

Guide to Third-Party Arrangements

Definitions and Requirements

Sometimes Registered Training Organisations (RTOs) work with another entity for marketing and recruitment services, access to facilities and resources, and/or training and assessment services. This is what is called a **third-party arrangement**.

Third-party arrangements are a formal arrangement between an RTO (the Principal Provider) and another entity to advertise, offer or deliver all or part of a training product, and you need to have a written agreement that describes the arrangements between the third-party and the Principal Provider. Written agreements should include details of the nature, extent, and duration of activities the Principal Provider authorises the third-party to conduct on its behalf.

You don't need a third-party written agreement for your employees and/or contractors to deliver training and assessment for you or where a non-RTO has an arrangement with an RTO to provide all training and assessment services in full, completely, and independently.

For the purpose of this guide, the term **Principal RTO** is used to describe the registered provider who has the training product on their scope of registration, and the **Third-Party** describes the other entity that is the one that acts in the name of the Principal RTO, under its control and direction. The Principal RTO is responsible and accountable for the activities of the Third-Party which are conducted under the third-party arrangement.

There are certain key activities that must be in the name of the Principal RTO, such as the enrolment of students, AVETMISS reporting, and certification. While the Third-Party can be engaged by the Principal RTO assist with some of these activities, it needs to be clear and unambiguous for a student that they are enrolled into the training product with the Principal RTO (except in some school-based arrangements) and that any certification is in the name of the RTO that has the qualification on its scope. It is important that this is articulated and acknowledged in the Third-Party Agreement.

Source: ASQA: [Third party arrangements for training and/or assessment of VET courses](#) and [Third Party Agreements](#)

Purpose

Prior to entering a third-party arrangement, it is essential to establish the **purpose**, define the **relationship** and identify the **responsibilities** of and between both parties.

Every third-party arrangement that reflects an agreed set of obligations between two parties must have an established purpose so that all involved are aware of the reasons behind the arrangement and the role that they, and the organisations that they work for, perform as part of that arrangement. For instance, an RTO may have a number of units of competency on its scope of registration but no longer have a qualified trainer and assessor under its employment to deliver these. The RTO, in this instance, may engage the services of a Third-Party to provide qualified trainers and assessors to fulfil this gap in the Principal RTO's services.

The purpose behind engaging a Third-Party may be to fill a 'gap' in the Principal RTO's ability to offer the full-service requirements of a Training Product, or for recruitment and marketing services and/or both.

Regardless of the purpose behind the arrangements, Third-Party organisations must agree to co-operate with the VET Regulator at all times.

Engaging a Third-Party

Engaging a Third-Party for recruitment purposes:

The principal RTO can enter into an arrangement with a Third-Party for the purpose of (for example):

- Advertising the services of the RTO
- Recruiting prospective students
- Collecting student enrolment information
- Management of student enrolments
- Collecting fees

The Third-Party Agreement associated with this arrangement needs to be specific to this purpose.

Engaging a Third-Party for training and assessment purposes:

Where training and/or assessment services form part or all of the purpose of the third-party arrangement, it is important to note:

- **the Principal RTO** (except secondary school RTOs) must always have the training product on its scope of registration.

VET Delivered in Secondary Schools Exception

The exception is where a School RTO advertises, offers and/or delivers a VET course but does not have the relevant courses on its scope. In this instance, **the school RTO is considered the Principal RTO without scope** and the Third-Party RTO must have the training product on scope. The third-party RTO is responsible for AVETMISS reporting, compliance and certification according to its scope.

- **if the Third-Party is also an RTO**, it too must have the training product on its scope of registration (except where the Third-Party RTO is a School).

This means that where a principal RTO enters into an arrangement with a third-party RTO for the purpose of delivering/assessing a training product, the Principal RTO and the Third-Party RTO must have the same training product on their scope of registration to fulfil this arrangement.

[Ref: Section 93 National VET Regulator Act 2011](#)

93 Offence—providing all or part of VET course outside scope of registration

An NVR registered training organisation commits an offence if:

- (a) the organisation provides all or part of a VET course; and
- (b) the VET course, or part of the VET course, is not within the organisation's scope of registration.

- **if the Third-Party is a Non-RTO**, the Non-RTO may be either a natural or a corporate person (for example a sole director/shareholder company) and does not have a scope of registration.

Source: [Guidance for Providers - Third party arrangements for training and/or assessment of VET courses, ASQA, 10 September 2022](#)

Relationship

An agreed understanding of the role that each organisation plays in fulfilling the arrangement helps to define the relationship between the two parties and forms the basis of the agreement. Consider who you are in the arrangement and which organisation is the Principal RTO and which is the Third-party.

Who Am I?

Consider the following situations to assist your understanding and clarify whether you are the Principal RTO:

RTO to RTO both with scope:



- ✓ I can procure a Third-Party Agreement with another RTO that **MUST** have that same training product on scope
- ✓ I may provide some of the training and assessment services as part of that arrangement
- ✓ **I am considered the Principal RTO**
- ✓ I must report this Third-Party Arrangement to the Regulator
- ✓ I am responsible and accountable for AVETMISS enrolment and reporting, compliance and AQF certification

School RTO without scope:



- ✓ The **external RTO** (with training product on scope) is considered the **Third-Party RTO** and the **school RTO is the Principal RTO**
- ✓ The Principal RTO (school) can procure a Third-Party Agreement with the Third-Party RTO where the school may provide of some training and assessment services
- ✓ The Third-Party RTO who has scope must report the Third-Party Arrangement to the Regulator
- ✓ The Third-Party RTO is responsible and accountable for AVETMISS enrolment and reporting, compliance, and AQF certification
- ✓ As a school, I am responsible for student welfare and curriculum requirements

RTO to NON-RTO:



- ☒ I can procure a Third-Party Agreement with the NON-RTO
- ☒ I am considered the **Principal RTO**
- ☒ I must report the Third-Party Arrangement to the Regulator
- ☒ I may provide some of the training and assessment services as part of the arrangement
- ☒ I am responsible and accountable for AVETMISS enrolment and reporting, compliance, and AQF certification

School NON-RTO to RTO:



- ☒ I am considered the **NON-RTO Third-Party** receiving the services
- ☒ The external RTO is considered the **Principal RTO**
- ☒ The Principal RTO must report the Third-Party Arrangement to the Regulator
- ☒ I may provide some of the training and assessment services, facilities, resources and support staff as part of the arrangement
- ☒ The Principal RTO is responsible and accountable for AVETMISS enrolment and reporting, compliance, and AQF certification

Not a Third Party (rather a purchasing agreement or similar)



- ✓ This is **NOT** a Third-Party Arrangement
- ✓ The external RTO is considered the **Principal RTO**
- ✓ The Principal RTO is responsible and accountable for AVETMISS enrolment and reporting, compliance, and AQF certification
- ✓ I may still be responsible for other aspects of the learner (e.g., welfare, progression, high school contributions etc.)

Marketing

It needs to be clear to a learner who the RTO is that is providing them with the Training and Assessment Services. RTOs **MUST** provide details of any third-party organisation/person who is involved in the delivery and/or assessment of the Training Product to the prospective student.

Training Products are to be marketed in the name of, and on behalf of, a registered training organisation that is registered to deliver that course.

The RTO who holds the qualification on its scope of registration is responsible for the accuracy of the marketing to ensure that compliance requirements are met. In an instance where both parties have the qualification on their scope of registration, the Principal RTO is responsible and accountable for the accuracy of the marketing.