

Vocational Education and Training (Commonwealth Powers) Bill 2012

6. An example of the average takings a small provider might be able to expect in a year.

- The question posed by the Committee related to the impact of increased RTO registration fees on small RTOs which is estimated to be approximately \$650 per annum. The Committee asked for advice on the average turnover of a small RTO.
- The Department does not collect information from private RTOs about their revenue and accordingly data is not available to respond to this question.
- The fees payable by an RTO change based on factors such as the number of qualifications it is registered to deliver and the number of delivery sites. A small RTO (as defined in the comparison) has a small scope of registration but it could derive substantial income if it delivered high value training (for example, in the aviation sector). Similarly, a small RTO could deliver large numbers of a single qualification and derive substantial income from student fees.
- There is data available about small businesses - generally a small RTO, notwithstanding the remarks above, would be a small business. The Department of Innovation, Industry, Science and Research prepared a key facts document about small business including details about income for small business owners. The latest income data for small business income that the Department was able to locate is from 2006 so it may not reflect the current income of a small business.
- The Department was able to find a March 2012 quote from the Australian Council of Small Business which indicated that the average income of a small business is around \$70,000 per annum. On that basis, an increase of \$650 per annum would represent an additional impost of less than 1% annually.

Key Statistics: Australian Small Business (2011) Australian Government accessed from <http://www.innovation.gov.au/SmallBusiness/KeyFacts/Documents/SmallBusinessPublication.pdf> on 7 June 2012.

² "Swan's inequality warning reflected in statistics" (2012), Janda, M Australian Broadcasting Corporation, accessed from <http://www.abc.net.au/news/2012-03-05/statistics-support-swan27s-inequality-attack/3869920> on 7 June 2012

7. The definition of a small RTO.

- The fee comparison document provided to the Committee categorised RTOs into three groups – small, medium and large. This categorisation was based on the RTO's scope of registration (scope of registration refers to the courses the organisation is approved to deliver, for example, Certificate III in Plumbing. It does not limit the number of qualifications or statements of attainment that the organisation can issue to domestic students for those qualifications).
- The small RTO in this comparison was one registered to deliver up to, and including, 5 qualifications.