



INDEPENDENT SCHOOLS
COUNCIL OF AUSTRALIA

The Independent Schools Council of Australia (ISCA)

Feedback: Consultation Paper Charging arrangements relating to the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) – January 2020

Introduction: About ISCA

ISCA is the national peak body representing the Independent school sector. It comprises the eight state and territory Associations of Independent Schools (AISs). Through these Associations, ISCA represents a sector with 1,140 schools and over 617,000 students, accounting for approximately 16 per cent of Australian school enrolments. ISCA's major role is to bring the unique needs of Independent schools to the attention of the Australian Government and to represent the sector on national issues.

Independent schools are a diverse group of non-government schools serving a range of different communities. Many Independent schools provide a religious or values-based education. Others promote a particular educational philosophy or interpretation of mainstream education. Independent schools include:

- Schools affiliated with Christian denominations for example, Anglican, Catholic, Greek Orthodox, Lutheran, Uniting Church, Seventh Day Adventist and Presbyterian schools
- Non-denominational Christian schools
- Islamic schools
- Jewish schools
- Montessori schools
- Rudolf Steiner schools
- Schools constituted under specific Acts of Parliament, such as grammar schools in some states
- Community schools
- Indigenous community schools
- Schools that specialise in meeting the needs of students with disabilities
- Schools that cater for students at severe educational risk due to a range of social/emotional/behavioural and other risk factors.

Many Independent schools have been established by community groups seeking to meet particular needs. Examples include the Independent community schools for Indigenous students in remote areas, special schools for students with disabilities and boarding schools to educate children from rural and remote areas. There are also schools that seek to reflect the religious values of a particular community or that seek to practise an internationally recognised educational philosophy such as Rudolf Steiner or

Montessori schools. Independent Catholic schools are a significant part of the sector, accounting for eight per cent of the Independent sector's enrolments.

Most Independent schools are set up and governed independently on an individual school basis. However, some Independent schools with common aims and educational philosophies are governed and administered as systems, for example Lutheran systems. Systemic schools account for 18 per cent of schools in the Independent sector. Four out of five schools in the sector are autonomous non-systemic schools.

Context

ISCA estimates between 30-40% of all CRICOS registered providers in Australia are Independent schools enrolling over 9,000 students¹ that are individually registered and undertake considerable regulatory responsibilities to enable them to enrol overseas students.

Generally overseas student enrolments comprise a small percentage of their overall student cohort, and many schools enrol overseas students for purposes of internationalisation of schooling and enhancing student cultural diversity rather than for economic reasons.

With the Australian Government Department of Education, Skills and Employment (the Department) currently developing a national schools sector strategy that will have a focus on the importance and extent of school sector engagement globally, it is important that the regulatory agency for ESOS within the Department aligns proposed cost recovery measures for the schools sector with the wider goals of the Department, and also the broader red-tape agenda of government.

Australian Government Charging Framework & Proposed charging model for the Department of Education, Skills and Employment

It is not clear from the information provided in the consultation paper how a new cost recovery model will apply to public and private providers. For example, ISCA is advised:

The Charging Framework covers activities where the government charges the non-government sector for a specific government activity such as, regulation, goods, services, or access to resources or infrastructure. (p.1)

However, the overview of the proposed new model, while identifying "all" or "school" providers, does not make it clear which classes of fees will apply to public and private providers. Understanding the quantum of providers paying the proposed amounts and the activities these amounts are intended to fund is an important factor in demonstrating transparency.

Charges applying to market entrants

Currently the Entry to Market Charge (EMC) applies only to private providers as these are considered to pose a risk to industry. The Independent Schools Council of Australia (ISCA) has consistently advocated

¹ YTD November 2019 PRISMS data

that this charge has been an unfair impost on non-government schools in receipt of government funding as these are already highly regulated and accountable to the Department, and have often operated as schools for a considerable period of time.

ISCA trusts that non-government schools in receipt of government funding will be duly recognised by the Department as posing a much lower risk to the industry than new entrants in other sectors, and the amount of the proposed Schools Initial Registration Charge (SIRC) will reflect this.

Implementing the charging model

ISCA welcomes the Government's intention to undertake consultation on a Cost Recovery Implementation Statement to support the implementation of the ESOS charges regulations, providing there is an opportunity to review and comment on proposed cost structures prior to these being implemented.

It will be important for the non-government schools sector to have an opportunity to assess the impact of the proposed changes on individual schools, particularly on those that may only enrol a small number of overseas students.

Charges for registered providers

In apportioning charges for government activities consistent with individuals or groups regulated, ISCA trusts the Department will take into account the number of overseas students enrolled in non-government schools, and not just the number of CRICOS registered schools in the sector.

The schools sector accounts for less than 3% of overall overseas student enrolments, with only a little over a third (36%)² of these enrolled in non-government schools. This should be considered when determining:

- a) the Annual Registration Charge (ARC) for "all CRICOS registered providers"
- b) an annual schools compliance and monitoring charge
- c) a schools renewal registration charge, and
- d) an annual Overseas Students Ombudsman charge.

It should also be noted non-government schools that account for around only 2% of complaints against private providers investigated Commonwealth Ombudsman for overseas students.³

Impacts of the proposed charging model

ISCA notes that the consultation paper anticipates:

² According to YTD November 2019 Enrolments data in PRISMS, 9,192 / 25,557 enrolments were in non-government schools.

³ [Commonwealth Ombudsman Overseas Students Quarterly Update: 1 July–30 September 2019](#)

The impact of changed charging rates is anticipated to be different across categories of CRICOS providers (p.3)

and

that the new arrangements will reduce the total amounts for departmental charges from 1 July 2020, noting the department's cost modelling does not include providers' obligations to the other ESOS agencies regulating them (p.4).

ISCA trusts that the Department, as the ESOS agency for schools, will be mindful of the overall impost and impact of new costs on non-government schools, and will ensure that changes will not be a disincentive for schools to attain or maintain CRICOS registration, given that there are likely to be three new categories of charges (listed above) and that these will in addition to the annual TPS levy and DSA charges.

Further comments on Attachment A: ESOS agencies' CRICOS regulatory responsibilities

1. ESOS agencies

ESOS agencies have the final decision making power to register a provider on CRICOS. Wherever possible, each provider should have only one regulator for:

- Managing registration and accreditation
- Assessing risk
- Compliance monitoring and enforcement

This is clearly not the case for the schools sector, as recognised in the s7AA of the ESOS Act:

Nothing in this Act imposes a duty on a designated State authority.

Designated State Authorities (DSAs) effectively provide another layer of regulatory oversight and undertake these same roles for schools within their jurisdictions. Overall regulatory responsibilities for schools is thus shared between the Department, as the ESOS agency for schools, and the DSAs. The new cost recovery structures should reflect the degree of regulation already undertaken at a state and territory level for school sector providers.

2. School Education

School Education

ESOS agency: Dept. of Education, with advice from Designated State Authorities (DSAs)

- Schools
- Providers of ELICOS courses that lead to school education

There appears to be an error in this text box.

The ESOS agency, with advice from DSAs regulates school providers of ELICOS for ELICOS courses that lead to school education.

There may be other providers of ELICOS courses that lead to school education that are not school sector providers. These would be regulated by ASQA or TEQSA, depending on their sector.

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