

Third Party Arrangements

Frequently Asked Questions

RTO CONSULTANTS

Why do I have to report the engagement of an RTO Consultant to the Department?

Compliance is at the core of the Skills Assure framework in Queensland, to protect Queensland students and industry. Engaging an RTO Consultant to ensure adherence to, and compliance with, the Skills Assure Supplier (SAS) Agreement and policies falls within the definition of services that must be declared.

The Department is not preventing suppliers from engaging RTO consultants, we are requesting transparency and providing safeguards to ensure all arrangements are in writing and include the standard minimum terms.

If I have contracted an RTO Consultant to give advice on my compliance with ASQA, does this arrangement need to be declared?

No. However, if the RTO consultant is reviewing your compliance against elements of the *Standards for Registered Training Organisations 2015* that apply to your SAS Agreement, then it will need to be declared to the Department on the [SAS Third Party Arrangements Form](#) and comply with the terms of the SAS Agreement and [Third Party Arrangements Directive 2022-23](#).

Do finite arrangements (including those with RTO Consultants) need to be reported to the Department?

Yes. If you engage a third party to meet your obligations under the Skills Assure Supplier (SAS) Agreement or related policies, it needs to be declared regardless of the duration. It will also need to comply with the terms of the SAS Agreement and [Third Party Arrangements Directive 2022-23](#).

If my arrangement with an RTO Consultant is finite, do I need to notify the Department no later than 5 days following any change in control of their organisation?

If your arrangement has expired and the third party has had a change in control, you **do not** need to notify the Department if the change in control has occurred beyond your contracted period.

If a change of control of the third party occurs whilst your arrangement is in place, you must notify the Department via email at contractmanagement@desbt.qld.gov.au. As part of this notification, you must attach a current and historical ASIC report of the third



party which reflects the change. This ensures that your organisation and the Department continue to have visibility on who you have engaged.

If my arrangement with an RTO Consultant is finite, do I need to conduct a third party compliance review?

The third party compliance review schedule is detailed in clauses 18.2 and 18.8 of the SAS Agreement as follows:

- **Existing Third Party Arrangements** - compliance reviews must be carried out no later than 3 months after your SAS Agreement commences or is renewed and subsequently every 6 months of the term of your agreement.
- **New Third Party Arrangements** (entered into after your SAS Agreement commences or is renewed) – compliance reviews must be carried out no later than one month after you have entered into the third party arrangement or if the organisation’s structure of the third party has changed. Following this, you must undertake another 6 months later.

If your arrangement with the third party expires before the timeframes stipulated above, you **do not** need to conduct a compliance review.

If I engage an RTO consultant to deliver professional development training to my staff over a period of 2 days, does this need to be reported the Department?

If you engage an RTO Consultant to conduct professional development activities that relate to any of your organisation’s responsibilities under the agreement, this needs to be declared regardless of the duration. It will also need to comply with the terms of the SAS Agreement and [Third Party Arrangements Directive 2022-23](#).

REPORTING THIRD PARTY ARRANGEMENTS

After making an initial submission as part of the application/renewal process, will I be required to complete a new form after entering into a new Third Party Arrangement?

Yes. All arrangements must be entered into the [SAS Third Party Arrangements Form](#) (which is available on our website) within 10 business days.

If my Third Party Arrangement has expired, do I need to report this to the Department?

Yes. If your agreement has been terminated (including instances where it has expired), you must notify the Department via email to contractmanagement@desbt.qld.gov.au no later than 5 business days of the termination/expiration taking effect.

If I re-engage a previously reported third party, do I need to report the arrangement again?

Yes. If an arrangement with a third party has been terminated or has expired and you engage their services again at a later date, you will need to report it as a new entry in the [SAS Third Party Arrangements Form](#). You will also need to supply a current and historical ASIC report.

If I have engaged a Labour Hire Company to supply individual trainers and assessors, is this considered a Third Party Arrangement that needs to be reported?

Yes. The engagement of a Labour Hire Company is considered a Third Party Arrangement which will need to be reported to the Department through the [SAS Third Party Arrangements Form](#). It will also need to comply with the terms of the SAS Agreement and [Third Party Arrangements Directive 2022-23](#).

If I engage trainers and assessors on a contract basis, is this considered to be a Third Party Arrangement for the purposes of the SAS Agreement?

No. Individual trainers and assessors engaged on a contract basis (as opposed to full time, part time or casual) and operating under the full direction of your RTO are **not** considered to be a third party. However, regardless of how the individual trainers and assessors are engaged by your organisation, you must submit this information to the Department upon renewal and/or application of your SAS agreement on the *SAS Trainer/Assessor Information* form. Additionally, you must supply this information within 5 business days following a request from the Department.

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.

Is there a template we can use for third party agreements?

No. However, Attachment 1 of the [Third Party Arrangements Directive 2022-23](#) contains the Minimum Standard Terms for Third Party Arrangements that must be included in your third party agreement.

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.

If I have purchased training and assessment materials, do I need to declare this?

No. However, it will be your responsibility to ensure that the materials are fit for purpose and meet the Department's requirements.

Are we required to declare our Student Management System (SMS) as a Third Party Arrangement if it is licenced from another party?

No. You are not required to declare any SMS or Learning Management System (LMS) to the Department as a Third Party Arrangement.

Is an external website consultant who designs and maintains our website considered to be a Third Party Arrangement if the website includes information relating to our SAS agreement?

No. However, they must develop the website under the full direction of your organisation. It is your responsibility to ensure that all online and offline marketing activities comply with the SAS Agreement associated policies and directives.

Is engaging an administration officer as a temporary staff member (through a labour hire) to assist with data entry of enrolments considered a notifiable third party?

No. This is not considered to be third party arrangement that needs to be declared.

THIRD PARTY COMPLIANCE REVIEWS

Do I need to conduct a third party compliance review even if my third party is not delivering training or assessment services?

Yes. The "general" sections of the third party compliance review will need to be completed, not the "training" or "assessment" components.

The third party compliance review must be undertaken using the Department's template which is available on our [website](#).

RELATED PARTIES

My organisation has merged with another SAS and 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 2022-23](#) as well as the SAS Agreement in clause 18.

Our organisation has an agreement with a related party, how do we seek written consent from the Department for this arrangement?

A request for consent will need to be made via email to contractmanagement@desbt.qld.gov.au

As outlined in the [Third Party Arrangements Directive 2022-23](#), the Department takes the view that these types of arrangements immediately create actual (real), potential and/or perceived conflict of interest, which impact, or are likely to impact, compliance with the terms of the SAS Agreement and the Department's Policies.

Given this, as part of the request you must be able to demonstrate that you can manage the conflict of interest with the related party under a Conflict of Interest Management Plan as certified in the Conflict of Interest Statutory Declaration.

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

Yes. However, where a SAS is delivering training to its own eligible staff members under a SAS program, a conflict of interest would need to be declared and a Conflict of Interest Management Plan would be required to the Department's satisfaction due to the competing interests as both "employer" and "training provider".

THIRD PARTY DELIVERY

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

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

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.

If we utilise an online training system that contains knowledge quizzes that are automatically marked by the system and a third party undertakes the training components, does this need to be declared? Also, will this affect our 50% delivery limit?

Yes. The third party delivering the training will need to be declared through the [SAS Third Party Arrangements Form](#). It will also count towards your 50% delivery limit.

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.

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 2022-23](#), 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.

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 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 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 2022-23](#).

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 your SAS. Where your shareholder is not an employee 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 Directive 2022-23](#).

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 of the SAS Agreement or [Third Party Arrangements Directive 2022-23](#) 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 will need to be declared and a 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 (GTO) or employers from referring its own apprentices/trainees to its associated SRTO/SAS?

If the employer or GTO 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 a conflict of interest which would need to be declared and managed to the Department's satisfaction.

Where an employer/GTO 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 would be 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.