

NEW RTO HANDBOOK

Setting up your own Registered Training Organisation (RTO) is not a simple process and comes with an enormous amount of hard work, risk and cost. Whether you decide to go it alone or engage a in ANK Corp Education Advisory to assist with the process, with specialist team in the industry for many years, there is a lot that you should consider prior to making that decision. At ANKCorp Education we share all the information with our clients to ensure they make the right decision for them.

Below, ANKCorp Education Advisory explain the registration process for a national domestic RTO and provide you with advice that will assist you with making the right decisions.

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01 The Registration Process

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The registration process follows these general steps:

- **Step 1:** Prepare all relevant documentation for your submission (this process can take 2-6 months, depending on how much existing material you have, whether you create your own IP or purchase off the shelf materials, the scope in your initial application, the support you have to work on the project)
- **Step 2:** Lodge submission via [ASQA](#)
- **Step 3:** Pay the lodgement fee: \$500
- **Step 4:** ASQA will conduct an initial “completeness check” to ensure that you have provided all of the relevant documentation including your financial viability risk assessment (FVRA), fit and proper persons and attachments. If you have missed something, you will have a short window to provide the missing evidence
- **Step 5:** ASQA will then issue you with an Assessment Fee invoice (\$8000)
- **Step 6:** You will pay the invoice
- **Step 7:** ASQA will commence the assessment process, splitting this into 2 stages:

Stage 01: Desktop Audit

This will focus on reviewing the following:

1. Your self-assessment and supporting evidence (your policies and procedures, training and assessment strategies, trainers and resources, and anything else that was required to be attached as part of the self-assessment tool).
2. Your FVRA and supporting documentation
3. Fit and Proper Person Declarations
4. Responses provided by you to the questions in the online application

Stage 2: Validation

This is typically an on-site audit but could be conducted via email, phone, zoom or similar. It focuses on validating that you are ready to deliver quality training and assessment.

According to ASQA, 1 in 2 applications fail! Successful applications will be granted a 2-year initial registration. There are restrictions during this period including your ability to add to scope.



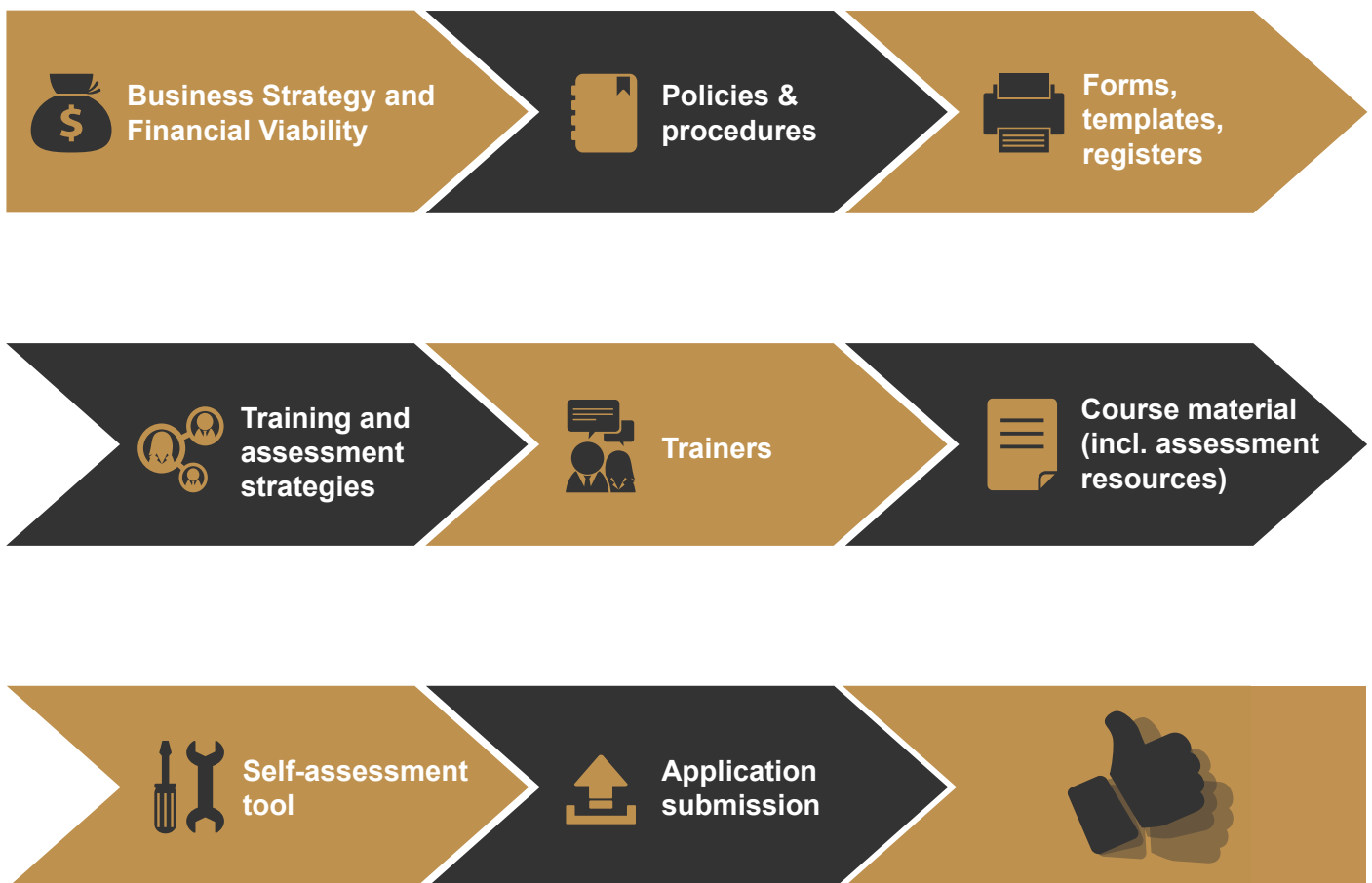
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02 Documentation Preparation

We recommend starting the whole process with your business plan. How you intend to operate your business in the short term and how you intend to grow your business into the future, will be a deciding factor in ASQA's decision to approve your registration status. The following steps act as a suggestion for how you should prepare for such an application.



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2.1 Your Business Plan

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The business plan document starts the conversation with ASQA about becoming a Registered Training Organisation. It provides a justification to why you should be an RTO and outlines how you will maintain yourself as a going concern. It identifies your core market, your core service offerings and explains your operational structure.

Without a sound strategy and operational plan, there is no point in commencing work on training resources and policies and procedures. At a minimum, this document should address the following:

- An overview of your business, including what your short- and long-term strategies are
- Address your target markets
- Discuss your operations and finances
- Ownership structure and organisational chart (supported by ASIC extracts)
- Competitor analysis
- Market analysis
- Overview of your services (current and intended) including a breakdown of each service offering's target market, delivery structure, etc.
- Operational details (how your business operates or will operate including staffing, finances, physical and virtual business requirements, etc.)

It is critical that **this document supports the financial viability spreadsheet**, and the two documents should support (and **not contradict**) each other.

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2.2 Your Financial Viability

You will need the input of a qualified accountant to help prepare and sign off on your financial viability risk assessment (you need to provide an accountant's certificate as supporting evidence). ***Quite often, organisations go to their trusted accountant to complete this document and often, the accountant does not complete the spreadsheet properly.***

The FVRA tool, accompanied with supporting evidence, provides ASQA with the current position, performance, and projection of your organisation's finances. The type of evidence required to support the submission includes the business strategy document, bank statements, annual financial reports, management accounts, tax compliance records, aged creditor and debtor statements, bank reconciliations, details on the intended qualifications and courses offered by your organisation, projected student enrolments, itemised staff numbers and associated costs and an independent attestation of compliance from a qualified accountant.

ASQA will use this information to decide of the financial health of your business paying specific attention to your ability to have enough liquidity to manage cash flow and outgoings, compliance with tax obligations, demonstration of financial management, accuracy and integrity of the forecast projections including the underlying assumptions based on the aspirations and strategic direction of the RTO.



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2.2 Your Financial Viability (cont.)



Understanding this in advance allows you to plan adequately for a submission. In preparation, ask yourself a couple of critical questions:

- Does your organisation have enough cash available to support its fixed financial commitments if there are any delays to cash from income?
- Can your organisation demonstrate that it has the financial systems, and appropriate records to provide confidence to ASQA of its financial management practices?

Given the weight that this document holds with ASQA, ***it is extremely important that you contribute to the population of the FVRA tool*** – you are running your business and therefore should be contributing to the forecasted revenue and expenditure tabs as a minimum. In addition to this, you should also ensure that your business strategy ties in to the FVRA (and vice versa). Organisations often contradict themselves by saying they will do one thing in their business strategy, yet they tell a completely different operational story in their FVRA.

In our experience, ***most organisations fail FVRA because the business owner assumes their accountant will do what is required***, but in actual fact, the FVRA says a lot about your operations and you should have significant input into this document.

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2.3 Policies and Procedures



Your policies and procedures need to do two things; they need to address the Standards for RTOs 2015 and they also need to be contextualised to your organisation. If you are planning on writing your own set of policies, we recommend ensuring that you do the following:

- Visit the ASQA User's guide to the Standards for RTOs 2015 and read the compliance tips that ASQA provides under each of the standards. This will help you understand what the regulator looks for with respect to each clause
- Ensure each policy addresses the relevant standards and include mapping to each clause
- Mention related policies/procedures or forms/registers/templates
- Identify accountabilities in each policy (which positions in your org structure are responsible for the policy)
- Include version control and review periods
- Ensure each policy contains an operational procedure where applicable. For example, there is no point in having a complaints and appeals policy if you don't have a documented procedure for lodging/communication/tracking of complaints

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2.3 Policies and Procedures (cont.)

Many consultants sell policy and procedure sets so if you are planning on purchasing off the shelf documentation, make sure you do some due diligence and remember, price SHOULD be an indicator of quality, but in this industry, IT IS NOT. Some considerations to make:

- Are the policies written in such a way that will work for your organisation?
- Does the seller contextualise and brand the documents for you?
- Does the seller provide ongoing support or instructions on how to utilise the documentation?
- How many documents are included in the purchase? Do you get RTO specific policies only or are there HR policies included? Does the set come with registers, templates and forms as well?



- How much work will be involved on your end in contextualising these policies to your organisation (time cost)
- Is there training involved in the sales process?



In this heavily regulated industry, an RTO could have as many as 100 different documents that cover policies and procedures, forms, templates, and registers, so be sure that what you are purchasing is everything that you need.

Estimated Time for Doing it Alone: 2 months (full time)

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2.4 Student Management System

ASQA expects you to be ready to deliver training at the time of submitting your application, which means you will need an AVETMISS compliant student management system. There are two major considerations to make here; one is choosing the right system for the long term and the other is what costs are initially associated with implementing such a system.

There is no point implementing a student management system in the early stages of your RTO if it isn't going to be capable of servicing your future needs.

You should consider the following functionality:

- AVETMISS reporting
- Integration with other platforms (with LMS products, online enrolments)
- Online assessments
- Student portals and student experience
- The user interface – how easy is it to use, to train staff, etc.

You will need to balance the short term and long-term business requirements with the cost of implementing such a system. A web-based system with a tiered pricing model would work best as you can enter the SMS market with a lower tiered product and increase the functionality/modules as your business grows. You should also consider the time your staff will spend learning the system and setting it up.



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2.5 Training And Assessment Strategies

We cannot stress enough how much scrutiny your training and assessment strategies (TAS) will come under. They are the centrepiece to your application. How you present your intended programs determines what trainers you recruit, what course materials you require, and what facilities you need to support the programs. Your TAS documents will be picked apart at audit and you should consider the following when creating a program:

- Conduct extensive industry consultation – gather plenty of stakeholder feedback (industry representatives, employers, etc.) and document these conversations. The knowledge you obtain from these interactions should help to shape the training and assessment strategies and potentially justify some of the decisions you have already made about modes of delivery, assessment methods, etc.
- Ensure you identify the training resources you need to have in order to deliver the program in its intended format. This may include CPR manikins for first aid programs or computers for cohorts who need access to online platforms.
- Identify the student support services (both physical and virtual) that will be offered to the cohort.
- Identify quality trainers/assessors and include supporting evidence of their suitability in the form of a trainer file. Trainer files should include a competency matrix demonstrating industry and vocational competencies, including regular professional development activities.



Explain the delivery of the program including reference to volume of learning/amount of training, attendance requirements, expected duration, delivery structure (clustered, standalone, etc.) and assessment methods.

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2.6 Course Materials



The big decision here for you to make is whether you are going to build your own course materials or purchase them from a resource company. ***There is an abundance of off the shelf resources available for purchase and you will need to spend some time reviewing the options out there.*** We strongly recommend conducting the following due diligence:

- Ask the company to provide you with some examples of the resources (keep in mind that these companies will naturally put their best foot forward and will typically provide you with examples that are not specific to what you need)
- Ask how the resources have been written. Are they written for standalone delivery or clustered or both? Are they written for workplace-based training/assessment or classroom? Get as much information as possible.
- Find out what's included in the package. Do you get just the assessment materials or do you get delivery materials also?
- What types of assessment are included? Is there a mapping document for each unit?
- If you decide that a particular company has what you're after, don't purchase all of the resources at once. Purchase a unit or two and conduct validation. You really want to make sure that what you're purchasing is on point.

If you decide to go your own and write the course materials yourself, we will still advise having them externally reviewed. With these projects, it's very easy to get too close to the work and sometimes it is difficult to see what is missing.

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Facilities and Staffs

You will need to ensure that you have built capability in your business prior to the assessment phase of your application. Auditors will want to talk directly with you about your knowledge of the industry and about your internal capabilities. Remember, that what you say in your business plan and what you represent in your financials need to reflect your actual org structure too.

Other considerations include your physical training facilities and office space requirements. You will need to submit lease agreements, office plans and potentially provide access to these as part of the audit. As we mentioned earlier, you need to be ready to train at the time of your application.



Website and Branding

If you are a start-up, you will need to consider the time and cost of creating your branding and web presence. A website that demonstrates compliance with the Standards is critical along with any associated marketing materials like course information brochures. You can get away with a basic website for around \$3000-\$4000 but you should consider the cost of branding including colour palette, logo design, business cards, etc.

You will also need to set up accounts for any social media platforms that you plan on using including Facebook, Instagram, LinkedIn, Twitter, etc. All publicly available information should be designed and presented to meet the standards.

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03 Summary of the Facts

01

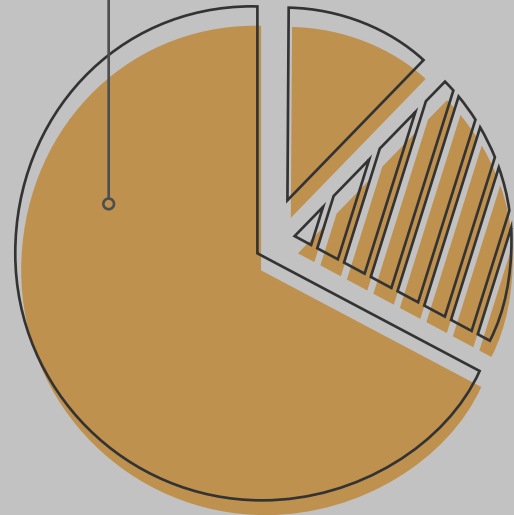


\$60,000

The whole process could cost you up to \$60,000 or more, depending on initial scope, etc.

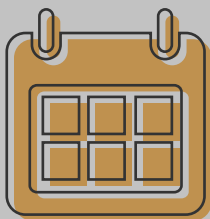
02

Project



Regardless of whether you engage a consultant or not, you need to allocate significant time to the project

03



6-12 months

The whole application process can take 6 to 12 months – be prepared to be patient

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04 Financial Costs

Two things to consider here in terms of true cost –one is obviously the financial costs, and the other is the time cost. There is no denying that the application process takes a serious amount of time and you should consider what other revenue-generating activities that this process takes you away from. You will need to find a healthy balance and manage your own expectations with respect to the progression of your application. As a rough guide, here are some cost considerations for you:

Items	Estimated Cost
Off the Shelf Policies & Procedures, forms, registers and templates	\$5000 to \$15,000
Student Management System	\$1000 to \$3000 (entry level)
Learning Management System if you are delivering online to your students	\$1000 to \$3000 (entry level)
Training related materials including assessments	\$10,000 to \$15,000 (based on average of 3 quals)
Training equipment (for practical based qualifications, etc.)	\$5,000 to \$15,000
Accountant Fees for FVRA	\$5,000 to \$10,000
ASQA application lodgement fee	\$500
ASQA application assessment fee	\$8,000
Legal costs (associated with employment contracts, etc.)	\$5,000
Website Build	\$3,000 to \$10,000
Insurances	\$3,000 to \$5,000
Facilities (office space, training rooms, etc.)	unknown
Consultancy Fees	Start from \$2,500
Company registration (ASIC fees, trading names, etc.)	\$1,000
TOTAL	\$45,000 to \$85,000

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