

Audit Guide – Clause 5.3

5.3. Where the RTO collects fees from the individual learner, either directly or through a third-party, the RTO provides or directs the learner to information prior to enrolment or the commencement of training and assessment, whichever comes first, specifying:

a) all relevant fee information including:

- i) fees that must be paid to the RTO; and
- ii) payment terms and conditions including deposits and refunds;

b) the learner's rights as a consumer, including but not limited to any statutory cooling-off period, if one applies;

c) the learner's right to obtain a refund for services not provided by the RTO in the event the:

- i) arrangement is terminated early; or
- ii) the RTO fails to provide the agreed services.

What is this clause about: This clause specifies the minimum information requirements that must be provided to prospective learner prior to their enrolment or commencement to inform them about the RTO's collection of fees from the individual learner. This includes the total amount of fees to be paid and the schedule of payments, the payment terms and conditions including deposits and refunds.

Just a **quick note** on the requirement relating to a statutory cooling off period specified at clause 5.3b. This clause specifies the requirement that the RTO inform prospective learners about their consumer rights. Consumer Law in Australia has generally been harmonised across all states and territories. There are some useful information sources available at the following website to inform learners about their consumer rights ([click](#)). Apart from specifying this, the clause also makes a special mention of any statutory cooling off period, if one applies. What is a statutory cooling off period and what are the circumstances when one applies? Great question! The ACCC identify that, "A cooling-off period is a safeguard designed to give consumers the opportunity to change their minds about a purchase or agreement they have made. You have a right to a cooling-off period when you purchase goods or services through telemarketing or door-to-door sales ([click](#)). Where a service agreement is obtained through telemarketing or door-to-door sales ([click](#)) this is referred to as an 'unsolicited consumer agreement'. It is under these types of agreements that a statutory cooling off period applies. If your RTO does not undertake marketing using these types of sales tactics, then the statutory cooling off period disclosure requirement will not be applicable to you.

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<p>Evidence to prepare:</p> <ul style="list-style-type: none"> – Learner or participant handbook which includes information about fees, payments and refunds. – Fee schedule documents that include information about the total fees and the required schedule of payments to be made. – Policy and procedure relating to fee payments, refunds, early termination, transfers or fee credits. – Learner service agreements which include terms and conditions. – Policy relating to the learner’s rights if the RTO terminates the services early or is unable to deliver the service. – Access to learner payment records. – Access to administrative forms such as those required to request a refund – Access to learner records to verify agreed terms and conditions. 	<p>You must be able to demonstrate that:</p> <ul style="list-style-type: none"> – You provide information that informs the learner about their obligation to make fees and payments including the total amount of fees to be paid and the schedule of payments, the payment terms and conditions including deposits and refunds, the learner’s consumer rights and the learner’s rights to obtain a refund where the services are terminated early or the RTO fails to provide the agreed services. <p>You should prepare for these types of questions:</p> <ul style="list-style-type: none"> – Can you talk me through how the learner is provided information about the applicable fees, payments and refunds? – How do you inform learners about their rights as a consumer? – What is the process for the learner to request a refund? – Can you talk me through your marketing arrangements? Do you undertake any telemarketing or door-to-door sales? If so, how do you inform learners of their right to a statutory cooling off period? – Do you have a service agreement that learners are required to sign as part of their enrolment? Can you provide me a copy of this for the following learners please? – Can you recall a situation where a learner has been provided a refund? Is it possible to access the learner’s file and the payment records for this learner?

Newbery's Audit Guide - Standards for Registered Training Organisations (RTOs) 2015

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