

- the entity is established under an enactment, and material aspects of its management and operations are specified by enactment
- the entity has annual reporting or like obligations to government and is within the general structure of ministerial responsibility to Parliament
- the entity otherwise has an express statutory accountability to government
- the entity is included within and bound by a specific statutory framework established for government owned entities (for example, the *Queensland Government Owned Corporations Act 1993*)
- government controls the composition of the board of directors or like governing body
- government can cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a general meeting of the entity
- government holds more than one-half of the issued shares in the entity
- a material portion of the entity’s funding is subject to budgetary appropriation.

### 3. Applications from government-owned Table A and Table B universities and TAFEs

Table A providers, Table B providers and TAFEs are required to complete the Credentials Information Form and the following workbook forms and upload them all to HITS:

- Entity Details
- Proposed Courses
- Authorisation Declaration
- Statutory Declaration
- Articulation Agreement

They are **not** required to complete the following forms:

- Financial Details
- Course History
- Key Personnel

### 4. Applications from other government-owned training organisations

Training organisations owned by the Commonwealth, a state or territory, which are **not** Table A providers, Table B providers or TAFEs (other government-owned training organisations) are required to complete the Credentials Information Form and the following workbook forms and upload them all to HITS:

- Entity Details
- Course History
- Proposed Courses
- Authorisation Declaration
- Statutory Declaration
- Articulation Agreement

They are **not** required to complete the following forms:

- Financial Details
- Key Personnel

Other government-owned training organisations are also required to:

- complete and submit a VET application for VSL approval in HITS after completing or updating their key personnel, contact details, and organisation details pages in HITS
- complete the provider suitability form in the workbook but **not** Financial Performance (aside from evidence of insurance) or **not** Experience and Course Offerings components
- provide evidence that they are owned by the Commonwealth, a state, or a territory (see section 2 on the preceding page for the types of evidence the department may consider to establish this). The substantive evidence you upload to HITS should have a document title of 'Evidence of Listed Status' and be provided in PDF.

## Appendix D: Example application scenarios for financial performance requirement

The following are examples of application scenarios where the application would be rated:

- Unsuitable (highly unlikely to be approved)
- Unlikely to be approved (could be approved, subject to relevant conditions, and findings in relation to other requirements)
- Adequate (could be approved, subject to findings in relation to other requirements)
- Good (could be approved, subject to findings in relation to other requirements).

### Unsuitable rating

The provider has a weak, or higher risk financial position, based on the information provided as part of the application. On balance, there is a significant risk that the provider's financial performance does not support their capability to meet the objectives of the program.

#### Example 1 of an unsuitable application

- For the year ended 30 June 2020, the applicant reported an operating loss and has reported an operating loss for each of the past 2 financial years.
- Although the applicant reported a reasonable current ratio, the majority of total current assets comprised trade receivables. Included in this balance are 2 unsecured loans to the applicant's Director, and another party whose relationship to the applicant is unknown. The value of these have not changed from the previous financial year. No further details of the nature of these loans were provided and the recoverability of these amounts is uncertain.
- As at 30 June 2020, the applicant reported a negative net asset position.
- The applicant had a poor net tangible asset ratio at 30 June 2020. Of the total non-current assets held at 30 June 2020, the majority were intangible assets.
- The applicant reported negative debt to equity ratios as at 30 June 2020 and the end of the previous financial year, reflective of the applicant's negative net assets.
- The applicant's total non-current liability balance as at 30 June 2020 consisted of 4 loans. These loans have not materially changed from the previous financial year.
- The applicant has not provided a Statement of Compliance with statutory obligations.

#### Example 2 of an unsuitable application

- The applicant has provided financial statements for the 2020 financial year with comparative figures for the 2 previous financial years. These statements have not been audited and no audited information for prior years has been provided. The statements do not include a Statement of Cash Flows or a complete Statement of Changes in Equity.
- The applicant has not provided a certificate of currency for public liability insurance or a statement of compliance with its statutory obligations.
- The applicant reported deficient cash and cash equivalents as at 30 June 2020 and negative net assets as at that date, indicating the applicant was entirely funded by debt.
- The applicant appears to have historically experienced net losses from operating activities, based on prior years' financial information and the applicant's negative retained earnings balance as at 30 June 2020.
- The applicant appears to be reliant on receiving loans from its directors and related parties, in addition to significant bank overdrafts and other debt, to meet its operating payments and debt commitments. The nature and terms of these loans are unclear, and the size of these loans is a concern.

### Unlikely to be approved

The provider has a marginal financial position, based on the information provided as part of the application. On balance, the provider's financial performance represents a moderately high level of risk to the provider's capability to support the objectives of the program.

#### Example 1 of an application unlikely to be approved

- While the applicant reported a strong current ratio as at 30 June 2020, the majority of current assets comprised trade debtors, and the collectability of these debtors is unclear.
- The applicant has reported positive earnings before interest and taxes (EBIT) for each of the past 3 financial years. Accordingly, as at 30 June 2020, the applicant appeared able to generate sufficient income to meet its operating payments and debt commitments.
- The applicant's net assets have increased over the past 3 years, and as at 2020 has reported a strong debt to equity ratio.
- For the year ended 30 June 2020, the applicant reported an operating surplus and has reported an operating surplus for each of the past 3 financial years, indicating that the applicant is profitable.
- The applicant has not provided a statement of cash flows as part of its financial statements. However, it appears from the statement of financial position that the applicant generated a positive net cash inflow for the year ended 30 June 2020.
- It is noted that the applicant's Statement of Financial Performance does not include an income tax expense, and the applicant's Statement of Financial Position does not include any income tax liabilities over the past 3 financial years. If income tax were to be included in the applicant's financial statements, the applicant's net asset position and/or net profit would likely be reduced.
- It is noted that the unaudited nature of the 2020 financial statements inherently limits the extent to which they can be relied upon.
- Accordingly, the applicant has been rated as marginally suitable. However, if the applicant were to provide audited financial statements (that support the unaudited financial statements already provided), the risk rating would likely reduce to good.

#### Example 2 of an application unlikely to be approved

- The applicant has generated a net profit before tax for the past 3 financial years, although it is noted this profit has fluctuated significantly over this time.
- The applicant's payment of dividends in excess of profits over the period reviewed have contributed to the depletion of the applicant's equity balance, resulting in a poor debt to equity ratio as at 30 June 2020. The payment of excess dividends has also decreased the applicant's cash holdings.
- The applicant reported a poor equity balance for the period ended 30 June 2020 resulting in a poor debt to equity ratio. It is noted however that the majority of the applicant's debt consists of income in advance, rather than external interest-bearing debt.
- The applicant reported a loan to a director as at 30 June 2020 (unaudited statements), which is significant in the context of the applicant's net assets. Should this loan become unrecoverable, the applicant's net asset position may be significantly impacted.

### Adequate rating

- The provider has a reasonable financial position, based on the information provided as part of the application. On balance, the provider's financial performance represents a medium level of risk to the provider's capability to support the objectives of the program.

#### Example 1 of an adequate application

- The applicant has reported positive EBIT for the past 3 financial years.

- For the year ended 30 June 2020, the applicant generated an operating surplus and has reported an operating surplus for each of the past 3 financial years (noting that the applicant's profitability has declined over the period).
- As at 30 June 2020, the applicant reported positive net assets, and a reasonable debt to equity ratio. However, it is noted that the applicant's net assets decreased significantly over the last 2 financial years.
- The applicant's financial statements for the year ended 30 June 2020 do not include a Statement of Cash Flows, however the Statement of Financial Position shows that the applicant reported a net decrease in cash for the year ended 30 June 2020. Accordingly, while the applicant has reported positive cash flows from operations for both the 2 prior financial years considered, it is unclear whether the applicant generated a positive cash flow from operations in the most recent financial year.

#### **Example 2 of an adequate application**

- For the year ended 31 December 2019, the applicant reported a positive EBIT, however the amount has decreased from previous periods. This exhibits a trend of a volatile, yet positive EBIT over the past 3 years.
- The applicant reported a reasonable current ratio as at 31 December 2019, indicating that it could meet its current liabilities from current assets.
- The majority of the applicant's current assets comprises amounts due from Related Parties. The nature of these amounts receivable is unclear based on the information provided by the applicant. Poor recoverability of these receivables has the potential to adversely change the net asset position of the applicant.
- As at 31 December 2019, the applicant reported a poor debt to equity ratio. This ratio is a deterioration from previous periods.
- For the year ended 31 December 2019, the applicant reported a net profit and has reported an operating profit for the past 3 financial years.
- The applicant generated sufficient cash from operating activities during the prior financial years and generated an overall increase in cash.
- Based on the applicant's unaudited management accounts to 30 June 2019 the applicant's financial performance does not appear to have materially changed. While the management accounts indicate an improvement in financial position, this did not impact the overall assessment of the applicant.

#### **Good rating**

The provider has a strong financial position, based on the information provided as part of the application. On balance, the provider's financial performance represents a low level of risk to the provider's capability to support the objectives of the program.

#### **Example 1 of a good application**

- The applicant reported a positive EBIT for all financial periods considered. Accordingly, as at 30 June 2020, the applicant appeared able to generate sufficient income to meet its operating payments and debt commitments.
- As at 30 June 2020, the applicant reported a strong interest cover ratio, reflecting its minimal interest-bearing debt. It is noted that the majority of the applicant's debt consists of loans from shareholders in the year ended 30 June 2020. Given that the applicant's interest expense for the year ended 30 June 2020 was relatively low it does not appear that this loan is interest-bearing.
- As at 30 June 2020, the applicant reported positive net assets, and a reasonable debt to equity ratio. This ratio is an improvement from the prior financial year.

- For the year ended 30 June 2020, the applicant generated an operating surplus and has reported an operating surplus for each of the past 3 financial years. Accordingly, the applicant appears to have been profitable over the past 3 financial years.
- The applicant generated positive cash from operating activities during the year ended 30 June 2020 and generated sufficient cash from operating activities during the previous financial year. Accordingly, the applicant appears to have a net positive cash position from operating activities as at 30 June 2020.

### Example 2 of a good application

- The applicant reported a strong current ratio as at 30 June 2020, indicating that it could meet its current liabilities from current assets at that date.
- For the year ended 30 June 2020, the applicant reported a positive EBIT, which was an increase from the 2019 year. The applicant reported a negative EBIT (a loss) in the year ended 30 June 2018.
- As at 30 June 2020, the applicant reported positive net assets and a strong debt to equity ratio, which is reflective of the organisation's minimal debt.
- The applicant has reported an operating profit for 2 of the past 3 financial years.
- The applicant provided audited financial statements for all periods.
- The applicant provided all required information which was requested in the application guide and package.

### Ratio Analysis

The department will compare the applicant's period-to-period financial performance with various indicators of risk. This will assist the department with gaining a significant insight into the organisation's financial viability. Below are some of the ratios which may be considered in assessing the financial performance of an applicant.

Ratio	Below average ratio	Average ratio	Good ratio
Current ratio	$\leq 0.50$	$> 0.50$ and $\leq 1.50$	$> 1.50$
Net tangible asset ratio	$\leq 0.40$	$> 0.40$ and $\leq 0.70$	$> 0.70$
Debt to equity	$\geq 2.50$	$\geq 1.50$ and $< 2.50$	$< 1.50$
Net profit ratio	$\leq 0.00$	$> 0.00$ and $\leq 0.07$	$> 0.07$
Return on Assets	$\leq 0.00$	$> 0.00$ and $\leq 0.10$	$> 0.10$
Interest cover	$\leq 1.00$	$> 1.00$ and $\leq 2.00$	$> 2.00$
Creditor days	$\geq 60.00$	$\geq 30.00$ and $< 60.00$	$< 30.00$



## VET Student Loans Financial Viability Assessment Risk Matrix and Risk assessment guide

Likelihood of impact on program objective
<div style="display: flex; justify-content: space-between;"> <span>More likely</span> <span>Less likely</span> </div>
<ul style="list-style-type: none"> <li>▪ Trend of deterioration in provider's financial position over time.</li> <li>▪ Poor capability to meet debts as and when they fall due.</li> <li>▪ Incurring losses and cash outflows.</li> <li>▪ Weak balance sheet or equity position.</li> <li>▪ Provider distributes dividends substantially in excess of profit to the detriment of cash reserves.</li> <li>▪ Does not have sufficient insurance in place.</li> <li>▪ Relationships with a broader group of entities with poor financial positions that may be a drain on the applicant.</li> <li>▪ Payments to related parties not at arms-length, and/or are unnecessary.</li> <li>▪ Substantial guarantees or loans that could have a material effect on the provider's finances.</li> <li>▪ Assets provided as security to non ADIs (authorised deposit-taking institutions).</li> <li>▪ Poor quality financial information (unaudited, missing statements etc.)*</li> </ul>
<ul style="list-style-type: none"> <li>▪ Trend of stability or improvement in provider's financial position over time.</li> <li>▪ Strong capability to meet debts as and when they fall due.</li> <li>▪ Strong profitability and strong positive cash flows.</li> <li>▪ Weak balance sheet or equity position.</li> <li>▪ Provider pays no dividends from profits, or dividends are within profitability and have minimal impact on cash reserves.</li> <li>▪ Has sufficient insurances in place.</li> <li>▪ Guaranteed financial support from a parent or related entity with proven capacity to provide that support.</li> <li>▪ Provider makes little to no payments to related parties, and / or payments are at arms-length and are reasonably necessary.</li> <li>▪ Complete and audited financial information.*</li> </ul>

\*Note: Availability of audited financial information increases the capability for a financial viability assessment to be undertaken. Accordingly, any factors affecting the quality or reliability of that information impacts the reliability of the financial viability assessment and is reflected as an increased likelihood, raising the risk rating. Further, it should be noted that complete and audited financial information which still reflects a poor financial position will not reduce the likelihood of the financial viability risk.

Table 1: Risk rating characteristics

Good	Adequate	Marginally Suitable	Unsuitable
Has a strong financial position. Presents a low risk and satisfies all components of subdivision C of the Rules and requirements of the Approved Course Provider Application Guide.	Has a reasonable financial position. Presents a medium risk of failing to satisfy subdivision C of the Rules and requirements of the Approved Course Provider Application Guide.	Has a marginal financial position. Presents a moderately high risk of failing to satisfy subdivision C of the Rules and requirements of the Approved Course Provider Application Guide.	Weak or higher risk financial position. Presents a high risk and fails to satisfy subdivision C of the Rules and requirements of the Approved Course Provider Application Guide.

Consequence on the program objective

Program objective	Greater consequence	Lesser consequence

Table 2: Factors increasing the consequence of a provider's financial viability risk

Consequence of applicant's financial viability on the program objective
<div style="display: flex; justify-content: space-between;"> <span>Lesser consequence</span> <span>Greater consequence</span> </div>
<ul style="list-style-type: none"> <li>▪ Strong or reasonable financial performance and position which supports the applicant's capability to deliver high quality training aligned to workplace needs.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Weak or marginal financial performance and position which undermines the applicant's capability to deliver, or prevents the applicant from providing high quality training aligned to workplace needs.</li> </ul>

## Appendix E: Key terms used in this guide

Key term	Definition
Act / (the Act)	<i>VET Student Loans Act 2016.</i>
Applicant or you/r	The body applying for approval as an approved course provider.
Application fee	The application fee is a one-off fee to submit an application for approval as an approved course provider.
Approved Courses	Courses listed on the current VET Student Loans (Courses and Loan Caps) Determination 2016.
Approved course provider	A body approved by the secretary under section 25 of the <i>VET Student Loans Act 2016.</i>
AQF	Australian Quality Framework
Business day	Any day of the week other than Saturday, Sunday or a national public holiday or a public holiday in the Australian Capital Territory. A national public holiday is a Commonwealth public service holiday throughout Australia promulgated in the Commonwealth Government Gazette.
Course provider requirements	The course provider requirements specified in section 25(2) of the Act.
department	The Australian Government Department of Education, Skills and Employment.
eSAM	The department's identification verification system (used to control access to HITS and to other departmental systems).
FAQs (frequently asked questions)	A compilation of questions and answers are at Appendix F to assist providers in preparing their applications.
HITS	The HELP Information Technology System: the electronic platform used by the department to collect, distribute, and maintain provider information (other than student records) for each approved course provider or applicant. VSL applications must be submitted using this platform unless other arrangements have been approved by the department in advance
Key personnel	See definition in section 16 of the Rules.
Provider suitability requirements	The provider suitability requirements specified in Division 3, Part 4 of the Rules.
The Rules	The VET Student Loan Rules 2016.
Secretary	Secretary of the Department of Education, Skills and Employment
Tuition protection	The scheme in place to protect and support students in the event of a course or provider closure.
VSL Approved Course Provider Application Guide (the guide)	This guide, which details the application process and application requirements for applicants to apply for approval as approved course providers.
VSL Application Workbook (the workbook)	An Excel workbook containing 10 forms. The workbook must be uploaded <b>as a whole</b> to HITS as a key part of the 'Form' of submission approved by the secretary, to be a valid application.
VSL Application Workbook Quick Reference Guide (the QRG)	A document containing information to assist the applicant to navigate the Application Workbook.



## Appendix F: Frequently asked questions

### 1. Can I have a third party deliver all or part of my courses I am approved to offer?

As outlined in the Act, third party training delivery is only allowed in circumstances where the third party is:

- a VSL approved course provider, or
- registered by the TEQSA, or
- separately approved by the Secretary of the department under section 15 of the Act.

As referred to above, you must apply to the department for approval of additional third-party arrangements if the third party is not a VSL approved course provider or registered by TEQSA. Applications must indicate:

- what technical expertise the nominated third party provides
- why the course cannot be delivered by the approved VSL provider, or another VSL provider
- why the nominated third party cannot, itself, become an approved VSL provider.

The required third-party application form is available in your Applicant Workbook.

### 2. Does the 'declaration from an independent qualified auditor' need to be completed by an auditor external to the company or can it be completed by the company's internal auditor?

A declaration from an independent qualified auditor is from an auditor who is not part of, or an employee of, the company.

### 3. The guide does not state how many industry references are required. Could you provide some guidance please?

At a minimum, applicants should provide one reference (on the referee organisation's letterhead), per industry that is relevant to the courses which the applicant is requesting approval to offer under the VSL program. It is up to the applicant to decide how many additional references they choose to include.

### 4. Do RTOs have to include information about their history in delivering all courses in their applications, even Certificate III?

No. However, if you believe that including information on Certificate level courses you have delivered over the last 3 years will strengthen your application, then please include them.

The Rules require that to be an approved course provider, applicants must have a record of satisfactory conduct in relation to any previous VET they have provided, and for all VET the Commonwealth, a state or territory provided funding, including loans to students.

The workbook enables you to present your course delivery history, including student outcomes at the Certificate III and IV plus Diploma and above courses in the last 3 years.

### 5. We are currently in the process of changing our business structure to meet the requirements of the VSL program. Can we apply if we are currently a trust?

No. As per section 25(a) of the Act 'to meet the course provider requirements the body must be a body corporate that is not a trustee'. This requirement means that an applicant cannot be approved if they are a body corporate which is the trustee of any trust, irrespective of the nature, purpose or function of that trust, and irrespective of whether or not the application is made in the body corporate's capacity as a trustee.

Applicants that do not meet this requirement will not be considered against any other criteria.

**6. What are the system requirements and file size limits that I need to be aware of when submitting my application (including all forms and substantiating evidence) via HITS?**

It is your organisation's responsibility to ensure that, before commencing your application, your own IT system supports, and is compatible with HITS, the workbook, and the submission response.

To use HITS and to complete the workbook, you must use a computer with Windows 7 or above, Microsoft Internet Explorer 11 or above, Excel 2010 or above, and be able to scan and send supporting documents in coloured PDF (see Appendix A for details).

HITS enables you to upload up to 5 documents simultaneously. Individual documents must not exceed 15MB.

**7. When is evidence regarding an RTO having at least 20 per cent of revenue from sources other than Australian Government income contingent loans required? What is the minimum period that the evidence should relate to?**

Evidence that your organisation has at least 20 per cent of revenue from sources other than Australian Government income contingent loans is required if, at the time of the application, the applicant has more than 100 students enrolled in AQF courses (see section 23 (3)(d) of *the VET Student Loans Rules 2016*).

The percentage of revenue from sources other than Australian Government income contingent loans is one of the indicators considered when looking at the financial viability of an applicant. Information provided by applicants in support of this criterion (for example, detailed revenue breakdown for the most recently completed annual financial reporting period) will be considered in the context of other information provided to the department to demonstrate financial viability.

As a minimum, the requirement will apply to the most recently completed annual financial reporting period regarding revenue.

**8. What evidence should be provided in relation to the course provider requirement at paragraph 25(2)(c) of the Act that a body must 'carry on business in Australia and have its central management and control in Australia.'?**

The following factors may be relevant in establishing whether an applicant has its central management and control in Australia:

- Whether the people who make high-level decisions for the applicant reside and work in Australia, for example:
  - whether the persons who make significant decisions, such as the Chief Executive Officer, senior management and directors, reside and work in Australia
  - whether the majority of its directors/office holders reside and work in Australia
- The place where high-level decisions are made (for example, whether the board of directors (or officer holders) meets in Australia).
- Where, how and to whom decision-making powers have been delegated (for example, whether the decision-making powers have been delegated to persons in Australia or overseas).
- What practical influence any foreign entity can exert over high-level decision-making of the applicant (for example, if the parent company is based overseas, whether it exercises direction and control on the decision-making and operations of the applicant in Australia).
- Whether the applicant's registered office (or equivalent) is in Australia.

While ultimately a matter for applicants to determine for themselves, they may wish to consider providing some or all of the following evidence to demonstrate that their central management and control takes place in Australia:

- the company constitution or the rules of association
- the applicant's organisational structure and group structure (where the applicant has relationships with other entities that may influence its financial or strategic operations)
- description of the practical influence any foreign entity might exert over high-level decision-making of the applicant (for example, if the parent company is based overseas, whether it exercises direction and control on the decision-making and operations of the applicant in Australia)
- a list of the names and place of work and residence of the directors, senior management and other people who exercise direction and control over the provider.

Where there may be some perceived uncertainty about whether a provider's central management and control is in Australia, an explanation about whether and why the applicant considers the central management and control is in Australia should be provided.

## **9. More Information**

More information about the VSL program is available at the department's [VET Student Loans](#) webpage.

If you have questions regarding the application process or department's IT systems contact the department via the [online enquiry form](#) or the VSL applicant's enquiry line (02) 6240 0650 between 9:00am and 5:00pm AEST.