

## Third Party Arrangements

It is a requirement under Clause 8.3 of the *Standards for Registered Training Organisations (RTOs) 2015* that RTOs notify the Training Accreditation Council (TAC) of all third party agreements.

RTOs are required to advise TAC of all current third party arrangements via completion of the RTO3 Notification of Third Party Agreement application form available via the [RTOPortal](#). RTOs will need to continually notify TAC when entering into a new, or ending an arrangement as outlined below.

Failure to notify TAC of these arrangements may result in non-compliance.

It is expected that the written agreement between the RTO and any third parties delivering services on its behalf will be available at audit.



### STARTING AN ARRANGEMENT

When entering into an agreement with a third party, an RTO must notify TAC, either:

- within 30 calendar days of the agreement being entered into; or
- prior to the obligations of the agreement taking effect (whichever occurs first).



### FINISHING AN ARRANGEMENT

When ending an agreement with a third party:

- an RTO must notify TAC within 30 calendar days of the agreement coming to an end.

### What constitutes a third party arrangement?

This requirement covers arrangements for a third party that provides any of the following services on behalf of the RTO:

Training

Assessment

Related  
education and  
support  
services

Activities  
related to the  
recruitment of  
prospective  
learners

- Activities that relate to the recruitment of prospective learners may include:
  - marketing,
  - enrolment, and
  - collection of fees.
- Education and support services may include providing:
  - 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
  - any other services that the RTO considers necessary to support learners to achieve competency.

The following case studies are examples of third party arrangements whereby the RTO must notify TAC.



#### **CASE STUDY:** TRAINING and ASSESSMENT

'Fantastic Training'- delivers SIS30315 Certificate III in Fitness, which requires the delivery of HLTAID003 Provide first aid as a core unit. 'Fantastic Training' decides to engage a third-party RTO - 'First Response Training' - to deliver HLTAID003 Provide first aid to its learners as they are specialists in the area. 'First Response Training' provides the training and assessment for the unit with 'Fantastic Training' enrolling, recording results and issuing the testamur to the learners.



#### **CASE STUDY:** RECRUITMENT, TRAINING and ASSESSMENT

'Earthly Training' is an RTO working in the oil and gas industry. A significant client of the RTO wants to utilise its own internal training pathway to certify its employees. Earthly Training has undertaken a mapping and validation exercise of the training pathway and have agreed that when completed, participants will have achieved five units of competency.

The client organisation will provide information to learners relating to the units of competency as well as deliver the training and assessment and any support services. The client organisation will advise Earthly Training of the participants to enrol and provides all completed assessments to Earthly Training for review and award of the Statement of Attainment. Both organisations participate in biannual validation and review processes.



## CASE STUDY: RECRUITMENT and MARKETING

Scoff Solutions is a specialist marketing and recruitment company that have significant networks in the hospitality sector. Scoff have entered into an arrangement with 'Yummy RTO' to recruit and enrol students into a range of hospitality qualifications and skill sets offered by the RTO. Yummy RTO will provide training, assessment and certification.

This requirement to advise TAC **does not** cover arrangements for a third party that provides any of the following services on behalf of the RTO:

- student counselling;
- mediation;
- ICT support;
- a workplace supervisor who contributes to evidence collection or training;
- contract of employment between an RTO and its employee, for example a contract trainer or assessor;
- where students have been referred and the referring company does not receive payment from the RTO. e.g. Employment Services Providers (e.g. Centrelink, Job Services Australia, Disability Services Commission, Migrant Resource Centre), Australian Apprenticeship Providers, Apprenticeship Centre, Department of Education.

## RTO Responsibilities regarding Third Party Arrangements

Under the *Standards for RTOs* (Clause 2.3-2.4), RTOs are responsible for all services delivered under its registration by third parties. Where services are provided on a RTO's behalf, a written agreement is required and may be requested at audit.

*Clause 2.3. The RTO ensures that where services are provided on its behalf by a third party the provision of those services is the subject of a written agreement.*

A written agreement may take many forms and the following information could be included as a minimum in all written agreements:

- 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;
- 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);

# FACT SHEET

- record-keeping procedures related to the obligations listed in the agreement;
- any of your RTO's obligations, or the third party's obligations, relating to VET Student Loans, government-funded subsidies or other financial support; and
- clauses requiring the third party to cooperate with TAC and to provide accurate responses to requests about delivery 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*

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

- Procedures for monitoring—who will conduct the review and how will outcomes of the review be acted upon?
- Timeframes for monitoring—when and how often?
- 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?

RTOs are required to ensure that where services are being provided by a third party on the RTOs behalf, it is the responsibility of the RTO to ensure that compliance with all the *Standards for RTOs* is maintained.

In addition to compliant training and assessment services under Standard 1, areas of responsibility may include:

	Clause
recordkeeping	3.4
complying with advertising and marketing standards	4.1
providing data	7.5
cooperating with TAC	8.2
informing prospective learners	5.1, 5.2
collecting fees	5.3, 7.3
dealing with complaints and appeals	6.1, 6.2, 6.3, 6.4, 6.5

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.