

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.

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?

An arrangement is classed as a third party arrangement when it 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.

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.
- customisation of learning materials for specific groups or into alternative formats, for example, revision of text based materials to make them accessible for those with language or literacy needs.
- any other services that the RTO considers necessary to support learners to achieve competency.

Activities that relate to the recruitment of prospective learners may include:

- marketing.
- enrolment and / or inductions.
- collection of fees.

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 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.

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 validation and review processes.

What is Not a Third Party Arrangement?

An RTO does not need to advise TAC of the following services provided on behalf of the RTO:

- student counselling;
- mediation;
- ICT support;
- desktop publishing;
- 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; or
- 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 should 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 covered by the arrangement;
- the key roles in the implementation and monitoring of the agreement;
- 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 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.

Monitoring the Third-Party Arrangement

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?

The following case studies are examples of RTOs establishing strategies to monitor the third-party arrangement that has been established.

CASE STUDY:

COMPLIANCE MONITORING

'Earthly Training' has a third-party arrangement with an oil and gas company for recruitment training and assessment. Earthly Training has established a number of monitoring strategies to ensure that the agreement achieves the outcome for the company and that the services that are offered are compliant with the Standards for RTOs. Three key strategies are:

1. Prior to the agreement being finalised Earthly Training conducted a validation of the third party's capacity to deliver. This included a review of physical resources, facilities, timelines, delivery and assessment materials and processes and qualifications of delivery staff.
2. The agreement that was established included specific contacts for communication between the parties on issues to do with operations, performance delivery and the agreement.
3. Earthly Training established an audit schedule which includes quarterly visits by the RTO to the third-party provider for a compliance audit. The schedule addresses key clauses for compliance every quarter but also has the capacity to add additional review areas should performance monitoring indicate that this is necessary.

Once the audits are complete Earthly Training work with their third-party provider to ensure that any required actions and improvements are made in a timely manner.

CASE STUDY:

COMPLIANCE MONITORING

Middling RTO has a number of third-party agreements with schools for the delivery and assessment of VET qualifications to secondary school students. In each of the agreements the school recruits the students and provides delivery and assessment services. Middling RTO maintains the student records and certifies the successful students.

In order to ensure that the students and guardians are fully informed about the qualification that they enrol in Middling RTO does the following:

1. vets all marketing materials produced by the third party to ensure accuracy and currency before they are provided to students and their guardians.
2. attends information sessions for year 10 students and their guardians to assist in choosing courses

FACT SHEET

3. runs meet and greet sessions with the students and their guardians in the first week of school for introduction and orientation
4. has a dedicated contact email address for each school so that students and guardians can access information and support when required.

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.