

Pre-qualified Supplier Subcontracting Arrangements

Fact sheet

The purpose of this fact sheet is to outline circumstances when a Pre-qualified Supplier (PQS) is able to subcontract to a third party to deliver Training and Assessment services under its PQS Agreement, the Department's policies and the *Standards for Registered Training Organisations (RTOs) 2015* (the Standards). The fact sheet also lists the requirements that must be met by the PQS.

A. Use of Subcontractors to deliver services

A **Subcontractor** is a third party, other than an employee, who provides Training and Assessment services on behalf of the PQS.

Training and Assessment services means:

- a) vocational education and training provided in Queensland to a student in accordance with the VET Quality Framework;
- b) assessment provided in Queensland to a student in accordance with the VET Quality Framework and the *National Vocational Education and Training Regulator Act 2011* or;
- c) services to students, incidental to and supporting of the provision of activities in paragraphs (a) and (b).

In Queensland, PQS are not able to subcontract services from recruitment agents or brokers, or employment/job service agencies, or provide any form of payment for the recruitment of students (clauses 12.5, 12.6 and 16.4 PQS Agreement, PQS Policy Performance standard 3.B, and, Marketing and disclosure directives).

B. Agreement to be in writing

Where Training and Assessment services are provided on behalf of a PQS by a Subcontractor, provision of those services must be the subject of a written agreement and notified to the Australian Skills Quality Authority in accordance with the Standards (clause 2.3 and 8.3 of the Standards).

Upon request from the Department, the PQS must provide any information requested in relation to an agreement with a Subcontractor including a copy of the written agreement, within 5 business days (clause 9.2 PQS Agreement).

C. PQS remains liable

The PQS must ensure that a Subcontractor delivering Training and Assessment services on its behalf complies with the requirements of the PQS Agreement and the Department's policies.

All obligations, duties or liabilities under the PQS Agreement and Department's policies remain the responsibility of the PQS, irrespective of any arrangements or agreements it may have with Subcontractors concerning the funding program (clause 16.2 PQS Agreement, PQS Policy and Performance Standard 3.B).

The PQS must ensure the Subcontractor:

- possesses a sound knowledge of PQS obligations stipulated in the PQS Agreement and Department's policies;
- regularly reviews all relevant policies; and
- cooperates fully with PQS performance monitoring activities, including allowing the Department and any auditors acting on the Department's behalf, access to the



Subcontractors premises to conduct PQS compliance audits. This means providing all necessary records, documents, information or reports to indicate proper conduct and compliance with all aspects of the program (PQS Policy Performance standard 3.A and 3.F, clause 9.2 and 10.2 of PQS Agreement).

requirements of the PQS Agreement, Departmental policies or the Standards, the Department may issue a directive for the PQS to cease using the subcontractor (clause 3(c) PQS Agreement).

The PQS must ensure that it systematically monitors the Subcontractors Training and Assessment strategies and practices to ensure ongoing compliance with the PQS Agreement and Department's Policies (clauses 2.2 and 2.4 of the Standards).

D. Provision of information to students

Where some or all of the Training and Assessment services are to be subcontracted, the PQS must:

- notify any prospective student of the name and contact details of the Subcontractor, and the Training and Assessment services to be provided by the Subcontractor;
- distinguish where it is delivering training and assessment on behalf of another PQS or where Training and Assessment is being delivered on its behalf by a third party (The Standards 4); and
- where there are any changes to subcontracting arrangements, advise the student as soon as practicable (clauses 4.1 and 5.2 of the Standards, PQS Policy Performance standard 1.F and Marketing and disclosure directives).

E. Advertising

The PQS must not subcontract or enter into an arrangement whereby the Subcontractor promotes, markets or advertises the program or the PQS's status as a Pre-qualified Supplier for the Program (PQS Agreement clause 16.4).

F. Directives

Where the Department identifies that the PQS is subcontracting services to an organisation or individual that has previously failed to meet the