

# Skills Assure Webinar

## Frequently Asked Questions

**Is an individual trainer engaged by my organisation on a contract basis (as opposed to full-time, part-time or casual) and operating under the full direction of our registered training organisation deemed to be a third party contractor?**

As detailed in the Third Party Arrangements Directive, where individual trainers are engaged by you (a Skills Assure Supplier (SAS)) and operate under the auspices of your organisation, these are not considered third party arrangements.

These arrangements are captured by clause 8.5 of the SAS Agreement. You must supply the following to the Department within 5 business days upon request:

- a) the names and employment status (for example full time, contractor) of each of your training staff; and
- b) copies of the qualifications held by the training staff in respect to each of the Qualifications listed on the Delivery Schedule attached to your Agreement.

Where you have engaged a Labour Hire Company to supply individual trainers and assessors, engagement of the Labour Hire Company is considered a third party arrangement and will need to comply with Third Party Arrangements directives.

### **Can electronic records be stored in the cloud?**

Clause 11.3 of the SAS Agreement requires all electronic information and documents relating to the delivery of services are to be stored in Australia (not offshore) and are to be accessible by suppliers at all times.

Electronic records can be stored in the cloud provided that the data is stored within a network in Australia. If you are unsure as to where your data is stored, it is recommended that you contact your service provider.

### **Does the 50% limit on delivery of training and/or assessment services by a third party (“the 50% limit”) apply to fee-for-service?**

No. It only applies to the delivery of training and/or assessment services delivered under your SAS Agreement.

### **Does the 50% limit apply to current students?**

No. The 50% limit applies to new students who enrol from 1 July 2021.

**If I have engaged a third party to deliver training and/or assessment in a qualification, do I have to train and assess half of the units of competency associated with the qualification to each individual student myself?**

It is important to remember that the 50% limit applies at a qualification level. The Department will review your data periodically to ensure that at least 50% of the total units of competency claimed in any qualification are being delivered by you.

There are a couple of ways you can manage this:

1. At a student level - You may choose to deliver at least 50% of each qualification for each student. For example, if you engage a third party to deliver and/or assess CHC33015 (Certificate III in Individual Support) which has 13 units of competency, you must deliver and assess at least 7 units of competency to the student yourself.
2. At a qualification level - You may choose to deliver training and assessment to at least 50% of your students enrolled in each qualification. For example, if you engage a third party to deliver and assess an entire qualification of CHC33015 (Certificate III in Individual Support) to 30 students (for location purposes for example), you must deliver and assess the entire qualification to a further 30 students or more yourself.

Your organisation may choose to utilise a combination of the above methods. You will need to closely monitor your third party delivery to ensure that you do not exceed the 50% limit within the relevant financial year period.

Where the data is skewed and it appears that a third party is delivering more than 50% of the units of competency claimed in any qualification, the Department may:

- alert the SAS; and/or
- seek further information including copies of the third party agreements and details of your training strategy to ensure that your delivery is on track to meet the Department's requirements.

For example, where a third party is delivering the first 6 units of competency to students, and you deliver the last 7 units of competency in a qualification, the data will appear skewed towards third party delivery for the first half of the qualification. In this situation the Department may take either or both of the actions outlined above.

**Are credit transfers counted towards the 50% limit?**

No. As no training or assessment has occurred, credit transfers (60 outcomes) will not be counted towards the limit.

**If my third party is only involved in one element of the training and/or assessment requirements for a unit of competency, do I need to report them against the Purchasing Contract Schedule Identifier field contained in the NAT120 for this unit?**

Yes. If the third party has been involved in **any** part of the training or assessment of a unit of competency they must be reported in this field.

The data contained in this field will be used by the Department to review your progress against the 50% limit.

**Will the Department provide SAS with the allocated number of students that they must train themselves for each qualification on their Delivery Schedule?**

No. As SAS are not contracted to deliver to a prescribed number of students, the Department will not be providing an allocation. Each SAS will need to manage the limit themselves. SAS can utilise a student level management strategy or qualification level management strategy.

**Does the 50% delivery limit apply to online delivery methodology?**

Yes. Suppliers are prohibited from subcontracting more than 50% of the services associated with any qualification listed on their Delivery Schedule, irrespective of the mode of delivery.

**Does the 50% limit apply to VET in Schools (VETiS)?**

Yes. As outlined in the Third Party Arrangements Directive, a prohibited subcontract is where a third party is subcontracted to deliver more than 50% of the services associated with any qualification listed in the supplier's Delivery Schedule.

Schools may recruit or enrol students into qualifications on a supplier's Delivery Schedule, however all other restrictions apply to third party arrangements with schools (see Third Party Arrangements Directive, Prohibited Subcontract c))

You will only be required to report Schools against the "Purchasing Contract Schedule Identifier Field" in your training data where the School delivers Training and Assessment services on your behalf.

**Under VETiS, if a school assists with enrolling and recruiting students, is this allowed?**

Yes. Schools may recruit or enrol students into qualifications.

**Under VETiS, only our trainers are listed on the training and assessment strategy. Our trainers conduct training at the schools and assess all of the student's work. The teachers are not listed as they are not responsible for the training and assessment. However, the teachers act as observers and complete a third party report at the appropriate time. Is this permitted?**

Yes, this is permitted and is not considered to be a third party arrangement for reporting purposes. This type of evidence is considered supplementary to the formal assessment conducted by the assessor.

**I am the sole Director and shareholder of my company and I also deliver training. Is this no longer allowed under Skills Assure?**

If Directors or shareholders (individuals only) are employees of your organisation they can deliver training and assessment services to your students.

The changes relate to third party arrangements, not SAS delivering training and/or assessment services themselves. The Department's requirements in relation to Third Party Arrangements and subcontracts are contained within clause 18 of the SAS Agreement as well as the Third Party Arrangements Directive.

**What if the shareholder is also an employee? Can they deliver training?**

Where an individual is a shareholder and an employee, they are able to deliver training on behalf of SAS as an individual contractor. As stated above, the changes implemented relate to third party and subcontracting arrangements.

Where your shareholder is not an individual contractor but a business or organisation you have engaged separately to deliver training and assessment under your SAS Agreement on your behalf, this is a prohibited subcontract. Any arrangement with a third party for the delivery of training and assessment (except for individual trainers) must be carried out by an independent third party (with no interest, financial or otherwise, in the SAS) and have a written agreement with the third party which complies with the Third Party Arrangements Directives.

**Are digital lead generation service providers considered to be a third party if the SAS' marketing and sales team is fully responsible for following up on the assessment, contact, communication and enrolment of the student?**

No. Where a SAS has engaged lead generation service provider to assist with the its inbound and outbound marketing, for example through:

- developing advertising strategies,
- search engine optimisation,
- pay-per-click advertising,
- social media ads or
- developing content market (e.g. through keywords and website format),

this will not be considered third party marketing for the purposes of the Marketing Directives, SAS Agreement and relevant program policies.

The SAS must ensure that:

1. its status as a Skills Assure Supplier not being advertised by any third party; and
2. any contact details, website details or links in any advertising relate directly to the SAS; and
3. The SAS does not pay a third party for the enrolment of any student into a funded program. This includes brokerage websites which pass on student information for a fee.

### **Will changes be made to the Audit Evidence Requirements?**

Yes. The Audit Evidence Requirements have been updated to reflect the changes made to the SAS Agreement and policies. This document has been uploaded to the Department's website.

### **Do the third party reporting requirements apply for delivery under the Skilling Queenslanders for Work program?**

Suppliers will not have to report third party delivery under the Skilling Queenslanders for Work program through the Purchasing Contract Schedule Identifier field contained in the NAT120. However, the Department may request information from you at any stage throughout your Agreement.

### **My organisation has merged with another Skills Assure Supplier, we have a third party arrangement in place where we share scope of registration as part of this agreement. Is this allowed?**

Any subcontract or arrangement between the SAS and a related party is considered a Prohibited Subcontract. This is set out in the Third Party Arrangements Directive as well as the SAS Agreement in clause 18.7 b.

### **Will the line of questioning change for the Student Employment Surveys that will now be conducted by the Department?**

The Department will be seeking information from students in relation to their training experience and training outcomes, including employment outcomes. In certain circumstances, the Department may seek additional information from Student's in relation to services delivered under a suppliers SAS Agreement.

### **Our training college delivers training in early childhood education and care. If our organisation also owns childcare centres, are students able to undertake work placement in these centres?**

This will need to be declared as a conflict-of-interest on application. The Department will be contacting all SAS who have a declared conflict to obtain a conflict-of-interest

management plan. Conflicts declared on application will require a management plan to be submitted to the Department by 30 September 2021.

**If our staff work in a childcare centre which our organisation also owns, are we still able to train them?**

Yes. The changes relate to third party arrangements, not SAS delivering training and/or assessment services themselves. However, where a SAS is delivering training to its own eligible staff members under a SAS program, a conflict of interest management plan would be required due to the competing interests as both “employer” and “training provider”.

**USER CHOICE SPECIFIC FAQ'S**

**Prohibited Subcontracting under User Choice Arrangements**

The Department's general position is that where an apprentice or trainee is referred under the process provided for in the FET Act, the Department will not consider this a 'referral or recruitment' falling under clause 18.7 of the SAS Agreement or Third Party Arrangements Directives for User Choice Students.

To clarify, under the FET Act there must be a registered training contract in order to progress training. That training contract cannot be registered without an employer having also provided an employment offer that was subsequently accepted by the apprentice/ trainee.

Where the employer and the SAS are Related Parties (within the definition under the SAS Agreement), for example is a GTO which also has an associated RTO or where the employer is an enterprise RTO, a Conflict of Interest Management Plan would be required.

**Is an employer under User Choice considered to be a third party under SAS Agreement?**

Employers are not considered to be a third party unless they are involved in the delivery of training and/or assessment services outside of on-the-job delivery.

As detailed in the Third Party Arrangements Directive, training and assessment under User Choice means off-the-job vocational education, training and assessment provided in Queensland to a student in accordance with the Training Contract and Training Plan (as defined in the Act).

**Does the Third Party Arrangements Directive prevent/prohibit group training organisations or employers from referring its own apprentices/trainees to its associated SRTO/SAS?**

If the employer or group training organisation are:

- simply referring their employees under the arrangements in the FET Act to a related SAS/SRTO, AND

- are not delivering any additional training and assessment services outside of on-the-job delivery;

this is *not* a prohibited subcontract. However, this would be considered as a conflict-of-interest which would need to be declared and managed to the Department's satisfaction. Where conflicts-of-interest are identified, the Department will be in contact with suppliers to develop a management plan by 30 September 2021.

**Where an employer/group training organisation has an associated SRTO/SAS that has board members/shareholders/key personnel that represents both organisations, is this prohibited?**

No this is not prohibited however this is considered a conflict of interest which would need to be declared and a conflict of interest management plan would be required to the Department's satisfaction in this situation. Where conflicts of interest are identified, the Department will be in contact with suppliers to develop a management plan by 30 September 2021