

Third Party Arrangements: A Fact Sheet for the third party

Are you working with an RTO to provide services on their behalf?

Third party arrangements play an increasingly important role in the delivery of vocational education and training (VET) programs. The purpose of this fact sheet is to provide you, as the third party, with information about your obligations under such arrangements.

What is a Third Party Arrangement?

A third party arrangement involves an individual or organisation that is engaged by a Registered Training Organisation (RTO) to provide services on its behalf. There are many services provided in the VET sector through third party arrangements including:

- training
- assessment
- related education and support services
- recruitment of prospective learners and marketing.

In each of the above areas the RTO may delegate delivery of a range of services to a third party, however **the RTO remains responsible for the outcomes and quality of the services** provided on its behalf. At all times, it must be clear to the learner the RTO with which they are enrolled and what services are provided by the RTO and what services will be provided by you, as the third party.

The **RTO remains responsible for certification on successful completion** of the learners training. Advertising, marketing and receipts issued by a third party on the RTO's behalf must always clearly identify the RTO to the learner.

Third Party Arrangements and the VET Sector

The [*Standards for Registered Training Organisations \(RTOs\) 2015*](#) require an RTO to:

- notify the VET regulator, (the Training Accreditation Council (TAC¹)) when it enters into and finishes an arrangement with a third party
- remain responsible for all services delivered under its registration by third parties and
- that any service provided on behalf of the RTO must be subject of a **written agreement**.

A signed written agreement is a formal document that demonstrates that as a third party you are not claiming to be an RTO when not registered. This is important as section 58A of the Western Australian VET legislation, the *Vocational Education and Training Act 1996*, states it is an offence to claim to be an RTO and/or to provide nationally recognised training when not registered to do so.

Understanding Your Written Agreement with the RTO

The **written agreement** is a formal contract between you as a third party and the RTO that details the responsibilities and obligations of each party. While the RTO is likely to take the lead in setting up the written agreement, as the third party you should have an active role in its establishment, implementation, monitoring and improvement.

The written agreement may take many forms, and is a critical document that ensures:

- clarity around the roles and responsibilities of each party;
- identifying the key contact person in the RTO;
- a clear understanding of your obligations as detailed in the written agreement;
- a clear understanding of the RTO's obligations as detailed in the written agreement;
- the start and end dates of the agreement;
- the scope of the agreement – services and locations;
- how the agreement will be implemented;
- how and when the RTO will monitor the services that you provide;
- what agreed support (if any) the RTO will provide to you in meeting your obligations;
- what limitations apply to the agreement, such as no outsourcing to a fourth party or issuance of certificates; and
- clear processes to resolve any issues or disputes regarding the agreement and to review its effectiveness and make improvements.

The written agreement must also include legislative requirements placed upon the RTO. For example, the [Standards for RTOs](#) states an RTO must ensure that any third party delivering services on its behalf is required to cooperate with the VET regulator (TAC) (Clause 8.2) by:

- providing accurate and factual responses to information requests from the VET regulator relevant to the delivery of services; and
- in the conduct of audits and the monitoring of its (the RTOs) operations.

¹ Three VET regulators operate within Australia. TAC regulates RTOs that deliver training to domestic students in WA and/or Victoria only. The [Victorian Registration and Qualifications Authority](#) (VRQA) regulates RTOs that deliver training to domestic students in Victoria and/or WA only. The national VET regulator, the [Australian Skills Quality Authority](#) (ASQA) regulates RTOs that operate across jurisdictions and to international students.

Further requirements exist under the [Standards for RTOs](#) for the following services commonly provided by a third party on behalf of an RTO - training and assessment, recordkeeping, advertising and marketing, providing data, informing prospective learners, collecting fees and dealing with complaints and appeals.

Accessing Further Information and Assistance

Any queries or uncertainty regarding the roles and responsibilities of a third party under a written agreement should in the first instance be directed to the RTO for clarification.

Throughout the year TAC offers an [Education Program](#) to RTOs and any other interested parties, including RTO third party partners, to support compliance with the [Standards for RTOs](#). The education program includes sessions covering key VET topics as well as a series of [Fact Sheets](#). [Recordings and materials](#) from previous session topics can also be accessed via the TAC website.

Becoming an RTO

In the future, you may wish to consider becoming an RTO rather than continuing to operate as a third party. To assist in this decision, TAC offers an interactive 1 hour online session titled 'Becoming an RTO'.

The session provides entry level information on applying to become an RTO, an understanding of the vocational education and training regulatory system, understanding the process for becoming an RTO, the benefits of becoming an RTO and an overview of the requirements for RTOs as provided by the *Standards for Registered Training Organisations (RTO) 2015*.

To register for the next 'Becoming an RTO' online session refer to the TAC [Education Program](#) calendar. Alternatively, previous session [recordings](#) and related handouts can be accessed via the TAC website.

Contact TAC

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