

Feedback on Exposure Draft of CRIS for revised CRICOS charges

Joint submission
August 2021



Joint submission with feedback on Exposure Draft of CRIS for revised CRICOS charges

- I consent to the submission being published in full on the DESE website
 I do NOT consent to the submission being published in full on the DESE website

Organisation name	Submitted on behalf of Navitas, Kaplan and Study Group
Contact name	Kadi Taylor
Position	Head, Strategic Engagement and Government Relations, Navitas
Telephone	0408 020 978
Email	kadi.taylor@navitas.com
Sector of delivery	Higher Education, ELICOS and Foundation programs
Are you a member of an industry body? If yes, please specify	Yes, Navitas and Kaplan are members of Independent Higher Education Australian (IHEA) and English Australia. Navitas, Kaplan and Study Group are members of International Education Association of Australia (IEAA).

1. Overview of contributing organisations

Navitas, Kaplan and Study Group (the organisations) welcome the opportunity to respond to the *Cost Recovery Implementation Statement: Regulation of Providers listed on the Commonwealth Register of Institutions and Courses for Overseas Students* – which provides information on how the Department of Education, Skills and Employment (DESE) will implement cost recovery for its regulatory responsibilities under the ESOS Act. The following submission outlines our response to the Consultation Paper and the discussion questions.

Navitas, Study Group and Kaplan are three of the leading independent providers of international education in Australia

Navitas, Study Group and Kaplan are all major independent providers of higher education programs for international students in Australia. Navitas has partnerships in place with twelve universities across Australia to deliver pathway, English language and degree level programs, these are both through Navitas higher education providers and on behalf of some university partners. Navitas higher education providers SAE Creative Media Institute and Australian College of Applied Psychology are also registered CRICOS providers.

Study Group has partnerships in place with the Australian National University, University of Western Australia and the University of Sydney and delivers Foundation programs through Taylors College Sydney, Taylors College Perth and ANU College.

Kaplan has partnerships in place with both the University of Adelaide (through University of Adelaide College) and the University of Newcastle and also delivers programs to international students through Kaplan Business School.

3. Responses to discussion questions

Question 1 | Noting the new charging arrangements represent an overall reduction in the department's collection of CRICOS charges from the international education sector, what are your views on the proposed implementation approach outlined in the CRIS?

Navitas, Kaplan and Study Group (the organisations) support the overall reduction in the CRICOS charges reflecting an activity-based costing approach to Department of Education, Skills and Employment (DESE) CRICOS-related regulatory functions. The organisations understand that the new charging model will result in a simpler approach to determining CRICOS related regulatory expenses for individual CRICOS providers.

The organisations understand that DESE is introducing the new CRICOS charging arrangements (specifically a revised calculation methodology) from 1 January 2022. The organisations do not have any concerns with this proposed implementation timeline.

The organisations do however note, that the CRICOS related regulatory charging model to be adopted by Tertiary Education Quality and Standards Agency (TEQSA) and Australian Skills Quality Authority (ASQA) is not included in this CRIS. The organisations would encourage these regulatory agencies to adopt a similar approach to the regulatory cost burden as DESE by reducing the overall charges levied on the sector.

Question 2 | Do you have any comments on the CRICOS Annual Registration Charge (CARC)?

a) CARC Part A – relates to sector wide regulatory activities, payable by all CRICOS providers

i. Base component plus a per enrolment component

The organisations understand that the CRICOS Annual Registration Charge is an annual cost recovery charge aimed at recouping the costs of regulating CRICOS providers.

For non-school providers, such as the three organisations, this includes three separate components – the Part A Base – CRICOS systems, Part A Base – ESOS Regulation and Support and Part A Pro Rata – CRICOS systems. The first two charges are flat rate annual fees, while the CRICOS Systems component is pro-rata based on the number of CARC enrolments the CRICOS provider has for that year.

Based on our interpretation, this new revised calculation methodology will result in lower CRICOS fees for the majority of the business units of the three organisations, as well as an overall reduction in the level of CRICOS fees paid by the organisations. The decline in fees for our respective businesses relates to the removal of the ‘course by location’ charge in the previous costing model and adjustment to a flat fee (as opposed to being based on quarter and half enrolments).

The organisations also believe that the proposed changes to the model, including the introduction of the flat fee for Part A Pro Rata – CRICOS Systems, will result in a simpler approach to recouping the costs of CRICOS regulatory functions for both DESE and providers.

The organisations therefore support the proposed CRICOS Annual Registration Charge Part A.

iii. CARC Part B – set amount payable by all CRICOS registered school providers

None of the organisations deliver programs in the schools sector so will not be impacted by the Schools Initial Registration and Schools Renewal Registration Charges.

The organisations therefore have no comments on this proposed change.

iv. CARC Part C – set amount payable by CRICOS registered school providers with at least one enrolment in the previous calendar year.

None of the organisations deliver programs in the schools sector. The organisations therefore have no comments on this proposed change.

Question 3 – Do you have any comments on the Schools Initial Registration and Schools Renewal Registration Charges?

None of the organisations deliver programs in the schools sector. The organisations therefore have no comments on this proposed change.

Question 4 | Noting the requirement for cost recovery to be consistent with Government policy, do you have any comments on how the price for each charge has been determined based on the costing of applications and non-application based activities?

The organisations support the approach that has been taken to determine the price for applications and non-application based activities. In particular, the organisations believe that this assessment provides a more appropriate and more accurate assessment of the regulatory role and associated cost of DESE delivering CRICOS functions.

As outlined in our response to Question 2 above, the organisations also support the move towards a simpler pro-rata model – which considers only a flat rate for an international student enrolment, as opposed to differentiating based on enrolment duration. From our perspective, this represents a simpler model to adopt whilst still maintaining an approach that scales to the size of the organisation – which is appropriate.

The organisations support the proposed approach to achieve the cost recovery of the DESE's CRICOS regulatory activities.

Question 5 – Do you have any other comments?

The organisations are supportive of the proposed changes to cost recovery of CRICOS functions by DESE as they will result in lower charges for the organisations compared to previous years. This is a positive contribution to reducing the sector’s regulatory burden. However, the organisations note that this will in no way offset the massive additional regulatory costs that the organisations will have to pay with the proposed model of TEQSA full cost recovery.

For the organisations views on TEQSA cost recovery please see Navitas’ submission [here](#) to TEQSA from June 2021.

Submitted on behalf of Navitas, Kaplan and Study Group by:

Kadi Taylor – Head, Strategic Engagement and Government Relations, Navitas

(E) kadi.taylor@navitas.com

(M) 0498 020 978