

Bespoke Industry
Engagement Project

Identifying the True Costs of RTO Delivery in Regional NSW



AFAM ITAB

Agriculture, Food
& Animal Management

AFAM acknowledges that First Nations peoples have been living on and caring for Country for thousands of years. This is respected in our values and the way we work.



This work was undertaken with contributions from MINTRAC, which has a strong history of working with the Australian meat processing industry on skills and training solutions.

In collaboration with



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Executive summary

The delivery of Registered Training Organisation (RTO) programs in regional NSW, particularly within the agriculture, food, animal management, meat processing, fisheries, aquaculture, and racing and breeding industries, plays a vital role in supporting workforce development and local economies. However, the cost of delivering these programs is often underestimated, with many direct and indirect expenses impacting providers and participants. RTO viability is a critical factor in sustaining delivery in regional areas. This report outlines the findings of a project designed to identify and analyse the major cost centres that impact regional delivery outcomes and RTO viability.

This paper summarises questionnaire responses and interview observations on the cost differences faced by RTOs delivering Vocational Education and Training (VET) in regional, rural and remote (RRR) New South Wales, compared with metropolitan delivery. The findings are intended to inform NSW Government consideration of funding settings and program design to support equitable access to VET and the continuity of provision in regional communities. It is also intended to identify for regional RTOs, and potentially employers and learners, cost centres that impact training delivery and support more equitable VET access, which may not be sufficiently identified in planning and budgeting processes.

Responses generally confirmed the potential cost centres identified by AFAM, with the assistance of MINTRAC, as costs that should be considered when looking at the funding of regional NSW training. All potential cost centres were identified as at least moderate costs (or major costs) by multiple respondents. There were significant differences in the impact of each cost centre between different locations and training packages, especially the *AHC Agriculture, Horticulture and Conservation and Land Management* and *AMP Australian Meat Processing* training packages.

Respondents consistently identified structurally higher costs in RRR delivery associated with: attracting and retaining trainers (including above-award wages, incentives and investment in “grow your own” capability); travel and logistics across large service footprints (vehicle operating costs, accommodation, allowances, and productivity losses from time on the road); and maintaining compliance and quality assurance where delivery occurs across multiple sites and workplaces with limited connectivity. Additional cost pressures arise from the need to contextualise training products for specialised regional industries, provide more intensive learner support (including language, literacy and numeracy assistance and culturally safe practice), and adopt digital workarounds where internet reliability is limited.

These factors increase both fixed and variable costs and expose RTOs to higher delivery risk through smaller and less predictable cohorts, longer and more flexible delivery timeframes, and disruption from weather events and road closures. Feedback suggests that uniform price/funding approaches and milestone-based payment settings can under-recognise the cost base and uncertainty of RRR delivery. This is particularly the case for low-volume qualifications, high-cost practical training, and short-course programs with annual funding cycles, which reduce the ability of providers to maintain coverage and invest in capability. Targeted adjustments that better reflect regional cost structures and risk would support service sustainability and help ensure NSW Government, employer and learner investment achieves consistent outcomes for learners and employers across the State.

Introduction

A key concern for NSW agriculture, food, animal management, meat processing, fisheries, aquaculture, and racing and breeding industries, reported repeatedly to AFAM and MINTRAC, has been the lack of access to training in regional areas, due in large part to issues that impact costs and RTO viability.

The traditional approach to addressing the differences between urban and RRR delivery has been to utilise loadings and grant programs. However, AFAM stakeholders are concerned these approaches have not addressed long-term issues.

AFAM, working with MINTRAC, designed a bespoke project to identify the potential cost centres that impact regional NSW VET delivery as a starting point for government, funders, employers and learners to start the process of identifying potential solutions that lead to improved VET delivery and training options in regional NSW.

Project objectives:

- to systematically identify and document the range of costs associated with RTO delivery in the target industries and regions
- to provide recommendations for incorporating these costs into flexible funding models and improving the efficiency and accessibility of training delivery.

Methodology

Working with stakeholders and MINTRAC, AFAM initially identified a range of potential cost centres that related to regional (and other) training delivery from the perspectives of RTOs, employers and learners (Appendix 1).

This included using sources including the *National Regional, Rural and Remote Tertiary Education Strategy final report* (The Napthine Review, 2019)¹, the Jobs and Skills Australia study *An Essential Ingredient – the Food Supply Chain Workforce Report (2025)*², the Griffith University and Skills Insight report *Training Product Translation: Good Practices in Learning Resource Development*³ and a number of other reports prepared by Skills Insight, especially the *Exploring Training Demand and Supply Challenges (2025)*⁴ research report.

This initial work was used to create questionnaires and interview guides for the rest of the project. The questionnaire, with the consolidated responses tabulated across all respondents, is included in Appendix 2.

The AFAM Executive Officer conducted four one-on-one RTO interviews (in person, online and by phone call) based on the questionnaire with follow-up questions. Interview participants completed the questionnaire either separately or as part of the interview.

Comments provided through the questionnaire have been consolidated and reported in Appendix 3. This appendix has been randomised and has had minor editing to remove identifying information where appropriate. No other adjustments have been made.

MINTRAC conducted a national workshop during which they discussed regional costs, and requested representatives from RTOs, employers and learners to contribute, including completion of an online questionnaire. In this report, only responses from stakeholders operating or learning in NSW have been considered in the analysis. However, it should be noted that similar results were reported across regional Australia, indicating this is not just an issue affecting NSW.

MINTRAC have provided an analysis of the responses gained through the questionnaire and workshops, included as Appendix 4.

TAFE NSW were invited but were unable to participate in this project during the timeframe. Future work with TAFE NSW would strengthen the findings and is necessary for recommendations for systemic change.

Summary of responses

This section summarises key responses from the consolidated questionnaire and interview observations relating to cost differences for RTOs delivering VET in RRR New South Wales, compared with metropolitan (urban) delivery. It focuses on where costs are reported as being consistently higher, why those differences arise, and how they affect the viability of regional delivery under current funding settings.

The importance of access to education and training through VET was well summarised by a quote from a farmer/employer, Matthew Philipson of the Ballot Box Lane flock, Yeoval, who noted:

“Training and training skills development over time has made a huge difference from the traditional practice of unstructured learning on the job. Workers learning through guided training on the job, in the workplace, is best practice for improving productivity and standards in this industry.”

RTO Workforce attraction, retention and capability

Across the responses, workforce-related costs emerge as one of the most significant differentiators between urban and regional delivery.

RTOs consistently report greater difficulty attracting suitably qualified trainers to regional locations. Smaller labour markets, competition from industry roles offering higher commercial wages, and geographical isolation mean RTOs frequently rely on above-award wages, additional allowances, company vehicles and other incentives to attract and retain staff. These costs are not typically required to the same extent in metropolitan areas.

Where skilled trainers are not available, regional RTOs increasingly adopt “grow your own” strategies, recruiting industry experts and investing heavily in their development to become trainers and assessors. This approach involves substantial upfront costs for TAE qualifications, additional mentoring and supervision, and lost delivery productivity while educators are in training. In dispersed regional markets, the return on this investment is uncertain and highly sensitive to staff retention.

Backfilling roles during leave or unexpected absences is also more costly in regional areas. Many RTOs rely on a single trainer to service a broad geographic footprint, with limited or no casual pool available locally. When trainers are unavailable, delivery is often cancelled or delayed, leading to additional administrative costs, rescheduling and, in some cases, loss of revenue.

Compliance, quality assurance and regulatory burden

Compliance-related activities are widely recognised as a major cost across all locations. However, the evidence indicates that the impact of compliance is often amplified in regional contexts due to the way training is delivered.

Delivering training across multiple sites, workplaces and regions increases the complexity of maintaining consistent systems, evidence and oversight. Travel requirements reduce the time trainers can devote to administrative and compliance tasks, increasing the reliance on additional staff, such as central administrative or head office staff, or creating pressure on trainers to perform compliance work outside delivery hours.

Audits and training package changes impose substantial costs regardless of location, but regional delivery adds layers of complexity. Evidence collection, version control of printed materials and validation activities are harder to manage when trainers operate remotely and with limited connectivity. Several RTOs noted that audits and regulatory changes reduce delivery capacity for extended periods, with proportionally greater impact where margins are already slim.

There is also a higher compliance burden associated with contextualisation for regional industries. Training products often need to be adapted to suit specific local practices, equipment and regulatory environments, increasing the time and cost required to remain compliant without breaching national standards.

Training product development and contextualisation

The questionnaire and interviews highlight that product development and contextualisation costs are a persistent and significant issue in regional delivery.

Regional industries are often highly specialised, requiring training products to be tailored to local equipment, production cycles, biosecurity requirements and operating conditions. This level of contextualisation typically goes beyond what is required for metropolitan delivery, where training environments are more standardised.

RTOs report there are often few, if any, commercially available resources suitable for their regional industries, requiring extensive in-house development. Even where resources are developed by industry training bodies (such as MINTRAC for AMP delivery), these resources are generalised by nature and often require significant localisation. Training Package updates trigger widespread rework of learning and assessment materials, with lower returns on investment when enrolment volumes are small or irregular.

Additional design effort is also required to address cultural safety, accessibility, and language, literacy and numeracy (LLN) needs. These needs are reported as more prevalent, and more concentrated, in regional areas, increasing both development and delivery costs.

Delivery operations and scheduling

Operational delivery costs are consistently reported as higher for regional VET delivery.

Regional cohorts are typically smaller, more dispersed and less predictable than metropolitan cohorts. Workplace-based delivery and assessment often require repeated site visits over long distances, increasing per-student costs. Lower and inconsistent attendance can significantly undermine the financial viability of courses that have fixed delivery costs regardless of student numbers. This can also lead to extension of delivery timeframes and impact delivery of other courses being offered by the RTO.

Scheduling is more complex due to the need to align training with industry rhythms such as seasonal operations, harvests, shearing windows or biosecurity restrictions. Examples include:

- Parks and Gardens operations are slow in winter, while training is limited over summer due to seasonal operations demand/workload.
- Harvest operations can only be delivered during a harvest and seasonal change can affect delivery if a course is planned during harvest which varies according to a weather change.

- Integrated pest management where a specific timeframe is required for delivery during a particular plant growth phase (such as January for Cotton farming).
- Cultural fire courses that are seasonal and can be affected by a period of wet weather adding to costs.

Course adjustments are more frequent in agriculture due to seasonal training windows and environmental factors (including natural disasters) affecting course delivery. Unplanned disruptions caused by weather events, road closures or natural disasters are far more common in regional areas and frequently require rescheduling, alternative delivery modes or course cancellation.

Delivery timeframes in regional contexts are often extended due to stop/start delivery, travel constraints and learner availability. While flexible delivery models improve access and outcomes, they add coordination, administration and staffing costs that are not reflected in standard funding settings.

Travel, logistics and regional service footprint

Travel and logistics are among the clearest cost differentiators between urban and regional delivery.

Trainers in regional NSW routinely travel long distances, sometimes covering many hundreds of kilometres per week, with one RTO reporting that trainers consistently travel between 40,000 and 50,000km per year by road. Vehicle costs, fuel, maintenance and depreciation are substantially higher due to distance, road conditions and the need for high-quality, safe vehicles. Fuel price volatility disproportionately affects regional delivery, where alternatives such as public transport or centralised delivery are not viable. There are often major highway and road closures or works that can add significant mileage and time to staff and learner travel.

Some RTOs reported that vehicles need to be very high quality to ensure safety across RRR locations and are typically high quality 4WD vehicles, which experience high rates of wear and tear due to the exposure to elements in RRR conditions. Additional safety in communications through CB radio systems and remote first aid and mental health training is in high demand in some RRR areas.

Overnight accommodation and allowances are a regular cost for regional trainers. Availability, quality and safety of accommodation vary widely, creating both direct costs and workforce retention risks. Mobile training setups, including transport and secure storage of equipment, further add to labour and logistics costs.

Weather events and access disruption introduce significant financial risk. Courses are often cancelled or under-attended despite significant upfront investment in planning, travel and equipment logistics, with limited ability to recover these sunk costs.

Facilities, equipment and specialised training environments

Regional delivery often relies on specialised facilities and equipment that are costly to purchase, transport, maintain and replace.

Practical training in agriculture, land management and similar sectors requires high-value equipment that experiences accelerated wear and tear in regional environments. Moving machinery and equipment over long distances or hiring transport and support vehicles, adds substantial additional costs. An illustration of these challenges can be seen in the delivery of

tractor and precision agronomy courses. These programs necessitate the movement of advanced, high-technology tractors and associated implements across considerable distances to reach learners situated in regional and remote areas. The process involves significant transport costs, as a dedicated truck and trailer are required to safely move the equipment from one location to another. Additionally, the time invested in loading and unloading the machinery is substantial, often relying on the availability and support of contractors. This dependency on external contractors adds another layer of complexity and potential delay, particularly when training is completed and equipment must be returned or relocated for subsequent sessions.

Where workplace equipment is used, RTOs incur costs associated with validation, compliance checks and safety assurance before training can occur. In some cases, remote training sites must be established when access to workplaces is restricted, further increasing setup and hire costs. This is common in meat processing, which often uses embedded training models.

Investment in simulation is frequently identified as desirable but financially unviable for dispersed regional markets due to high capital costs and limited student volumes. Three separate RTOs quoted between \$150,000 and \$170,000 investment, which is not viable for the programs they offer, which will always require real-world delivery in part due to the need to handle animals or plants.

Digital delivery, connectivity and innovative technology

Connectivity constraints are a persistent cost driver for regional delivery.

Limited and unreliable internet access reduces productivity, restricts real-time assessment and documentation, and necessitates alternative solutions such as offline resources, duplicate data entry and additional technical support. Many RTOs incur extra costs for satellite connectivity, mobile devices and communication systems to ensure trainer safety and operational continuity. Most RTOs reported the need to invest in Starlink services to address connectivity issues.

Lower levels of digital literacy among some regional cohorts increase the time trainers spend on support, further reducing delivery efficiency compared with metropolitan settings.

Training in industries covered by AFAM is highly specialised and spans multiple sectors, and the rapid pace of innovative technological change creates significant challenges. Keeping up with new equipment and ensuring training remains current requires regular upgrades to infrastructure and compliance processes. The cost of delivering courses varies greatly depending on the technology involved: for example, a tractor training course requires a far greater investment in equipment than a chemicals course, and both are considerably more expensive than courses in computing or business studies. Operating a commercial farm with the latest industry-standard equipment for training purposes is already costly, and expenses rise further when machinery needs to be transported to other sites. When workplace equipment is used, additional compliance and safety audits are required before training can commence, adding yet another layer of complexity and expense.

Learner support and community engagement

Learner support costs are more pronounced in regional delivery due to cohort characteristics and delivery models.

RTOs report higher demand for foundation skills, LLN support, pastoral care and cultural support, particularly for First Nations learners, migrant workers and older cohorts. Delivering culturally safe training often requires extended timeframes, community consultation and engagement with local elders or support networks, all of which carry direct and indirect costs.

Attendance variability arising from cultural obligations, seasonal work pressures and remote living circumstances further increases delivery risk and reduces funding recovery under milestone-based payment models.

Employer engagement and business development

Employer engagement is more resource-intensive in regional contexts.

Establishing and maintaining partnerships requires significant travel, relationship-building and negotiation to coordinate training access, workplace assessments and viable cohort sizes. Regional enterprises are often smaller and more dispersed, increasing the time and cost required to aggregate sufficient demand for delivery.

Business development activities must factor in higher uncertainty around enrolments and attendance, leading to conservative planning and additional administrative effort.

Financial risk and funding sensitivity

Across all sectors, regional delivery is characterised by higher fixed and variable costs combined with greater uncertainty in demand and attendance.

Upfront capital investments for low-volume regional products carry elevated risk, particularly in environments where funding caps, policy changes or milestone-based payments delay cost recovery. Disruptions caused by weather, seasonal operations or non-completion disproportionately affect regional RTOs, as there is limited capacity to cross-subsidise losses from other delivery.

The responses indicate that while some cost pressures are systemic across the VET system, a substantial proportion are structurally higher in regional NSW due to geography, workforce dynamics, delivery complexity and risk exposure. These factors collectively place regional delivery at a financial disadvantage under uniform funding models designed primarily around metropolitan delivery assumptions.

The financial risk can be exacerbated where RTOs are being asked to deliver more short course programs. One RTO reported that the AgSkilled annual funding cycle has a lot of uncertainty for continuation of programs and access for specific industries (such as wine) due to seasonal windows. Smart and Skilled financial cap allocations affect delivery planning, as RTOs must align calendar-year delivery with a financial-year funding rollout. This leads to uncertainty for RTOs to continue operations into semester 2, leading to course delays. A lot of change and uncertainty with financial caps causes issues with promoting courses and marketing for prospective students. Administration for the AgSkilled program is a major cost and high rates of delivery of short course funded programs adds to administrative burden when compared with an RTO delivering mainly full qualifications.

Observations and recommendations

The findings confirmed that regional NSW VET has more and higher costs associated with training delivery and business operations than equivalent organisations in urban areas, which has long been recognised. While traditionally this has been addressed through funding loadings, grants and arrangements with employers, these measures are not leading to viability of delivery, and this has an impact on equitable access to delivery in regional areas.

The Summary of Responses identifies numerous areas that need to be addressed for regional funding of VET to become viable. This will need a rethinking of funding frameworks. Generally, current frameworks are built on nominal hours and associated delivery costs, but do not consider the productivity, specialisation, localisation and contextualisation impacts that are hallmarks of regional delivery. Attraction, retention and lifestyle factors may also need to be considered.

A potential future consultation project involving funding bodies, NSW government departments (covering skills, relevant industries and regions), TAFE and RTOs, and employers, unions and learner representatives could clarify how supports and funding mechanisms should work based on overall systemic principles, rather than dealing with each cost centre as an individual issue requiring a tailored solution.

It also appears from responses, including interviews and workshop contributions, that regional RTOs may not have fully identified the cost centres that do influence their viability, such as regional insurances, finance costs and program changes (such as AgSkilled). Education and information approaches may be helpful to address this.

Overall, there appears to be a need for systemic change and development, which may be more complex to implement but would create the opportunities for more equitable VET delivery in RRR NSW.

References

¹ National Regional Rural and Remote Tertiary Education Strategy (the Napthine Report), 2019, accessed 7 January 2026 <https://www.education.gov.au/download/4663/national-regional-rural-and-remote-tertiary-education-strategy-final-report/6981/document/pdf>

² An Essential Ingredient – the Food Supply Chain Workforce Report, January 2025, Jobs and Skills Australia, available at <https://www.jobsandskills.gov.au/studies/food-supply-chain-capacity-study>

³ Training Product Translation – Good Practices in Learning Resource Development, 2024, Griffith University and Skills Insight Jobs and Skills Council, available at <https://skillsinsight.com.au/resources/>

⁴ Exploring Training demand and Supply Challenges, 2025, Skills Insight Jobs and Skills Council, available at <https://skillsinsight.com.au/resources/>

Appendix 1: Potential Regional VET Cost Centres

These cost centres have been identified across numerous reports and submissions as potential concerns that impact regional VET delivery more than urban delivery. This is a starting point for the AFAM final Project work.

Registered Training Organisation (RTO)

RTO1. Workforce: recruitment, retention and capability

1. **Premiums for Trainer and assessor attraction** – Higher wages, incentives or allowances required to attract suitably qualified staff to regional areas.
2. **Maintaining industry currency** – Paid time and expenses for trainers to stay current with fast-changing workplace, equipment and compliance expectations.
3. **TAE and credential compliance** – Costs to ensure staff hold and maintain mandatory training/assessment credentials and any additional required endorsements.
4. **Workforce backfill and surge coverage** – Casuals or contractors to cover leave, peak delivery periods or turnover in small regional teams, including cancellation or delay costs.
5. **Regional staff housing and relocation support** – Support (formal or informal) needed to help staff relocate and remain in high-pressure housing markets.
6. **Safety and remote-work protocols for staff** – Training, procedures and supports for working alone, in remote sites, or in high-risk environments.

RTO2. Compliance, quality assurance and audit burden

7. **Regulatory compliance systems** – Quality management systems, policies, document control and continuous improvement required to meet RTO standards.
8. **Audit preparation and response** – Staff time, consultant fees, remediation, and evidence collation for audits (including follow-up actions).
9. **Scope application and maintenance** – Application fees, evidence development, and administrative effort to add/retain scope, especially for low-volume regional products.
10. **Training Package change management** – Costs of monitoring, interpreting and implementing updates, including teach-out/transition arrangements.
11. **Funding contract compliance** – Reporting, eligibility checking, fee rules, AVETMISS/data submissions, and contract acquittals tied to state programs.
12. **Multi-jurisdiction compliance overheads** – Additional compliance when delivering across borders (different subsidy rules, apprenticeship requirements, reporting formats).

RTO3. Training product translation and learning resource development

13. **Training Package “translation” labour** – Educator/design effort to convert units into coherent programs, lesson plans and assessment instruments.
14. **Contextualisation for regional industries** – Tailoring to local equipment, processes, biosecurity/welfare rules and workplace realities (without breaching standards).
15. **Assessment tool development and validation** – Designing practical, defensible assessment (including observation tools) and running validation/moderation cycles.
16. **Learning resource procurement/licensing** – Purchasing third-party resources, licences, simulation content, or specialist materials where in-house design is not viable.

17. **Resource rework after updates** – Redesign costs triggered by Training Package changes, equipment changes, or revised evidence requirements.
18. **Cultural and accessibility design** – Additional design effort to ensure resources are inclusive for First Nations learners, LLN needs and disability access.

RTO4. Delivery operations (teaching, assessment and scheduling)

19. **Small-cohort diseconomies** – Higher per-student delivery costs where cohorts are small, intermittent or geographically scattered.
20. **Complex scheduling for “industry rhythm”** – Extra planning and rescheduling where training must align with seasonal/operational peaks (or avoid them).
21. **Workplace-based assessment visits** – Costs of repeated site visits to observe competence in real workplaces, often required for high-risk practical skills.
22. **Extended delivery timeframes** – Longer durations (stop-start delivery) driven by travel constraints, shiftwork, plant operating hours, or learner availability.
23. **Replacement delivery modes** – Additional effort and cost to convert delivery between face-to-face, blended and online modes due to weather, access or workforce disruption.
24. **Student management and progression tracking** – Time and systems to track competency completion, workplace evidence, catch-ups and re-assessment in dispersed delivery.

RTO5. Travel, logistics and regional service footprint

25. **Trainer travel (vehicle, fuel, maintenance)** – Direct transport costs for trainers servicing multiple towns, workplaces and farms.
26. **Trainer accommodation and allowances** – Overnight stays, meal allowances and incidentals for multi-day delivery runs or remote sites.
27. **Mobile training setup and pack-down** – Labour and time to transport, set up, secure and maintain mobile equipment or pop-up classrooms.
28. **Freight/logistics for equipment and consumables** – Shipping, cold-chain (where relevant), and higher freight costs to regional sites.
29. **Weather and access disruption** – Cancellations and rework caused by floods, fires, road closures and extreme weather common in regional delivery footprints.

RTO6. Facilities, equipment, consumables and specialised environments

30. **Specialist training infrastructure** – Capital and operating costs for fit-for-purpose spaces (e.g., food-grade environments, labs, workshops) required for quality delivery.
31. **Equipment purchase, depreciation and replacement** – Lifecycle costs for machinery, tools, PPE and training assets that wear rapidly in practical training.
32. **Consumables for practical training** – Ongoing costs for materials used in training and assessment (inputs that cannot be reused).
33. **Biosecurity and hygiene controls** – Cleaning, PPE, protocols, audits and segregation required when training intersects with biosecurity risks.
34. **Insurance premiums and risk controls** – Increased premiums and risk controls for high-risk training contexts and workplace delivery.
35. **Simulation investment** – Purchase/build costs for simulation to reduce risk and provide early-stage practice where real environments are impractical.

RTO7. Digital delivery, connectivity and ICT

36. **Learning management systems and licences** – Licensing, hosting, maintenance and user support for LMS and digital assessment tools.
37. **Connectivity workarounds** – Extra costs to manage poor internet (offline packs, duplicate uploads, alternative platforms, technical support).
38. **Cybersecurity and data protection** – Controls and assurance activities required to protect student data and comply with governance expectations.

39. **Digital literacy support for delivery** – Additional trainer time and tools to support learners and employers unfamiliar with digital systems.

RTO8. Learner support services delivered by the RTO

40. **Foundation skills and LLN support provision** – Extra staffing and supports where cohorts need language, literacy, numeracy or workplace communication assistance.
41. **Wellbeing and pastoral care** – Support for isolation, mental health pressures and retention in block release or remote delivery contexts.
42. **Accessibility and disability supports** – Adjustments, assistive technology and inclusive delivery design to ensure equitable participation.
43. **Cultural safety and community engagement** – Time and resources to deliver culturally safe programs (including on-Country options where relevant).

RTO9. Employer engagement, partnerships and industry stewardship

44. **Partnership development and maintenance** – Relationship management effort to secure workplaces, coordinate assessment access and align expectations.
45. **Co-design with employers** – Time to co-design delivery models, block release, site access and tailored schedules to improve viability and relevance.
46. **Negotiating workplace constraints** – Time spent aligning with WHS, production schedules, confidentiality, hygiene and supervision requirements.
47. **Industry information and demand signalling gaps** – Costs of business development where demand is “invisible” and data is insufficient to justify investment.

RTO10. Financial risk and capital constraints

48. **Upfront capital tied to low-volume products** – Investment risk where expensive setup is required but enrolment numbers are uncertain.
49. **Funding volatility risk premium** – Contingency costs and conservative investment decisions driven by shifting priorities, lists and contract settings.
50. **Higher regional cost of finance** – Higher borrowing costs and reduced access to investment capital in regional markets affecting training infrastructure decisions.

Employer (EMP)

EMP1. Direct training payments and contributions

1. **Training fees and co-contributions** – Employer payments to RTOs (or fee gaps) where subsidies do not cover true delivery costs.
2. **Employer-funded add-ons** – Costs for supplementary training (e.g., first aid, mental health, licences) not fully funded through standard channels.
3. **Equipment and materials contributions** – Providing consumables, materials, or access to machinery needed for competency demonstration.

EMP2. Labour time, productivity and backfill

4. **Paid release time for training** – Wages paid while staff attend training or block release (including shift backfill).
5. **Lost productive output** – Opportunity cost from removing workers from production lines, vessels or processing operations.
6. **Backfill recruitment and overtime** – Temporary labour, overtime or labour hire needed to maintain production during training absences.
7. **Training during peak/season conflicts** – Elevated costs when training must occur during peak operational periods due to limited alternatives.

EMP3. Supervision, mentoring and assessment support

8. **Workplace supervision time** – Time of supervisors/coaches to mentor learners and support safe practice in high-risk environments.

9. **Evidence collection and sign-offs** – Administrative time gathering logs, third-party reports, workplace evidence and verification for assessment.
10. **Workplace assessor facilitation** – Production disruption and coordination to allow assessor observation, questioning and re-assessment.

EMP4. Training logistics borne by employers

11. **Employee travel and accommodation** – Transport, accommodation and allowances for learners attending centralised training or block release.
12. **On-site training space provision** – Allocating rooms, meeting spaces, amenities and safe learning areas within workplaces.
13. **Roster redesign and coordination** – Time and cost to build rosters around training attendance and assessment windows.

EMP5. Compliance, HR and system navigation

14. **Apprenticeship/traineeship administration** – Contracts, training plans, progress reviews, incentive paperwork and record keeping.
15. **WHS and regulatory compliance for training** – Additional WHS planning, inductions and controls when training occurs in operational workplaces.
16. **Multi-jurisdiction programme complexity** – Extra burden navigating different state requirements, funding rules and training approvals.
17. **Labour hire compliance spillovers** – Costs associated with ensuring compliant labour hire arrangements that interact with training and workforce supply.

EMP6. Risk, safety, biosecurity and quality impacts

18. **Biosecurity and hygiene compliance costs** – Extra cleaning, segregation, PPE and controls where training intersects with biosecurity/hygiene obligations.
19. **Insurance and liability management** – Insurance impacts and risk mitigation when hosting learners and assessors in high-risk environments.
20. **Quality and wastage impacts** – Production wastage or rework when learners practise under supervision in tight-margin operations.

EMP7. Attraction, retention and workforce strategy costs

21. **Training as retention benefit** – Wage progression, incentives or guaranteed hours offered to retain trained workers in regions.
22. **Turnover after training (“poaching risk”)** – Loss of investment when trained workers leave for better pay/conditions or metropolitan jobs.
23. **Career pathway development** – Costs to develop coherent job pathways and titles to make training “worth it” for entrants.

EMP8. Equity, migration and cultural safety (where relevant)

24. **LLN/ESOL support in the workplace** – Time and support for learners with language needs to succeed in training and safe work.
25. **Cultural safety and inclusion measures** – Investments in culturally safe supervision and inclusive workplaces supporting First Nations and diverse cohorts.
26. **Migration system navigation costs** – Employer costs for navigating complex migration settings that interact with workforce development and training.

Learner (L)

L1. Direct study and participation costs

1. **Course fees and student charges** – Tuition gaps, enrolment fees and incidental charges not covered by subsidies or employers.
2. **Learning materials and PPE** – Texts, equipment, tools, uniforms and personal protective equipment required for practical participation.

3. **Mandatory checks and clearances** – Costs for licences, medicals, police checks, vaccinations and compliance documents where required.

L2. Travel, accommodation and relocation

4. **Daily travel to training sites** – Fuel, vehicle wear, public transport (often limited), and time costs for regional travel.
5. **Block release accommodation** – Accommodation and meal costs when learners must travel to hubs for intensive training blocks.
6. **Relocation and “start-up” costs** – Bonds, moving expenses and setup costs when training requires temporary or permanent relocation.
7. **Travel home / family connection costs** – Costs incurred maintaining family and community ties during extended training away from home.

L3. Income, time and opportunity costs

8. **Foregone wages (or hours)** – Lost earnings for casual/seasonal workers and those without paid training release.
9. **Unpaid study time** – Time spent on online modules, assessments and evidence collation outside rostered work.
10. **Delayed progression costs** – Additional time to completion due to disrupted delivery, rescheduling, or limited local offerings.

L4. Digital access and capability

11. **Internet and device costs** – Data plans, hardware purchase/repair and peripherals needed for blended or online learning.
12. **Low connectivity workarounds** – Extra travel or costs to access reliable internet for assessments, uploads and virtual classrooms.
13. **Digital literacy uplift** – Time and/or paid support to learn required platforms and digital tools.

L5. Care, household and life administration

14. **Childcare and caring costs** – Paid care arrangements required to attend training or travel.
15. **Household disruption costs** – Additional expenses from changed routines, split households or temporary accommodation arrangements.
16. **Administrative burden** – Time/cost managing enrolment paperwork, evidence portfolios, USI/ID processes and funding eligibility proof.

L6. Safety, wellbeing and social dislocation

17. **Health and safety participation costs** – Medical checks, vaccinations, PPE fit-testing and safety gear maintenance.
18. **Wellbeing and mental health impacts** – Costs related to stress, isolation and adaptation when training requires time away from home communities.
19. **Social dislocation costs** – The “non-financial but real” costs of leaving community/culture, recognised as a barrier for RRR learners.

L7. Additional learning supports (equity and accessibility)

20. **LLN and study support** – Tutoring, extra time, and support services needed to complete training and assessments.
21. **Disability and accessibility costs** – Assistive technologies, transport adjustments and support services not otherwise funded.
22. **Cultural safety supports** – Costs/time associated with accessing culturally safe learning environments and supports (including on-Country options where available).
23. **Second-language learning supports** – Additional language support where English is not the learner’s first language (common in some regional workforces).

L8. Credentialling, licences and progression

24. **Licensing and certification fees** – Fees for required tickets/licences, renewals and industry certifications linked to employability.
25. **Assessment re-attempt costs** – Costs of repeat assessment, extra workplace evidence, or travel for reassessment when competence is not demonstrated first time.
26. **Credit/RPL friction costs** – Time and expense compiling evidence for credit or RPL where processes are complex or under-resourced.

Appendix 2: RTO Questionnaire and responses

This appendix includes the questionnaire together with the count of responses to each question. Not all respondents completed each question, so there will be some variation in response numbers. Responses from RTOs who completed the questionnaire but did not have operations in NSW were excluded from this analysis.

RTO cost centre survey

The Identifying the True Costs of RTO Delivery in Regional NSW project was commissioned by the NSW Department of Education to develop insights into the cost centres that impact the profitability of RTOs and whether the size of the cost centre varies by location. Your responses are confidential and will be combined with those of other RTOs.

Q1. Where do you provide training? (TICK ALL THAT APPLY)

LOCATION	NSW	VIC	QLD	SA	WA	TAS	NT	ACT
Capital City	4	3	4	1			2	
Other	8	6	4	2		1	1	

Q2. Which training packages do you support? (TICK ALL THAT APPLY)

TRAINING PACKAGE	AHC	ACM	RGR	SFI	AMP	FBP	OTHER (SPECIFY)
PROVIDE	6				4	1	BSB x 1, MSL x 1

Q3. Across the whole of your business, how many enrolments did you have in 2025? (WRITE IN NUMBER)

LOCATION	TOTAL
Capital City	1,200 approx
Other	4,800 approx

Based on previous research, each row in the following tables has been identified as a potential cost centre that may impact your business. (TICK ALL THAT APPLY)

Q4. Is this cost centre a minor, moderate, or major cost to your business? (LEAVE BLANK IF DOES NOT APPLY TO YOUR BUSINESS)

Q5. Is this cost centre larger, the same, or smaller in regional, rural, or remote (RRR) locations? (LEAVE BLANK IF DOES NOT APPLY TO YOUR BUSINESS)

Q6. Include any specific comments you would like to make about a particular cost centre and how it impacts your business.

RTO1. Workforce: recruitment, retention and capability	Q4. Overall size of cost centre			Q5. Size of cost centre by location			Q6. Comments
	Minor	Moderate	Major	Larger in RRR	Same everywhere	Smaller in RRR	
1 Trainer and assessor attraction	1	2	4	6	1		
2 Recruitment costs	3	2	2	4	3		
3 Trainer skills development		5	2	4	3		
4 Maintaining industry currency	1	4	2	2	4	1	
5 TAE and credential compliance	1	2	4	4	3		
6 Workforce backfill and surge coverage	1	5	1	5	2		
7 Staff housing and relocation support	1	5		5	1		

8	Safety and remote-work protocols for staff	3	4	4	3	
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RTO2. Compliance, quality assurance and audit burden		Q4. Overall size of cost centre			Q5. Size of cost centre by location			Q6. Comments
		<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Larger in RRR</i>	<i>Same every-where</i>	<i>Smaller in RRR</i>	
1	Regulatory compliance systems		3	4	1	6		
2	Audit preparation and response	1	3	3	1	6		
3	Scope application and maintenance	1	5	1		7		
4	Training Package change management		2	5		7		
5	Funding contract compliance	1	4	2	1	6		
6	Multi-jurisdiction compliance overheads	2	2	3	1	6		

RTO3. Training product translation and learning resource development		Q4. Overall size of cost centre			Q5. Size of cost centre by location			Q6. Comments
		<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Larger in RRR</i>	<i>Same every-where</i>	<i>Smaller in RRR</i>	
1	Training Package "translation" labour		4	1	1	5		
2	Contextualisation for local industries		4	3	1	6		
3	Assessment tool development and validation		3	4	1	6		

4	Learning resource procurement/licensing	3	2	1	1	5	
5	Resource rework after updates		3	4	1	6	
6	Cultural and accessibility design	1	5	1	2	5	

RTO4. Delivery operations (teaching, assessment and scheduling)		Q4. Overall size of cost centre			Q5. Size of cost centre by location			Q6. Comments
		<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Larger in RRR</i>	<i>Same every-where</i>	<i>Smaller in RRR</i>	
1	Cohort size	1	2	4	4	3		
2	Complex scheduling for "industry rhythm"	1	2	4	3	4		
3	Workplace-based assessment visits	1		6	5	2		
4	Delivery timeframes	1		5	2	4		
5	Replacement delivery mode requirements	1	2	3	3	3		
6	Student management and progression tracking	1	3	2	1	5		

RTO5. Travel, logistics and regional service footprint		Q4. Overall size of cost centre			Q5. Size of cost centre by location			Q6. Comments
		<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Larger in RRR</i>	<i>Same every-where</i>	<i>Smaller in RRR</i>	

1	Trainer travel (vehicle, fuel, maintenance)		1	6	5	2	
2	Trainer accommodation and allowances		2	5	4	3	
3	Mobile training setup and pack down	1	4	2	4	3	
4	Freight/logistics for equipment and consumables	5	1	1	4	3	
5	Weather and access disruption	1	4	2	3	4	

RTO6. Facilities, equipment, consumables and specialised environments		Q4. Overall size of cost centre			Q5. Size of cost centre by location			Q6. Comments
		<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Larger in RRR</i>	<i>Same everywhere</i>	<i>Smaller in RRR</i>	
1	Specialist training infrastructure	2	4	1	4	3		
2	Equipment purchase, depreciation and replacement	1	2	3	3	3		
3	Consumables for practical training	3	2	1	3	3		
4	Biosecurity and hygiene controls	4	2		2	4		
5	Insurance premiums and risk controls	1	3	2	2	4		
6	Simulation investment	2	4		2	4		

RTO7. Digital delivery, connectivity and ICT		Q4. Overall size of cost centre			Q5. Size of cost centre by location			Q6. Comments
		<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Larger in RRR</i>	<i>Same everywhere</i>	<i>Smaller in RRR</i>	

1	Learning management systems and licences		3	3		6	
2	Connectivity	1	4	1	2	4	
3	Cybersecurity and data protection	1	3	2		6	
4	Digital literacy support for delivery	1	3	2	1	5	

RTO8. Learner support services delivered by the RTO		Q4. Overall size of cost centre			Q5. Size of cost centre by location			Q6. Comments
		<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Larger in RRR</i>	<i>Same every-where</i>	<i>Smaller in RRR</i>	
1	Foundation skills and LLN support provision	5	1	1	1	5		
2	Wellbeing and pastoral care	3	3	1	1	5		
3	Accessibility and disability supports	4	2		1	5		
4	Cultural safety and community engagement	4	1	2	3	4		

RTO9. Employer engagement, partnerships and industry stewardship		Q4. Overall size of cost centre			Q5. Size of cost centre by location			Q6. Comments
		<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Larger in RRR</i>	<i>Same every-where</i>	<i>Smaller in RRR</i>	
1	Partnership development and maintenance	1	1	4	1	5		

2	Co-design with employers	2	3	2	3	4	
3	Negotiating workplace constraints	1	4	1	2	4	
4	Business development time		2	4	3	3	
5	Business development costs		2	4	3	3	

RTO10. Financial risk and capital constraints	Q4. Overall size of cost centre			Q5. Size of cost centre by location			Q6. Comments
	Minor	Moderate	Major	Larger in RRR	Same everywhere	Smaller in RRR	
1	Upfront capital tied to low-volume products	2	3	1	1	5	
2	Funding volatility risk premium	1	3	2		6	
3	Cost of finance	4	1	1		6	

Thank you for providing your valued input to this project. Please retain your completed questionnaire as a reference for your discussion with the Project Leader.

Appendix 3: Consolidated comments from respondents

This appendix lists the comments from questionnaire respondents. They have been consolidated, randomised and anonymised to ensure respondent privacy is maintained, unless there has been specific permission to report responses or quotes from identifiable or identified sources.

Comments

Business development has moderate costs due to determining viability with uncertainty and development of resources and products, requires onsite/industry involvement to make sure products are current and prospective demand can be factored into delivery forecasts on return of investment. Sourcing demand across wider distances reduces return on investment

The RTO cannot afford to lose trainers after the high cost of trainer initial investment in development. RTO invests in all upskilling that is required.

The RTO has no simulation investment currently due to high cost (estimated \$170000 for a simulator). Preference for hands on delivery which is the ultimate performance outcome required. A simulator would assist skills development but is too high a cost for viability in dispersed markets.

Trainer is required to travel a five-hour round trip to access all worksites across three different regional locations. Sometimes the workplace visits are impacted by workplace and global operational issues such as the recent Japanese encephalitis outbreak restricting movement across sites due to biosecurity threats. A regional training centre is sometimes setup when access to the workplace is restricted adding to costs.

Trainer transports equipment, RRR delivery requires a larger number of resources to support learning than in metro areas somewhat related to adjustments for the cohorts of learners who are typically non-digital learners

Insurance premiums and risk controls are identified as higher cost in RRR due to nature of work - long travel, remote locations, quality of roads etc.

Equipment purchase, depreciation and replacement are significant due to costs in initial purchase of high-quality vehicles to service RRR areas, longer distances travelled and quality of roads add to rates of wear and tear with trainers travelling from 40000 to 50000 km/year. Vehicles are turned over every 3 years to maintain safety of workers

The RTO reimburses the trainer for the costs of undertaking update training and also covers the costs of training away from home at a training centre where needed

There is always a base cost for delivery regardless of student numbers, there has to be a minimum number of students to cover cost and this can on occasion disadvantage RRR students.

Overall, compliance is one of the most significant cost centres, mostly exacerbated in RRR by adjustments made to accommodate individuals from disadvantaged backgrounds requiring additional supports or modified assessments and evidence strategies. General compliance is seen as significant but the same everywhere such as having to modify

multiple documents to adjust for changes such as anti-discrimination legislation and Code of Conduct documents/induction.

TAE and credential compliance costs vary depending on the time required to complete requirements and impact on course delivery. TAE is difficult online and prospective trainers more suited to face to face which has additional travel costs.

Finding suitable staff to service RRR can be challenging. Not all trainers are willing/able to travel.

Developing a compliance loading that accommodates additional compliance when working across distances and locations and different workspaces. Developing a high-performance loading for RTO's achieving high standards and outcomes. Progress loadings significantly affect viability – In NSW qualifications are funded by milestone progress e.g. 50% qualification payment creates a large financial burden prior to reimbursement. In Victoria and QLD qualifications are funded per unit and a more regular cash flow is enabled. There is a Singaporean model of funding which is related to an unemployment style support mechanism: A student receives a \$5000 training bursary and has the choice of engaging in training with a preferred provider, if they don't train, they don't spend it and it has equity to all for access. The issue with fee free training is that it does not provide "learner buy-in" which can lead to non-completion through non-attendance and engagement in completion. Funding from Government has also not increased over time in line with the cost of living

Workplace-based assessment costs vary depending upon mode of delivery. Block training at the main campus is cost effective but workplace-based training in dispersed markets can be significantly higher depending upon the industry where a trainer would only be able to visit a few learners in a day across a large distance between workplaces. Currently scoping Certificate III Beekeeping which would require RRR workplace visits in dispersed market conditions which may not be viable

Use of workplace equipment is common in delivery. There are costs associated with time taken to pre validate site-based equipment and ensure safety and compliance prior to training. Alternatively hiring equipment which is maintained and well serviced can be budgeted and ensures easier access, reducing freight and logistics issues and accommodates issues where site equipment is required for operational purposes e.g. chainsaws. Resource trailers have been purchased with mobile training equipment and consumables, hire equipment used in some situations

Community consultation and partnership has costs associated with payments for elders, time to visit and build respect for community on country, accommodation of cultural time (sorry time) and building effective trusting relationships take a lot of time. Course planning requires cultural sensitivity and willingness for community to engage with it. Significant community engagement required and developing support for a training course

Our trainers are all part-time and paid for productivity/delivery aimed at 1 trainer per 40 students

The current funding model with loadings is set up for students (First Nations/ unemployed/ location) but does not account for all the additional work required to deliver in RRR. Short courses (especially funded courses) have more non-attendance issues than full qualification courses. Variable costs associated with training provided onsite versus training in remote areas with typically lower class sizes. High costs associated with uncertainty of fixed

enrolments with onsite courses versus highly variable attendance in remote delivery. Compliance for access to funded programs limits the number of enrolments and non-attendance on the day significantly impacts viability. An example of a remote training course for Conservation and Land Management was budgeted as viable with 20 enrolments however only 6 attended on the day (priority cohort/ cultural issues/ sorry business). Additional cost risks associated with maintaining low student to staff ratios in agriculture due to safety. E.g. chainsaw training safety and student staff ratios. There are also costs associated with industry pressure to shorten training timeframes to suit seasonal training windows which can reduce class sizes based on operational pressures. Class sizes have variability across courses e.g Drone training can have higher student numbers than tractor training which requires a lower trainer student ratio for safety.

Travel costs are extremely high, and often training is not viable under funded models.

There are no commercial resources available for purchase. All resources have been developed and contextualised with industry input. Approximately 12 months of development of resources and updates required. It was suggested that a typical purchased resource would take approximately 8 – 12 weeks to contextualise to a specific industry. Regular updates are required for continuous improvement and adjustment to developments within a rapidly evolving industry

Trainers are ideally based within a RRR location and accept a travel delivery radius. The exception is a trainer in the North Coast region who will not accept travelling to the new England Region (one way about 4 hours) which involves a very dangerous, steep, degraded and poorly maintained road through one lengthy section of the major route. The alternative is travelling via secondary routes which involves additional distances but is also a dangerous road with native animal dangers (kangaroos). The RTO has had to employ and “grow our own” trainer to service this area.

Use of a caravan with partner combined in travel works well for security outside of work hours in remote locations but would not be common across other trainers. There are costs with RTO supporting WHS processes to ensure safety of trainer while working within worksites. The nature of training outside of a training centre in variable workplaces adds to the risk of injury to trainer and learners.

There is huge variability in individual progress impacting on delivery timeframes, which we mitigate by using continuous enrolment across the year.

Safety and remote work protocols include 4WD courses, covering driving after hours and through regions with wildlife

Trainer skills development depends on each individual case, especially for TAE and First Aid courses and renewals

Many students require additional support due to language and digital literacy barriers. Trainers still need to be physically present to assess competency. Connectivity remains unreliable, adding further cost and complexity.

Course adjustments are more frequent in agriculture due to seasonal training windows and environmental factors (including natural disasters) affecting course delivery

Don't know if insurance premiums and risk controls cost more in RRR

Some freight and logistics when using RTO resource trailers and longer distances of delivery add to wear and tear on vehicles and equipment with security issues when accommodation is required due to risk of theft. Use of hire equipment reduces freight, logistics and workplace equipment validation.

Have had to engage in a Grow Your Own replacement trainer program

Currency is easier to obtain where a strong relationship exists with an employer who is willing to partner and support the training process and the RTO has developed strong workplace training access and delivery models and relationships to achieve this. Currency training for trainers in a highly specialised industry comes at additional cost due to restrictions on access to industry regulated by biosecurity controls and seasonal variations in operations.

Weather and access disruption is significant when it occurs, causing major costs if delivery is cancelled. Sometimes the impact can be in attendance from learners which significantly affects the viability when a course is budgeted on a specific and expected class size. Disruption from weather, access and natural disasters is much more common in RRR than cities.

Travel expenses are a huge burden not only financially but also on the workload of trainers/assessors which can cause early burn out which then creates the other expense of replacing staff.

Significant planning and relationship discussions are employed to ensure prospective attendance is matched to actual attendance due to the risks of reimbursement when learners do not attend or achieve milestone completions. Significant communications prior to delivery are employed to make sure training occurs for a targeted and budgeted class size

Higher cost of managing regulatory compliance and other risk in RRR due to variable delivery environments and cohorts of learners. Contextualisation of products adds significant time costs associated with compliance, especially when adding new products to thin and dispersed market sectors. Limitations to viability due to dispersed markets result in cancellation of some prospective courses. The whole VET system does not account for the cost of compliance and new product development with the range of associated risks when delivering courses in RRR locations.

Example training model for Shearing – 1 week block, 5 workplace visits, students varied in self-paced progress through course. One shearer could not complete training as they could not afford travel to attend 1 week block training. Workplace based training is highly regarded by employer, builds confidence, competence, safety and productivity whilst benefitting students paid to learn. Historical entry to industry lacked professionalism of VET system outcomes. Reduced costs of training to learner if training delivered in the workplace, more supportive and employer benefits. RTO achieves benefit of high completion rates due to reduced costs impacting learners. Quote: Matthew Philipson (farmer/employer) Ballot Box Lane flock, Yeoval “Training and training skills development over time has made a huge difference from the traditional practice of unstructured learning on the job, workers learning through guided training on the job, in the workplace is best practice for improving productivity and standards in this industry.”

Current recruitment for succession and gap training has been ongoing for over two years with zero qualified candidates. Some candidates with other livestock experience that could be developed but the industry is highly specialised

There is no replacement trainer in most RRR locations, except where an alternate trainer can be relocated on short term demand but significant higher cost. Generally, sick or personal leave results in training cancellation or delay and additional administrative costs of rescheduling and communications. Trainers are requested to provide 3 months notice for extended personal leave, sick days are very difficult with additional costs in rescheduling, administration, logistics and communications

Distances required to travel and engage in industry experiences vary widely.

A simulator was discussed for vehicle and machinery training with costs approximately \$150,000 which is not viable

Shearing cutters = \$5/cutter, replaced 4 times per shearing run, requiring grinding. 1 cutter lasts one season. Require 20 combs/handpiece.

Funding volatility risk: Huge cost: AgSkilled annual funding cycle has a lot of uncertainty for continuation of programs and access for specific industries (such as wine) due to seasonal windows). Smart and Skilled financial cap allocation has an impact on delivery due to calendar year for planning RTO delivery impacted by financial year rollout of Smart and Skilled. Uncertainty for RTO to continue operations into semester 2 leading to course delays. A lot of change and uncertainty with financial caps cause issues with promoting courses and marketing for prospective students. Administration for the AgSkilled program is huge and high rates of delivery of short course funded programs adds to administrative burden when compared with an RTO delivering mainly full qualifications.

Reliance upon a singular trainer for delivery is high risk. Recently a period of personal leave impacted progression and planning issues. There is zero trainer availability to backfill and maintain delivery as scheduled when this occurs. Significant additional costs associated with the time taken to reschedule and plan ongoing delivery.

Safety and remote work protocol costs are higher when delivering training remotely. Extra staff management procedures are required to make sure staff are ok, additional administration and supervision costs. Emergency protocols and check-in procedures require additional logistics planning between staff and supervisor. Extra time required to travel to remote locations restricts the time available for administration and communications. There may be additional costs with technologies to ensure connectivity when working remotely e.g. Starlink

Regulatory compliance is a significant cost and time consuming task which is made more difficult when travel and variation in locations for training occur.

Trainer travel is a highly significant variable cost in RRR: Face to face delivery may involve up to 800km/week of travel with approximately 300km/day at times (one-way 150km from base). \$0.88c private travel reimbursement. Accommodation varies widely in availability, cost and quality. One example of a new female trainer accessing new accommodation which had clear personal security issues creating risk of retention of worker.

Trainers in agriculture are not typically experienced in education environments and require support to obtain TAE credentials and experience. The transient nature of the agriculture

workforce can see issues with investment in a trainer who is not able to be retained as a trainer long term

Rapid changes in equipment development add to RTO costs such as development of GPS systems, autosteer tractors and tractors are an example of equipment that is much higher cost to replace. Specialised equipment must also be provided for a range of industry sectors such as boom sprayers for broadacre cropping and precision seeders for livestock pasture establishment.

Connectivity for communications, accessing information and uploading documentation/ assessment evidence is limited in RRR locations and reduces productivity. Additional costs required to improve connectivity such as Starlink satellite dishes and CB radio systems.

The RTO operates on a calendar year and the funded programs operate on a financial year which can create some additional burdens especially when a focus on high industry demand AgSkilled courses require significant specific administration requirements

Trainer is paid over award to accommodate this with a wage subsidy bonus

By targeting recruitment of existing workers, highly skilled in industry, there are strong connections with industry to maintain access and achieve ongoing currency. Some trainers have a depth of transferrable skills through volunteer or alternate employment such as State Emergency Service (SES) workers which make currency easier to achieve. Costs increase if they need specific upskilling such as one trainer who took a six-month job at a council waste management centre to obtain currency to expand training scope and build more employment as a trainer across a number of qualifications delivered in a specific RRR area.

Very limited access to a suitably trained pool of casuals, which is assisted by connectivity with an associated department of professionals in a government department. Additional costs of ensuring student progression can be more difficult with extended periods of leave or illness. A pool of experienced trainers often attracts a higher rate as they are often commercial operators who are able to replace existing workers e.g. a casual trainer must have a diverse skill set and be a specialist. Some contract trainers bring their own equipment which have additional costs associated with maintaining safety and compliance of learners. Examples include existing departmental staff required to replace a trainer in a highly specialised equine skills course, at the cost of progress in their substantive position

A lot of effort has been made to hire and upskill existing workers (subject matter experts) to transition into becoming a trainer. Competitive pay and conditions to coax workers from commercial opportunities to match more profitable competitive award rates. Above award and a company car is common. Significant investment in training for staff and paid leave to engage in training where required. We have to use a "Grow your own" trainer development strategy. Existing workers often require training in both the TAE and a specific qualification required in an area such as Parks and Gardens and are targeted for grow your own based on experience and capacity as a subject matter expert. Estimate at least 6 months investment in training to develop a prospective trainer which requires a commercial delivery volume and risk assessment for expected productivity returns when targeting training in dispersed RRR markets.

There is a high cost of upskilling trainers who are also required to maintain a full-time teaching load. Trainer training at the cost of learner delivery reduces RTO productivity

Scope applications are limited due to trainer and resource issues

Maintaining high quality training and delivery resources that are also compliant is a major cost to our business.

There are small face to face class sizes during workplace visits. Block training programs operate well at 12 students. RRR demand varies across time and continuous enrolment is used to accommodate additional enrolments when a worker on a farm engages in training after contact with other learners or trainers during a site visit.

Negotiating workplace constraints can be a huge issue for planning and logistics, and training cannot occur at certain times which affects scheduling and delivery. These costs are more variable across different sectors and locations.

Delivering courses to RRR incurs more expense in time, travel, accommodation, flights, car hire and staff allowances. Low numbers can mean the training does not go ahead because of high costs. For trainers delivering and assessing in RRR means they are away from family creating added work stress and travel fatigue.

RTO often pays 6-month recruitment/staff development costs due to limited existing staff with required skills and experience across regional training locations exhibiting demand. Investment and development encourages strong retention in workers which reduces risk of return from investment.

The RTO works across three areas of compliance – ASQA, NSW Smart and Skilled policy and Victorian policy. The strategy is to develop compliance to the highest standard which covers the other compliance centres. Almost need an additional trainer assistant for maintaining administration and compliance when delivering in RRR due to additional tasks and factors influencing productivity.

Mobile training setup and pack down: Time costs of travel and setup impact the time available to communicate to learners and update administrative tasks

Cultural and accessibility design is a significant part of the new RTO standards and requires a large investment in planning and development and also requires community consultation and input into the design and development of resources. There are high demographics of these cohorts as a percentage of class sizes in RRR which adds to costs of support. Example of a First Nations for employability skills course which required delivery across a longer timeframe to suit the cohort and required additional staff support for learners and some administrative costs associated with variable attendance from individuals

There is heavy reliance on specific highly skilled staff specialists to manage changes. This can have a significant impact on staff wellbeing and burnout. The additional time spent adapting to change adds an extra layer to compliance pressure which is a higher cost for smaller RTO enterprises with less administrative staff. A minor change to units of competency requires multiple changes across all RTO documentation, resources and website materials. Lack of digital connectivity in RRR requires trainers to have printed copies of materials which can be outdated by changes, requiring new print copies and can be inaccessible when delivering in remote locations.

Distances required to travel and employ training sales and business development add to costs. The variability in the size of workplaces across RRR make planning training courses more difficult when combining marketing across other enterprises to achieve a viable class size

When an audit occurs it is a significant burden on costs and time, often resulting in reduced delivery to enable evidence and compliance preparation

Disruptive events: Hard to plan for this, high costs during COVID, bushfires. Sometimes issues result in increased business such as COVID when there was significant training demand and investment by government

Shearing windows vary across the state and can enable scheduling to target certain areas. Complexity occurs when an unknown variable affects targeted delivery within seasonal windows such as flooding, fire or road closures.

It is hard to get training where it is needed such as access to the TAE. The online delivery of this course is not regarded as suitable and is difficult for this cohort of prospective trainers/workers looking to upskill. Webinars for other skills development are beneficial. A face to face training opportunity would require travel to a training centre and accommodation away from home which adds significant cost but is the preferred delivery method for completing this qualification.

Training Package change management is typically an expensive process requiring review and development of all documentation and processes. Resources require updating and validation prior to use. Ensuring outdated materials are no longer used is a risk when resources are in printed form and travel across RRR locations.

Cohort sizes benefit from the nature of a larger enterprise partnership where a number of workers from the same workplace are engaged in training at the same time, approximately 8-10 is a minimum viable class size and attendance is often higher due to attachment to the workplace lowering risk of non attendance. There are three main workspaces that are accessed to provide training across the delivery footprint. It is difficult to provide access to learners from other enterprises due to biosecurity issues and distances between sites. RRR delivery and associated travel and accommodation costs require larger class sizes than a metropolitan delivery course to accommodate additional costs despite small loadings. Loadings are considered a bonus but you cannot budget for them and they have not seen any significant increases over time. Access to multiple loadings e.g. combining a location and needs based loadings are not a significant benefit to viability. Additional costs to travel and support for individual needs outweigh benefit of loadings. Fee free traineeships work well to support the employer and new entrants

Current fuel volatility when delivering vehicle and equipment training adds to costs. RRR areas typically have higher fuel costs than metropolitan or larger regional areas. Wear and tear on consumables such as chains for chainsaws is the same across locations.

Attraction and retention requires offers and payment of highly competitive, above award rates to attract and retain trainers with specialised skills (very limited trainers (TAE holders) with specific skills and experience). Internal competition with Industry itself who are seeking higher qualified workers for management and executive roles. Trainers also need to accept some working conditions that are unusual or difficult such as long distances of travel, remote locations with limited or substandard quality of accommodation, working away from home

We find contextualisation for local industries very important

Complex scheduling for “industry rhythm” is a business issue – e.g. Parks and Gardens training is limited over summer due to seasonal operations demand/workload. Training needs to be flexible requiring more intensive training when operations slow in winter months.

There is some ability to negotiate release with employers to “pick up the tail” by targeting learners requiring additional assistance to progress during the summer seasonal operational demand. Variations to delivery due to seasonal changes add costs of coordination and administration. Summer operational demand creates delays for Parks and Gardens requires more intensive training in cooler month where 2 units/workplace visit are targeted to catch up the learners.

The RTO employs 5 full time sales personnel to develop business and make sure training is planned and budgeted for viability. Significant investment in sales team to value add to training which increase return on investment. E.g. a council Parks and Gardens course can evolve into learners accessing pathways into other qualifications benefitting employment such as Water Operations and building regional workforce capacities for sustainability in operations

Agriculture costs are higher for biosecurity but not a significant cost e.g. antiseptic washes for eggs, pork, pressure cleaning equipment and disposable bags/bunding

Trainer accommodation is a large cost, variable standards of accommodation and variable between locations.

Upfront capital investment is a massive cost when the equipment is a high cost or higher volume requirement e.g tractors. Agtech is rapidly changing, very diverse and constantly evolving

There is a need for RTO support for developing assessment tasks that are achievable and compliant for flexible delivery in RRR, and assistance from Training Services to validate achievement of required standards.

Training package update for qualifications with a large number of elective units is a huge expense (even with industry training bodies supporting resources).

The RTO develops its own resources at significant costs in time to ensure high quality resources matched to industry standards. Any Training Package or unit update requires changes made to multiple documents which takes a lot of time and must be checked for compliance

The main campus site is the only RTO site where accommodation for staff is provided, remote sites require staff to live in surrounding areas e.g. a major regional centre can be 1hr and 40min drive and availability of housing is limited causing issues with attracting suitably qualified staff. Training in rural and remote areas require temporary accommodation with variable standards and costs

Fuel volatility when delivering vehicle and equipment training adds to costs. RRR areas typically have higher fuel costs than metropolitan or larger regional areas. Wear and tear on consumables such as chains for chainsaws is the same across locations.

We are part of a larger organisation which helps with specialised recruitment. It's harder to attract trainers in more remote sites, especially where travel from principle places of residence is required, recruitment usually occurs over longer timeframes resulting in higher costs. RTO competition for trainers who can work in higher paid commercial capacities and require staff development costs associated with upskilling to the TAE qualification. More likely to recruit an older worker who is transitioning from more active commercial roles which reduces the life expectancy of the trainer and assessor and reduces the investment return in

upskilling staff to hold the TAE. It is more difficult to get suitably skilled young people to take the role.

Maintaining high quality training and delivery resources that are also compliant is a major cost to our business.

Extra costs of Starlink for remote access, lack of connectivity causes issues with delivery of training, learners requiring printed materials which must be uploaded electronically and administration tasks cannot be completed in remote settings.

Training Package translation is a major cost where there is a high need to maintain products that are current with industry standards and updated from qualification reform processes. Delivering contextualised courses to suit RRR industries in dispersed markets requires additional product development and compliance costs that have a lower return on investment due to dispersed market.

Contextualisation for local industries is a huge cost when contextualised to specific industry sectors, such as preparing products for chemical courses contextualised to beekeeping industry versus the same units delivered to broadacre cropping sector— tractor driven boom spray and precision application equipment versus manually applied miticide strips in beekeeping. Biosecurity training for a citrus grower must be contextualised differently for a livestock producer and the trainer must spend additional time to adjust resources and delivery to suit different audiences and environments this adds to costs in RRR

Assessment tool development and validation is the same as in metropolitan, assessments must include a focus and examples from specific contextualised industries related to training but kept consistent as assessment across all sectors for compliance

Complex environmental conditions where weather and extreme events changes course planning. Industry sectors vary widely with availability for learning e.g. broiler production is a 6 week cycle of production which may vary from a nearby competitor and thereby reduce class sizes. Seasonal training windows occur for most agricultural industries and some funded programs do not enable access for some specific industries such as wine and cotton in winter months

Training costs vary in industries with operating cycles that do not match other producers e.g. poultry broiler versus broiler cycles of production vary and egg versus broiler cycles also vary. Harvest operations can only be delivered during a harvest and seasonal change can affect delivery if a course is planned during harvest which varies according to a weather change. An example of a course on Integrated pest management where a specific timeframe is required for delivery during a particular plant growth phase e.g. January for Cotton farming. A Cultural fire course is seasonal and can be affected by a period of wet weather adding to costs. Course demand in remote locations can have extended timeframes for delivery where dispersed market conditions make it difficult to confirm viable enrolments on a defined delivery date and make sure of full attendance on the date of the course

Starlink improves connectivity but is expensive.

Large variability in trainer travel costs where low student/trainer ratios impact the return on investment, travel can be a very significant additional cost to training. Training offsite is often for 6 people and subject to nonattendance risks which further reduce student numbers.

Workplace visits are usually smaller numbers of individuals and far bigger distances between learners. Variation in travel between locations - Site based delivery and Statewide

delivery, the radius of distance can vary widely depending upon the course e.g. some sectors might be 200km from different delivery locations

Mobile training set-up and pack down cost depends upon the equipment required and the type of course but could add significantly to time and costs. An example is tractor and precision agronomy courses which require transport of high-tech tractors and implements over large distances with additional costs of transport truck and trailer required alongside the time to load and unload equipment which is also dependent upon contractor support and availability when training is complete.

Moving tractors and precision equipment to remote areas is a huge additional cost as an example. Additional costs also apply to farm safety training vehicles and quad bikes and specific courses such as chainsaws. The additional hire of truck and trailer and the time taken to return equipment increases costs of time and additional costs in hiring logistics support

Dealing with weather events and access disruption, variable costs are mostly associated with extended planning and rescheduling courses. Additional costs associated with variations to expected attendance reducing class sizes and ROI. Load and return hire equipment costs may still apply if a course has been cancelled. Some courses require cancellation despite investment in planning due to weather e.g. tractors and wet weather

Agriculture training is highly specialised across multiple sectors, advances in technology require upgrades in infrastructure and compliance requirements for equipment currency as a component of training. The type of course and equipment required has highly variable costs e.g. a tractor course requires more investment in the provision of equipment than a chemicals course or significantly higher when compared with delivering a course from a different training package such as computing or business studies. There is also a high cost associated with running a commercial farming operation with current best practice equipment and access for training within the operation, costs increase when moving equipment to other locations. If using equipment provided on a workplace site there are additional costs associated with compliance and safety check/audit prior to use

Extra costs of Starlink for remote access, lack of connectivity causes issues with delivery of training, learners requiring printed materials which must be uploaded electronically and administration tasks cannot be completed in remote settings.

Generally high level of low literacy and digital literacy demographic in RRR locations which requires higher levels of support staff and resources. Higher rates of low level LLN learners in RRR requiring more learner support and time to complete. Diploma level has more capable students with higher LLN capacities

Wellbeing and pastoral care is a huge cost for the full time onsite program of resident students who are young and diverse, requiring safety monitoring and constant supervision. A full time welfare support person and a psychiatrist provided onsite 2 days/week. Staff onsite are required to spend a lot of time supporting and supervising students. Pastoral care costs and staff time are significant.

Onsite facilities have had ongoing accessibility and disability investment over time, harder to cater for difference and infrastructure development when providing training offsite

Inter sector differences can add to time costs e.g. broiler versus broiler competition and vested interests. Industries respond to trends and are currently targeting governance

upskilling which requires product development. Difficulties with design of course delivery for some sectors e.g. those requiring training onsite in the workplace with small numbers of learners in a highly dispersed market, block training must be planned carefully to align with availability of workers and seasonal and highly mobile operations which extend across large distances

Negotiating workplace constraints can be a huge issue for planning and logistics, and training cannot occur at certain times which affects scheduling and delivery. These costs are more variable across different sectors and locations.

Upskilling of respected industry technical experts to take on roles as trainers and assessors is time consuming and a major cost to business including working under supervision requirements.

Travel, accommodation and allowances are major costs and have an impact on where/what and when courses can be delivered.

Unplanned production restrictions can create added financial burden if the trainer has travelled and is suddenly not able to proceed with the training/assessment. Industry often has 'immediate' requirements such as short notice audits which in RRR can be expensive to cover.

Appendix 4: Analysis of responses from meat industry stakeholders and RTOs delivering AMP training

Methodology

Targeted engagement activities were undertaken to capture insights from Registered Training Organisations (RTOs), employers, and learners across the red meat processing sector.

A total of 36 RTOs with AMP qualifications on scope (NSW and nationally) were contacted via email, inviting participation in an online survey and a follow-up consultation meeting.

- 3 RTOs completed the survey online during the survey period (6/2/2026 – 24/2/2026)

During the MINTRAC Industry Connect event in Western Australia on the 11/2/2026, 23 survey responses were collected, comprising:

- 5 RTO representatives
- 8 from the perspective of Learners
- 10 from the perspective of employers

A follow-up online consultation was conducted with RTO stakeholders, with 7 representatives (from the original 36 invited) participating to discuss survey findings and provide further qualitative insights.

MINTRAC Analysis

Compliance, quality assurance and audit activities are the most significant cost pressure, with 69% of respondents rating this as a major cost centre, highlighting the substantial regulatory burden on training providers.

Delivery operations and travel/logistics are also frequently rated as major cost centres, reflecting the operational complexity of delivering training, particularly across geographically dispersed regions.

Costs associated with workforce capability and training resource development are more evenly distributed, with the majority of responses falling within the moderate category. This suggests these are consistent, ongoing cost pressures rather than acute challenges.

Rural, regional and remote (RRR) delivery is generally associated with higher costs, particularly in workforce, delivery operations, and travel-related cost centres. For example, 56% of respondents indicated workforce-related costs are higher in RRR areas.

Some cost centres show limited variation by location, particularly compliance-related activities, where 79% of respondents indicated costs are consistent regardless of geography.

Employer responses indicate that direct training costs are generally perceived as minor to moderate, with the majority of respondents reporting lower relative cost impact.

However, workforce-related factors such as attraction, retention and workforce strategy are more frequently rated as moderate to major cost pressures, highlighting the operational impact of workforce sustainability.

Learner responses suggest that the majority of training-related costs are perceived as minor to moderate, particularly for direct study costs and income-related impacts. However, travel and relocation costs show greater variability, with a higher proportion of learners indicating increased costs in RRR areas.

Across both employers and learners, cost variation by location is less consistent than observed for RTOs, with a number of cost centres showing mixed responses between smaller and larger costs in RRR areas. This suggests that the impact of geography may be more pronounced at the training level.

These early findings highlight that while some cost pressures are systemic across all locations, others are significantly amplified in RRR contexts, particularly those linked to workforce and service delivery logistics. Collectively, these findings indicate that cost pressures in the sector are driven by a combination of systemic regulatory requirements and operational delivery challenges, with the greatest impact observed at the training provider level. While employers and learners experience cost pressures, these are generally more moderate and variable, with geographic factors most strongly influencing RTO delivery costs in RRR contexts.