2013 Subcontracting of Training and Assessment

Purpose
This document provides information on the subcontracting conditions relating to training and assessment under the 2013 Service Agreements (the Agreements). It has been developed to assist RTOs given the new subcontracting conditions in the 2013 Agreements. This information should be used in conjunction with official documentation, including all relevant Service Agreements and notifications, and is not intended to replace them.

Introduction
RTOs may subcontract Training Services according to conditions specified in Clause 5 of the relevant 2013 Agreements.

All Subcontracts
Clauses 5.9 and 5.10 apply to all subcontracts for Training Services (see Definitions and Interpretation) under the Agreements:

a) training and assessment associated with currently endorsed courses and qualifications or parts thereof, as identified on the Funded Courses Report, and that are on the RTO’s Approved Funded Scope, as provided to Eligible Individuals by the RTO; and

b) all related requirements under this Agreement including but not limited to:
   i) determination of eligibility;
   ii) completion of student enrolment forms;
   iii) levying of student tuition fees; concessions and exemptions/ waivers;
   iv) Evidence of Participation; and
   v) matters that reasonably relate to providing the Training Services.

Training and Assessment
Clauses 5.1 to 5.7 apply specifically to subcontracting of training and assessment to RTOs. These conditions do not apply to: arrangements for related training services (part (b) above); or arrangements for any training services (part (a) or (b) above) with individuals or organisations that are not RTOs.

Subcontracting Training and Assessment
Under the Agreements, subcontracting training and assessment is an arrangement where an RTO defers day-to-day responsibility for all or part of the management and conduct of training delivery and assessment activities for subsidised training to another RTO.

Key Conditions
An RTO may only subcontract training and assessment to another RTO where both the principal RTO and the subcontracting RTO:

• are currently contracted under a 2013 Service Agreement; AND
• have the relevant Approved Funded Scope.

The Department may, in its absolute discretion, approve a written request for an exception to be made in relation to the requirement that the subcontracting RTO must hold a 2013 Service Agreement.

The requirement for the subcontracting RTO to have the relevant Approved Funded Scope is firm and exceptions will not be made. For the avoidance of doubt, Approved Funded Scope means an RTO’s scope of registration designated for delivery in Victoria as approved and designated by the relevant regulator at 21 November 2012, unless the Department determines a different scope for the purpose of this Agreement.

An RTO may only subcontract RPL assessment where both the principal RTO and the subcontracting RTO are on the RPL Approved Provider List. This requirement is firm and exceptions will not be made.

Please Note: This document is a guide only and subject to change.
Requests for Approval to Subcontract a Non-contracted RTO

- Send a written request to the Department via SVTS for approval to subcontract training and assessment to a non-contracted RTO. In 2013, RTOs are no longer required to complete a ‘Notification of Subcontracting Arrangements’ form.

- Submit a business case supporting the request. The business case must describe in detail:
  - why the subcontracting arrangement is required from the perspective of student outcomes;
  - how the proposed subcontracting arrangement fits within the RTO’s operating model;
  - reason/s as to why the training delivery cannot be subcontracted to another RTO that already has a 2013 Service Agreement with the Department;
  - the proposed subcontractor including TOID and a statement regarding the experience of the proposed subcontractor in the particular part of Training Services, including confirmation that the proposed subcontractor has the qualification listed on its Scope of Registration; and
  - particulars of the type and quantum of Training Services to be delivered by the subcontractor.

Subcontracting Matrix

The following matrix applies where the principal RTO holds a 2013 Service Agreement with the Department and has the relevant qualification on its approved funded scope.

<table>
<thead>
<tr>
<th>Subcontractor Type</th>
<th>Subcontractor holds 2013 SA?</th>
<th>Subcontractor has relevant AFS?</th>
<th>Regular training &amp; assessment</th>
<th>RPL assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTO</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y if both RPL-approved</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Non-RTO</td>
<td>N/A</td>
<td></td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>

Brokering

RTOs are reminded that they must promptly notify the Department via SVTS if the RTO enters into an arrangement for Brokering Services under this Agreement.

Brokering Services means where an individual or organisation receives payment from the RTO in exchange for recruiting individuals to participate in government subsidised training. This does not include salaried individuals who are employees of the RTO whose primary purpose is the identification and recruitment of potential students.

Compliance with All Conditions

RTOs entering into subcontracting arrangements are responsible for ensuring that all subcontracting conditions and requirements under the 2013 Service Agreement and associated documents are complied with. RTOs are reminded that the Department is not liable for RTO subcontracting arrangements and will not become involved in the internal administration of these arrangements.

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