



# FACT SHEET

## Third-party arrangements

The *Standards for Registered Training Organisations 2015* include a number of clauses that set out how registered training organisations (RTOs) should engage and manage their relationships with **third parties**.

The clauses relating to third-party arrangements help ensure learners and prospective learners receive appropriate, high-quality training and support services and accurate information about any training they choose to undertake.

This fact sheet suggests steps your RTO can take to help ensure your third-party arrangements meet these requirements<sup>1</sup>.

### What is a third-party arrangement?

The *Standards for Registered Training Organisations 2015* define a 'third party' as any party that provides **services** on behalf of the RTO. This definition does not include a contract of employment between an RTO and an employee.

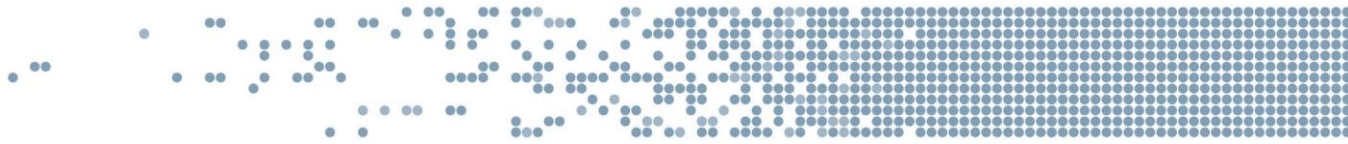
**Services** means training, assessment, related educational and support services and/or any activities related to the recruitment of prospective learners. It does not include services such as student counselling, mediation or information and communications technology (ICT) support.

Educational and support services may include:

- pre-enrolment materials
- study support and study skills programs
- language, literacy and numeracy (LLN) programs or referrals to these programs
- equipment, resources and/or programs to increase access for learners with disabilities and other learners
- learning resource centres
- flexible scheduling and delivery of training and assessment
- learning materials in alternative formats, for example, in large print
- learning and assessment programs contextualised to the workplace, and
- any other services that the RTO considers necessary to support learners to achieve competency.

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<sup>1</sup> This document is provided to assist RTOs understand their obligations. It is not a part of the *Standards for Registered Training Organisations 2015*.

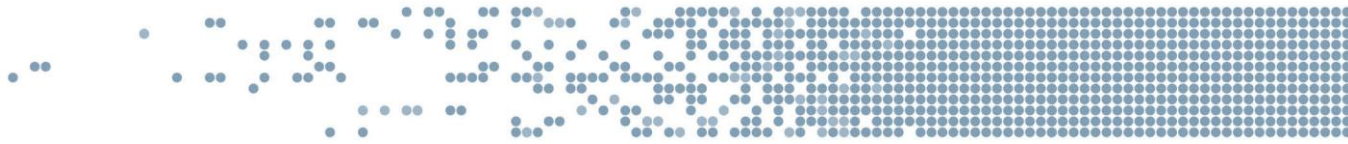


## What kind of third-party arrangements could RTOs have?

An RTO might be involved in third-party arrangements with:

- other RTOs
- non-registered training providers
- recruitment agents or brokers
- employment/job services agencies

Type of third party	How the arrangement works
<b>Registered training organisation</b>	<p>An RTO may engage another registered training organisation in order to provide specific training and assessment to its learners on its behalf.</p> <p>For example, an RTO—‘ABC Training’—delivers <i>SIS30313 Certificate III in Fitness</i>, which requires the delivery of <i>HLTAID003 Provide first aid</i> as a core unit. ‘ABC Training’ decides to engage a third-party RTO—‘Uptown Training’—to deliver <i>HLTAID003 Provide first aid</i> to its learners. Although ‘Uptown Training’ undertakes the training and assessment, it is ABC Training that would record the outcome for the unit and issue the record of results and testamur accordingly.</p> <p>This type of arrangement was sometimes previously referred to as a ‘partnership’ or ‘auspicing’ arrangement.</p> <p>The <i>Standards for RTOs</i> now describe this type of arrangement as a third-party arrangement (clause 5.4) or agreement (clauses 2.3, 8.3).</p>
<b>Non-registered training provider</b>	<p>An RTO may engage another organisation (that is not an RTO) in order to provide specific training and assessment to its learners on its behalf.</p> <p>For example, an RTO—‘DEF Training’—delivers <i>CHC30212 - Certificate III in Aged Care</i>. DEF Training decides to engage the ‘Autumn of our Lives Aged Care Facility’ to deliver learning and assessment which has been contextualised to the workplace.</p> <p>Autumn of our Lives Aged Care Facility might undertake some assessment on behalf of DEF Training, but as the RTO, DEF Training is responsible for determining the final competency result and issuing the testamur and record of results.</p>
<b>Student recruitment agent /broker</b>	<p>An RTO may engage an individual or party to recruit students on behalf of the RTO.</p> <p>For example, a third party organisation—‘Skills Today’—advertises <i>SIT40313 Certificate IV in Hospitality</i> on its website on behalf of ‘ABC Training’. As part of its third-party arrangement, Skills Today collects student enrolment information and on behalf of ABC Training. Skills Today subsequently provides the student enrolments to ABC Training. This is considered a third-party arrangement, whether or not a commission is paid to Skills Today.</p>



**Employment service provider**

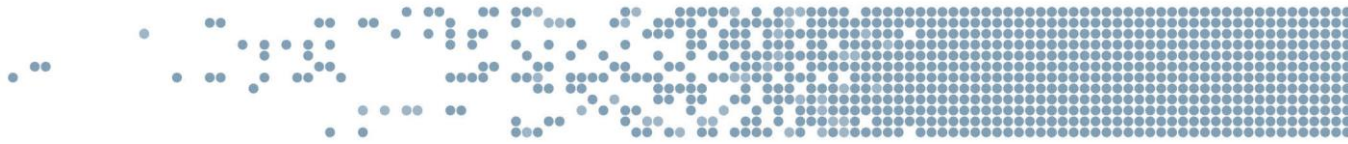
An organisation that helps find jobs for individuals seeking employment.

In order to source employment for individuals and provide skilled workers to employers, an Employment Service Provider may source training from one or more RTOs in order to upskill their clients.

For example, an employment service provider—‘Top Skills Employment’—has an agreement in place with an RTO— ‘ABC Training’—which specifies that Top Skills Employment may utilise ABC Training for training and assessment to be provided to its clients. ABC Training may or may not provide a fee to Top Skills Employment in exchange for the enrolment of Top Skills’ clients into a training product delivered by ABC Training.

**What is not considered to be a third-party arrangement?**

Organisation	How the arrangement works
<p><b>Government-appointed intermediary (including some community organisations and some employment service providers)</b></p>	<p>A government-appointed intermediary refers clients to various programs, including to training provided by RTOs.</p> <p>Government-appointed intermediaries do not recruit learners on behalf of specific RTOs, but rather, fulfil their obligations in relation to their clients, on behalf of government departments. These intermediaries do not receive funding from a government departments, RTOs or prospective learners in exchange for referrals.</p> <p>For example, a government-appointed intermediary—CUE Training Centre—has an arrangement in place with a government department to provide programs to unemployed youth, which may include a training component. ‘CUE Training Centre’ refers its clients to one or more government contracted RTOs in order to provide training to its clients.</p> <p>Examples of government appointed intermediaries include Australian Apprenticeship Centres, Disability Services Commission, Department of Correctional Services, some employment service providers and the Migrant Resource Centres.</p> <p>However, in some cases, these government-appointed intermediaries may be providing other services or referring other prospective learners on behalf of the RTO. <b>These cases are considered third-party arrangements and are therefore subject to the relevant Standards.</b></p> <p>For example, the ABP Workfind employment agency may have been appointed by a government agency to identify their client is in the target group for a funded training program place. ABP Workfind refers its clients to one of several RTOs under this arrangement. ABP Workfind does not receive a fee for this referral and is not considered to be a third party as it is operating on behalf of the state government.</p> <p>However, ABP also has an agreement in place with a specific RTO—‘Quality Training’—which specifies that ABP Workfind will utilise Quality Training for training and assessment to be provided to its clients. Quality Training may or may not pay ABP Workfind a fee in exchange for the</p>



enrolment of clients into a training product delivered by Quality Training. This arrangement **would** be considered a third-party arrangement.

## Understanding the third-party requirements of the Standards

### Clause 2.3

*'The RTO ensures that where services are provided on its behalf by a third party, the provision is the subject of a written agreement.'*

Your RTO must have a written agreement where a third party provides services on your behalf.

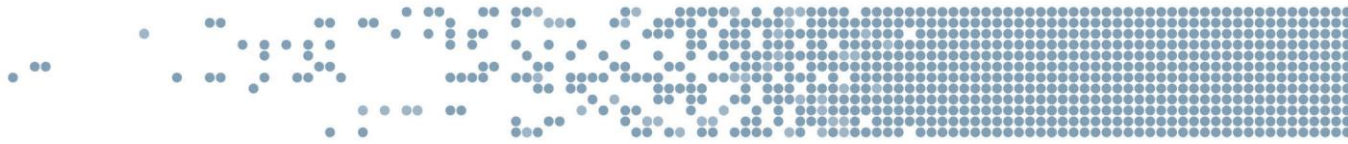
The definition of third parties **does not include**:

- contract arrangements with trainers and/or assessors,
- a workplace supervisor who contributes to evidence collection or training, or
- government-appointed intermediaries

### What might a written agreement include?

Your written agreement with a third party providing **training and assessment services** on your behalf might include:

- the name of your RTO and the third party.
- the start and end date of the agreement.
- details of the RTO's operations, including all delivery locations in Australia or elsewhere
- clauses detailing your RTO's obligations under the agreement—for example, setting out which party will issue qualifications and statements of attainment; which party will provide pre-enrolment information; and which party will collect learner fees and enrolment information
- clauses detailing the obligations of the third party—for example, setting out which party will provide the training and assessment materials, resources and facilities
- the mechanisms through which your RTO will systematically monitor the third party (e.g. if the third party is providing the training and assessment materials, resources and facilities and developing marketing initiatives, set out how you will review these prior to use for all delivery sites and how you will ensure that trainers and assessors provided by the third party meet the requirements of the Standards)
- record-keeping procedures for student enrolment information and completed student assessments.
- clauses relating to which party will validate completed student assessments
- any of your RTO's obligations, or the third party's obligations, relating to VET FEE-HELP, government-funded subsidies or other financial support, and
- clauses requiring the third party to cooperate with ASQA and to provide accurate responses to requests about delivery of services



Your written agreement with a third party providing **recruitment services** on your behalf might include:

- the name of your RTO and the third party
- the start and end date of the agreement.
- clauses detailing your RTO's obligations under the agreement—for example, you might stipulate that your RTO will review all marketing initiatives, provide current and accurate pre-enrolment information, and ensure that all information provided to a learner meets the requirements specified in Clauses 4.1, 5.1, 5.2, 5.3, and 5.4 of the Standards. You might stipulate that the RTO will ensure that all materials in languages other than English will be translated by the RTO to ensure it meets the requirements.
- clauses detailing the obligations of the third party—for example, you might stipulate that the third party will provide your RTO with all marketing material before publishing, provide learner enrolment information and learner fees to the RTO, and train the third party's staff to be able to assist with training package and enrolment enquiries.
- any of your RTO's obligations, or the third party's obligations, relating to VET FEE-HELP, government-funded subsidies or other financial support
- detail of arrangements for commission or fees to be retained by the third party
- the mechanisms through which your RTO will systematically monitor the third party, and
- clauses requiring the third party to cooperate with ASQA and to provide accurate responses to requests about provision of services.

## Clause 2.4

*'The RTO has sufficient strategies and resources to systematically monitor any services delivered on its behalf, and uses these to ensure that the services delivered comply with these Standards at all times.'*

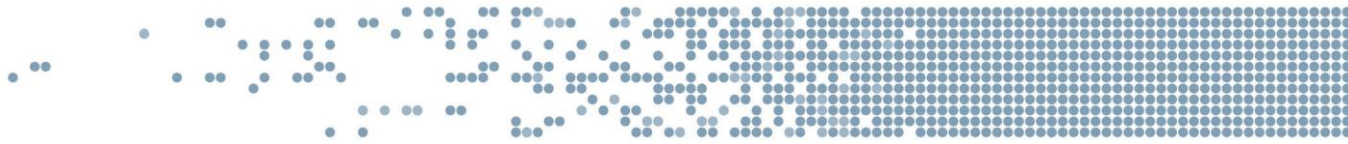
When developing a strategy to monitor your agreements, you can consider:

- Timeframes for monitoring—when and how often?
- Procedures for monitoring—who will conduct the review and how will outcomes of the review be acted upon?
- How will you monitor student assessments, pre-enrolment information given to students, training and assessment resources, facilities and equipment, trainer/assessor competencies and qualifications, marketing/advertising information, issuance of qualifications/statements of attainment and records management practices?
- How will you implement strategies for two-way feedback between your RTO and the third party?

## Clause 4.1

*'Information, whether disseminated directly by the RTO or on its behalf, is both accurate and factual, and:*

- a) accurately represents the services it provides and the training products on its scope of registration;*
- b) includes its RTO Code;*
- c) refers to another person or organisation in its marketing material only if the consent of that person or organisation has been obtained;*
- d) uses the NRT Logo only in accordance with the conditions of use specified in Schedule 4;*



- e) *makes clear where a third party is recruiting prospective learners for the RTO on its behalf;*
- f) *distinguishes where it is delivering training and assessment on behalf of another RTO or where training and assessment is being delivered on its behalf by a third party;*
- g) *distinguishes between nationally recognised training and assessment leading to the issuance of AQF certification documentation from any other training or assessment delivered by the RTO;*
- h) *includes the code and title of any training product, as published on the National Register, referred to in that information;*
- i) *only advertises or markets a non-current training product while it remains on the RTO's scope of registration;*
- j) *only advertises or markets that a training product it delivers will enable learners to obtain a licensed or regulated outcome where this has been confirmed by the industry regulator in the jurisdiction in which it is being advertised;*
- k) *includes details about any VET FEE-HELP, government funded subsidy or other financial support arrangements associated with the RTO's provision of training and assessment; and*
- l) *does not guarantee that:*
- m) *a learner will successfully complete a training product on its scope of registration; or*
  - i. *a training product can be completed in a manner which does not meet the requirements of Clause 1.1 and 1.2; or*
  - ii. *a learner will obtain a particular employment outcome where this is outside the control of the RTO.'*

Your RTO must ensure that all recruitment activities comply with the Standards, regardless of whether they are undertaken by your RTO or by another party.

### **What constitutes activities related to third-party recruitment?**

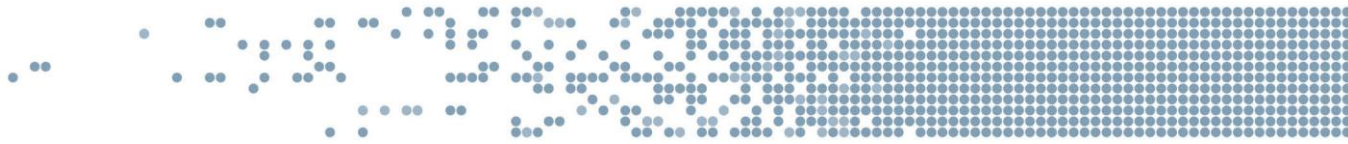
Recruitment involves **direct two-way communication** with a prospective learner. These activities may include:

- making **direct approaches** to individuals to **encourage them to enrol** in specific training and/or assessment, (e.g. door to door sales)
- having conversations with individuals to **encourage them to enrol** in specific training and assessment (e.g. manning a booth at a trade show)
- responding to **direct enquiries** from individual prospective learners about enrolling in specific training and assessment (e.g. responding to enquiry forms on a website)
- **receiving enrolment information** from learners which is then passed onto an RTO, and
- **receiving submissions** as part of a process involving analysis of evidence intended to lead a prospective learner enrolling with an RTO for an RPL process.

### **What does not constitute activities related to third-party recruitment?**

Activities involving **one-way communication** with a prospective learner—where responses are **directed back to the RTO**—are not considered to be third-party recruitment. These activities may include:

- advertising, e.g. newspaper, radio, television, Yellow Pages
- mass email messages to prospective learners where any responses are submitted to the RTO, and



- website advertising that provides a link to an RTO's website for enquiries and enrolment.

It is important to remember that, regardless of who carries out the activities, the RTO is still responsible for ensuring they comply with the Standards.

### **Meeting the third-party requirements of the NVR Act**

The *National Vocational Education and Training Regulator Amendment Act 2015*, which came into effect in April 2015, has amended the requirements in the *National Vocational Education and Training Regulator Act 2011* (NVR Act) relating to advertising training products.

The NVR Act now stipulates that any person publishing an advertisement, representing or providing a VET training product must include the name and registration code of the RTO that will issue the VET qualification or statement of attainment.

Failure to do so is an offence under Section 123A of the NVR Act, and attracts a civil penalty (as specified in Section 123B of the NVR Act).

### **Clause 5.1**

*'Prior to enrolment or the commencement of training and assessment, whichever comes first, the RTO provides advice to the prospective learner about the training product appropriate to meeting the learner's needs, taking into account the individual's existing skills and competencies.'*

The *Standards for RTOs 2015* have a strengthened focus on meeting the skilling needs of industry and of individual learners, which is clearly articulated in clauses 1.2 and 5.1.

The Standards make clear that each individual learner must be assessed with regard to their existing skills, knowledge and experience prior to commencement. While the extent of this assessment could vary greatly between training products and between individual learners, RTOs are responsible for:

- determining what the most suitable training product is from the perspective of meeting the training needs of the individual learner, and
- providing relevant advice to the learner.

To properly administer such assessment, a person must have strong knowledge of relevant training products, the skills to assess the learner's characteristics and the ability to identify a suitable training product. The Standards do not prescribe any requirements for who might undertake this assessment and therefore do not mandate any particular qualification, skill or knowledge requirements. However, RTOs are advised to ensure that any people undertaking these tasks—including third parties—have suitable skills, knowledge and experience to administer such assessment.



## Clause 5.2

*'Prior to enrolment or the commencement of training and assessment, whichever comes first, the RTO provides, in print or through referral to an electronic copy, current and accurate information that enables the learner to make informed decisions about undertaking training with the RTO and at a minimum includes the following content:*

- b) the training and assessment, and related educational and support services the RTO will provide to the learner including the:
  - (iv) name and contact details of any third party that will provide training and/or assessment, and related educational and support services to the learner on the RTO's behalf; and**
- d) the learner's rights, including:
  - (ii) if the RTO, or a third party delivering training and assessment on its behalf, closes or ceases to deliver any part of the training product that the learner is enrolled in.'**

Prior to enrolment or commencement, your RTO must ensure that learners are told about any third parties who are involved in the training, assessment and/or related services. Learners must also be provided with the contact details of the third party.

The RTO must ensure that learners are notified of the procedure which will be followed if a third party delivering training and assessment on its behalf is unable to fulfil its obligations in providing that training and assessment.

## Clause 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'**

Your pre-enrolment information must clearly specify all of the fees which must be paid to the RTO and/or to the third party. The fee information in your pre-enrolment information also needs to be consistent with the fee arrangements specified in the agreement between your RTO and third party.

## Clause 5.4

*'Where there are any changes to agreed services, the RTO advises the learner as soon as practicable, including in relation to any new third-party arrangements or a change in ownership or changes to existing third-party arrangements.'*

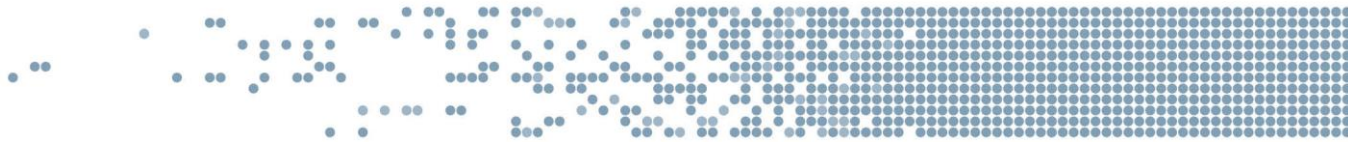
If there are any changes to your third-party arrangements, your RTO must communicate these changes to the learner.

## Clause 6.1

*'The RTO has a complaints policy to manage and respond to allegations involving the conduct of:*

- b) a third party providing services on the RTO's behalf, its trainers, assessors or other staff'*





## Clause 6.2

*'The RTO has an appeals policy to manage requests for a review of decisions, including assessment decisions, made by the RTO or a third party providing services on the RTO's behalf.'*

Your RTO must have a complaints and appeals policy or policies. These must include information about how learners can submit complaints and appeals about any third parties delivering services on its behalf.

## Clause 7.3

*'Where the RTO requires, either directly or through a third party, a prospective or current learner to prepay fees in excess of a total of \$1500 (being the threshold prepaid fee amount), the RTO must meet the requirements set out in the Requirements for Fee Protection in Schedule 6.'*

Requirements for protection of pre-paid fees from learners also apply to pre-paid fees collected by third parties.

Where the RTO does not collect more than \$1500 in pre-paid fees from any learner, they are not required to have protection measures in place.

## Clause 8.2

*The RTO ensures that **any third party delivering services** on its behalf is required under written agreement to cooperate with the VET Regulator:*

- a) *by providing accurate and factual responses to information requests from the VET Regulator relevant to the delivery of services; and*
- b) *in the conduct of audits and the monitoring of its operations.*

Your written agreements with any third parties must specify that the third party will cooperate with ASQA by providing information where requested and in the conduct of audits.

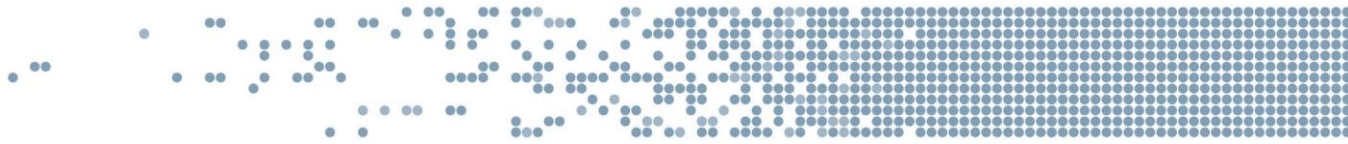
While ASQA does not regulate third parties, it can require third parties delivering services on behalf of RTOs to provide information, or participate in audit activity, for the purpose of determining whether an RTO complies with all requirements under the *Standards for Registered Training Organisations 2015*.

## Clause 8.3

*'The RTO notifies the Regulator:*

- a) *Of any written agreement entered into under Clause 2.3 for the delivery of services on its behalf within 30 calendar days of that agreement being entered into or prior to the obligations under the agreement taking effect, whichever occurs first, and*
- b) *Within 30 calendar days of the agreement coming to an end.'*

Your RTO must notify ASQA whenever you start or end a third-party agreement. You can notify ASQA via the [Third Party Service Arrangement notification form](#).



## More information

- Refer to the [Standards for Registered Training Organisations 2015](#) and the ASQA [Users' Guide to the Standards for Registered Training Organisations 2015](#)

## Contact ASQA

- Contact the ASQA Infoline on 1300 701 801 between Monday and Friday, 9.00 am to 7.00 pm AEST, or email [enquiries@asqa.gov.au](mailto:enquiries@asqa.gov.au)