

1. Purpose

Greenhouse Education is committed to establishing a long term presence in the vocational education and training sector, as a provider of quality training and assessment services. A key factor in attaining this aim is the ongoing financial stability and wellbeing of Greenhouse Education, resulting from careful, responsible and hands-on financial management, aligned to the business goals, the nature of its operations and the nuances of the market in which it competes

This policy ensures that Greenhouse Education uses efficient financial management practices and systems. Ensuring compliance with the Standards for Registered Training Organisations (SRTOs 2015) along with the current VET (WA) Ministerial Corporation Purchase of Training Service's Business Rules and accompanying current Western Australian Department of Training and Workforce Development's VET Fees and Charges Policy.

2. Policy Statement

Greenhouse Education will ensure that it maintains sound financial practices, ensuring the financial security of the RTO and enabling its ongoing viability, profitability and growth. Conservatism will prevail as the key influence over financial decisions. Equally, an uncompromising commitment to integrity and professionalism will remain the keystone to all finance, banking, investment and general business transactions.

Greenhouse Education will:

- a) Ensure it complies with the "Financial Viability Risk Assessment Requirements";
- b) Implement and maintain effective business planning and financial management processes;
- c) Ensure that accounts are certified by a qualified accountant (Certified to Australian Accountant Standards) at least annually and are made available to the VET Registration body upon request;
- d) Ensure that a full financial audit of the RTOs financial accounts from an independent qualified accountant (Certified to Australian Accountant Standards) is obtained and made available to the VET Registration body upon request;
- e) Implement and maintain procedures to protect fees paid in advance, to comply with the 'Schedule 6 - Requirements for Fee Protection' of the Standards for RTOs 2015.
- f) Provide students with complete and accurate fee information.

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- g) Issue and receipt fees and charges in-line with The Department of Training and Workforce Development's current Fees and Charges Policy or agreed upon documented payment arrangements with the student.
- h) Provide Refunds, as per Refund Policy.

3. Definitions

3.1 The following words and expressions have the following specific meaning, as in the Standards for Registered Training Organisations (RTOs) 2015.

Financial Viability Risk Assessment Requirements means the requirements made under section 158 of the *National Vocational Education and Training Regulator Act 2011* or equivalent requirements made or adopted by the VET Regulator of a non-referring State as the case requires.

Registration means registration as an RTO by the VET Regulator, where that registration is then entered on the National Register.

Scope of registration means the training products for which an RTO is registered to issue AQF certification documentation. It allows the RTO to:

- a) both provide training delivery and assessment resulting in the issuance of AQF certification documentation by the RTO; or
- b) provide assessment resulting in the issuance of AQF certification documentation by the RTO.

VET Regulator means:

- a) the National VET Regulator; and
- b) a body of a non-referring State that is responsible for the kinds of matters dealt with under the VET legislation for that State.

The Department of Training and Workforce Development (the Corporation) means:

- a) the VET (WA) Ministerial Corporation under the Vocational Education & Training Act 1996.

The Department of Training and Workforce Development Fees and Charges means the sum of fees for all units that a student enrolls in. These fees are calculated based on an hourly rate applied to the nominal hours that correlate to each unit of competency commenced in the calendar year.

4. Greenhouse Education Obligations to - Financial Viability Risk Assessment Requirements 2011

4.1 Intent

- a) The VET Regulator can request Greenhouse Education to demonstrate its financial viability at any point in time.
- b) The assessment of the 'Financial Viability' by the VET Regulator is directed evaluating the likelihood of Greenhouse Education business continuity, and its capacity to achieve quality outcomes. The assessment informs a judgement about whether Greenhouse Education has the financial resources necessary to:
 - i. Acquire the requisite assets and physical resources to deliver all qualifications on its scope of registration;
 - ii. Employ sufficient appropriately qualified staff to cover the courses for which it takes enrolments;
 - iii. Provide appropriate levels of student services to students;
 - iv. Remain in business to ensure that each student can achieve completion;
 - v. Meet the above requirements even in an unsure environment.

4.2 Obligation to submit assessment

- a) Greenhouse Education must submit an assessment of financial viability risk by a qualified independent financial auditor nominated by the VET Regulator at any time during the registration period.
- b) The obligation to submit also applies to parent organisations, affiliated companies or organisations that have a vested interest in the organisation.

4.3 Indicators for Assessment

- a) The assessment will be undertaken by assessing common indicators of financial performance and position. These may include, but are not limited to :
 - i. Liquidity – including current ratio and cash flow assessments;
 - ii. Solvency – including debt to assets assessment, debt to equity assessment;
 - iii. Economic Dependency (e.g. reliance upon government funding or a particular cohort of students);
 - iv. Revenue, profit and cash flow;
 - v. Commercial risk'
 - vi. Audit opinion;
 - vii. Contingencies;

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- viii. Compliance with all statutory obligations(e.g. GST, taxation, superannuation)
- ix. Compliance with accounting standards;
- x. Accounting policies – impact of organisation accounting policies on its financial risk.

4.4 Information to be assessed

- a) Information that could be used to assess the common indicators may include, but are not limited to:
 - i. Independent review of financial projections, including underlying assumptions;
 - ii. Business planning, including forecast income streams and forecast expenditure;
 - iii. Assets and liabilities;
 - iv. Financial statements audited by an independent qualified auditor;
 - v. Financial records for the previous 12 months, including profit and loss, balance sheets;
 - vi. Cash flow and bank accounts;
 - vii. Short term budgets and forecasts, including assumptions;
 - viii. Information on current and projected student enrolments, including assumptions;
 - ix. Tax records;
 - x. Information about current debts and debtors, credit and creditors, loans and repayments;
 - xi. Plans, and information on any legal disputes;
 - xii. Inter-company dealings, transfers, ownerships and loans;
 - xiii. Contingent liabilities;
 - xiv. Ultimate ownership details;
 - xv. Post reporting activities.

5. Policy Principles

The following principles underpin this policy.

5.1 Financial Management

- a) Greenhouse Education aims to maintain a sound financial position, which facilitates its stability, planned business growth and profit projections through

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- i. business planning, including forecast income and expenditure;
- ii. monitoring Cash flow;
- iii. Formulation of and adherence to annual budgets;
- iv. Ongoing reinvestment in the business to ensure it remains well resourced to meet student needs;
- v. Maintenance of adequate cash reserves to meet planned commitments, as well as unforeseen events;
- vi. Striving to remain debt free as part of its overall strategy of optimising return on investment and consequently maintaining price competitiveness;
- vii. Careful safeguarding of assets, via comprehensive insurance and security measures.

5.2 Course Fees

a) Fee for Service Course Fees

- i. Greenhouse Education will strive to maintain highly competitive fair and reasonable fee structures, outlining these in a “Schedule of Fees”.
- ii. Greenhouse Education adjusts its fees and charges from time to time. Changes to fees will be fairly and equitably applied, advertised and clearly indicate the date from which the change will take effect.
- iii. Greenhouse Education provides details of course fees in all course information. (See Student Information Policy)
- iv. Course fees may be negotiated with individual students, as approved by the CEO of Greenhouse Education.

b) The Department of Training and Workforce Development’s stipulated Course Fees

- i. Greenhouse Education will charge all students inline with The Department of Training and Workforce Development’s current Fees and Charges Policy.
- ii. Greenhouse Education provides a well-documented process for the collection of fees and receipt of payment of student fees. (See Collection of Fees and Receipt of Payment Procedure)

5.3 Fee Payment Arrangements

a) Fee for Service Course Fees

- i. All Fee for Service Course Fees are payable via a payment plan.
 - a) Greenhouse Education will not accept prepaid fees from individual students

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in excess of a total of \$1500 (being the threshold total prepaid fees amount).

- b) In accordance with Schedule 6 – Standards for RTOs; Greenhouse Education adopts the following to protect fees paid in advance.
- c) Details of payment schedules and specific conditions relating to payment plans are available at enrolment and provided to the student in writing.
- d) Greenhouse Education utilises a 3rd party provider to assist in the management of payment plans (Ezidebit). All terms and conditions of the 3rd party provider are provided at enrolment and prior to any commitment to any plan.

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- ii. Flexible payment arrangements/options will accommodate individual circumstances.
- iii. Fees must be paid in full before certification will be issued.
- iv. If payment instalment / arrangements are in place, and a payment becomes overdue and remains unpaid for a period in excess of 14 days, Greenhouse Education reserves the right to suspend the students learning or assessment (or both) until all fee payments are up-to-date.
- v. Flexible payment arrangements, such as instalments, credit card, direct debit, cheques and EFT remittance are acceptable to accommodate the diverse financial situations of students.

b) The Department of Training and Workforce Development's stipulated Course Fees

- i. All student and employers (whom are paying on behalf of the student) that are charged under the current VET Fees and Charges Policy will pay their issued student fees invoice via Electronic Fund Transfer (ETF). When making payment the payer must reference the invoice number. Once payment has been made the payer must forward a copy of the remittance advice showing the invoice number and amount paid to Greenhouse Education. Greenhouse Education will then send the receipt of payment to the payer via email.
- ii. If payment has not been received by 60 days after the issuance of the invoice, Greenhouse Education will send a payment reminder to the payer. This reminder will flag with Greenhouse Education to cease the commencement of any further unit of competency.

5.4 Refunds

Publicly Funded Students

For students participating in publicly-funded programs (apprenticeship, traineeship) refunds are available in line with the Department of Training and Workforce Development's Fees and Charges – Policy guidelines for Publicly Funded Registered Training Organisations and Programs, which notes the following:

- Students must advise in writing that they wish to withdraw and are seeking a refund.
- Requests for refunds must be lodged to Training Division within two weeks of the official withdrawal date.

Full Refunds

Students who withdraw are entitled to a full refund of the applicable course fee, resource fee and other fees where;

- A unit is cancelled or re-scheduled to a time unsuitable to the student; or
- A student is not give a place due to maximum number of places being reached

Administration Coordinator can approve a full refund of fees at any time during delivery if a class is cancelled because of declining student numbers, no available lecturer, or due to other circumstances caused by the RTO.

Part Refunds

Students who withdraw for reasons other than those outlined above and who lodge a withdrawal form before the withdrawal date for a unit – which the RTO will determine for each unit,

- no less than 20% duration for that unit will be eligible for a full refund and
- 50% of the resource fee if the course is below Diploma level.

Pro Rata Refunds

Administration can approve a pro-rata refund of fees and charges at any time during the course of delivery if students withdraw for reasons of personal circumstances beyond their control. For example:

- Serious illness resulting in extended absence from classes.
- Injury or disability that prevents the student from completing their program of study.
- Other exceptional reasons at the discretion of the accountable officer.
- In all cases, relevant documentary evidence (for example, medical certificate) is required.

Refunds Following Re-Assessment

Students requesting a review of their assessment should do so within four weeks of the date of publication of the results. There are fees associated with this service – refer to the section Incidental Charges.

Should a 'Not Yet Competent' student achieve an outcome of 'Competent' on a review of the assessment, the \$25 per unit re-assessment charge is to be refunded. The \$50 per unit charge for reporting on assessments is not refundable at any time.

5.5 Asset Management

- a) Acquisitions of assets are in accordance with strategic planning, training and assessment strategies and budgetary considerations.
- b) Projected budget for asset acquisition will be included in annual strategic planning and the overall viability review for individual projects.

6. Greenhouse Education Responsibilities

The CEO of Greenhouse Education is responsible for:

- a) Ensuring compliance with financial management policies, procedures and systems.
- b) Ensuring compliance with Financial Viability Risk Assessment Requirements 2011.
- c) Monitoring and reporting on compliance with these financial management policies and procedures.
- d) Undertaking reviews of the effectiveness of the policies, procedures and systems annually and to use the results of such reviews to drive further improvements.

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- e) When requested, provide The Training Accreditation Council with a formal assurance that Greenhouse Education has sound financial management standards for matters relating to the Scope of Registration and scale of operations.
- f) Ensure compliance with the current Department of Training and Workforce Development's VET Fees and Charges Policy.
- g) When requested, provide the Department of Training and Workforce Development with transparent receipts of payment of student fees and proof of payment either via the production of bank statements or other methods requested by The Corporation.

7. Access & Equity

The Greenhouse Education Access & Equity Policy applies. (See Access & Equity Policy)

8. Records Management

All documentation from Financial management processes are maintained in accordance with Records Management Policy. (See Records Management Policy)

9. Monitoring and Improvement

All Financial Management practices are monitored by the CEO of Greenhouse Education and subject to ongoing review during monthly Financial Review meetings. Areas for improvement are identified and acted upon. (See Continuous Improvement Policy)

Information on how GST is applied

In this procedure the terms:

- “Vet Fees & Charges” – training provided under a funded program
- “Resource fee” – fees charged over and above Vet Fees in a funded program to cover the physical materials used in the course, these are for general resources, not for the provision of the training and assessment materials.
- “Administration fees” – A supply of administrative services made by the RTO that is directly related to the supply of an education course is GST-free under paragraph 38-85(b). Administration services may include review of completed assessment materials, resulting, provision of results to the course, monitoring and auditing of the quality of the course. The ruling provides a list as per below:
 - (a) program changes;
 - (b) enrolment services, including the processing of late enrolments;
 - (c) late issue or replacements of student cards;
 - (d) examination arrangements and assessments of students including re-assessment of results where a student has failed;
 - (e) processing academic results including duplicate degree copies;
 - (f) overdue charges or late payment charges;
 - (g) record-keeping;
 - (h) administration of the library;
 - (i) administration of a textbook scheme;
 - (j) administration of the supply of course materials;
 - (k) graduation certificates;
 - (l) course reinstatement;
 - (m) charges for HECS statements.
- “Enrolment fees” – Where a fee charged to confirm a student's place at the RTO and creates a right for a student to receive a GST-free education course, that fee is GST-free as it relates to a right to receive a GST-free education course. This is regardless of whether the fee is being paid by the student or a third party on behalf of the student (such as a parent, employer or school) (Pt 111 & 112 of GSTR 2001/1)
- “Non-accredited” – courses where a statement of attainment is not issued and is not a nationally recognised training
- “Tuition .course fees” – tuition fees are fees paid directly towards the GST free education course
- “GST free education course” means –
 - a course of study or instruction that is a tertiary course determined by the Education Minister[5] under subsection 5D(1) of the Student Assistance Act 1973 for the purposes of that Act,[6] or

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- a course of study or instruction accredited at Masters or Doctoral level and supplied by a higher education institution or a non-government higher education institution; or
- any other course of study or instruction that the Education Minister has determined is a tertiary course for the purposes of this Act.[7]
- “professional or trade course” is defined in section 195-1 as:
 - 'a course leading to a qualification that is an *essential prerequisite* for entry to a particular profession or trade in Australia; or
 - to commence the practice of (but not to maintain the practice of) a profession or trade in Australia.' NOTE: This is only for the first time completing the course, refresher courses not included here.

Procedure Objective

There is an easy way to differentiate between GST applicable or GST free for training.

Is it directly related to the provision of the accredited training course?

Fee Type	GST Free Education Courses	Non-accredited Courses	Professional or Trade Courses
<i>Enrolment fees</i>	GST FREE	GST APPLIES	GST FREE
<i>Administration fees</i>	GST FREE	GST APPLIES	GST FREE
<i>Tuition or course fees</i>	GST FREE	GST APPLIES	GST FREE
<i>Resource fees</i>	GST APPLIES	GST APPLIES	GST APPLIES
<i>VET fees & charges</i>	GST FREE	GST APPLIES	N/A

1. Procedure Review

This procedure will be reviewed each year and as a standing item, include details of the date it was reviewed.

1.1 Procedure Additions or Amendments

Separate to the mandated annual review, the procedure may be varied at any time due to legislative changes or to fall in line with widely accepted best practices in the workplace. In the event of any changes, the procedure will be updated and relevant stakeholders advised.

2. Related Documents

- GSTR 2001/1
<https://www.ato.gov.au/law/view/document?LocID=%22GST%2FGSTR20011%2FNAT%2FATO%22&PiT=99991231235958>
- GSTR 2003/1
- Vet Fees and Charges Policy 2019

3. List of courses

The below is provided to allow for an understanding of GST free education courses; non-accredited courses and professional or trade course.

GST free education courses-

- All Certificate I, II, III, IV as well as Diploma courses on scope for Nara and Skill Hire that are NOT linked to a national licence.
- All single units of competency that are NOT linked to a licence or high risk ticket
- All refresher courses that are linked to units of competency (e.g. high risk refreshers where the participant previously holds competency and wishes to be reassessed.)

Non-accredited courses-

- Trade tasters
- Professional development offered to schools, staff, trainers and third party providers
- Any training that results in a certificate of participation
- Any training that is not national recognised training

Professional or Trade courses-

- Any full qualification that is a pre-requisite for a trade as determined by a national instrument, licence or regulatory body (for example the Certificate III in Electrotechnology is a requirement for an electrical licence)
- Any unit of competency that is licenced or regulated and required for entrance into that industry or profession (for example Whitecard, all high risk tickets)
- Any skill set that is regulated and required for entrance into the industry (for example traffic management course in WA)

Combination courses-

Combination courses (for example white card within a trade taster) must be separately itemised and GST charged

against each as applicable.