



Protection of Fees Paid in Advance

AQTF Condition 5

Condition 5 of the *Australian Quality Training Framework (AQTF) Essential Conditions and Standards for Initial and Continuing Registration* sets out the financial management requirements that a Registered Training Organisation (RTO) or an applicant must meet for registration. It includes the requirement that RTOs (at both initial and continuing registration) must comply with one of five options **if it collects or intends to collect student fees in advance.**

From 1 January 2012 the current *TAC Guideline on the Protection of Fees Paid in Advance* will be withdrawn. This means that the RTOs collecting student fees in advance will have to comply with the requirements of Condition 5 as outlined in the *AQTF Essential Conditions and Standards for Initial and Continuing Registration*.

Currently there is no approved Tuition Assurance Scheme (option 2) for domestic students. More information will be provided regarding tuition assurance schemes when it becomes available.

RTOs wishing to establish an alternative fee protection measure of equal rigour (Option 5) will need to apply to TAC for approval. Further information on the principles underpinning the approval of an alternative fee protection measure of equal rigour is available on the TAC website.

If you have any questions about the above information please contact the TAC Secretariat.

Extract from AQTF Essential Conditions and Standards for Continuing Registration¹

Condition 5 – Financial Management

Where the RTO collects student fees in advance it must ensure it complies with one of the following acceptable options:

- (Option 1) the RTO is administered by a state, territory or commonwealth government agency, or
- (Option 2) the RTO holds current membership of an approved Tuition Assurance Scheme, or
- (Option 3) the RTO may accept payment of no more than \$1000 from each individual student prior to the commencement of the course. Following course commencement, the RTO may require payment of additional fees in advance from the student but only such that at any given time, the total amount required to be paid which is attributable to tuition or other services yet to be delivered to the student does not exceed \$1,500, or
- (Option 4) the RTO holds an unconditional financial guarantee from a bank operating in Australia for no less than the full amount of funds held by the RTO which are prepayments from students (or future students) for tuition to be provided by the RTO to those students, or
- (Option 5) the RTO has alternative fee protection measures of equal rigour approved by the registering body.

¹ Please note that the information provided is taken from the *AQTF Essential Conditions and Standards for Continuing Registration*. Similar options apply to applicants for registration as an RTO, as per the *AQTF Essential Conditions and Standards for Initial Registration*. Refer to www.training.com.au for more information.