



2013 ASQA Cost Recovery Impact Statement – Exposure Draft

Submission by The Independent Schools Council of Australia (ISCA)

Introduction: About ISCA

The Independent Schools Council of Australia (ISCA) is the peak national body covering the independent schools sector. It comprises the eight State and Territory Associations of Independent Schools. Through these Associations, ISCA represents a sector with 1,080 schools and 560,000 students, accounting for nearly 16 per cent of Australian school enrolments.

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 larger and smaller 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.*

Independent schools are not-for-profit institutions founded by religious or other groups in the community and are registered with the relevant state or territory education authority. 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 the Lutheran systems. Systemic schools account for 16 per cent of schools in the independent sector. Independent Catholic schools are a significant part of the sector, accounting for 10 per cent of the independent sector's enrolments.

Key Points

ISCA is concerned that the proposed fee structure has the potential to significantly disadvantage providers, particularly where fee increases for VET or CRICOS registration managed by ASQA might apply to independent schools which generally do not have the large numbers of either Vocational Education and Training (VET) or overseas students, in comparison with those providers which are required to seek CRICOS registration with other bodies, such as TEQSA.

Independent Schools and ASQA

ASQA is the VET regulator for the independent schools sector in referring states and also has a role in CRICOS registration for dual sector schools (schools/VET) enrolling overseas students. When ASQA commenced in 2011, ISCA made several submissions regarding the proposed fee structures as well as concerns regarding the impost and costs to schools.

Other Associations of Independent Schools will be making submissions to ASQA regarding the VET registration fees. This submission is more concerned with CRICOS registration fees for schools which offer VET to overseas students.

Overseas students enrolled in independent schools

Approximately 42% of all overseas students enrolled in the school sector in Australia attend independent schools. In 2012 there were over 6,000 overseas students enrolled at nearly 360 independent schools¹. ISCA estimates between 30-40% of all CRICOS registered providers in Australia are independent schools that are individually registered and individually responsible for meeting compliance requirements.

Independent schools provide both primary and secondary level education to overseas students, which for some schools which are also Registered Training Organisations, includes VET.

By contrast, state departments of education hold single provider registrations covering any number of state schools enrolling overseas students within a state.

Overseas student enrolments in independent schools vary from 1 to close to 200 overseas students. The median number of overseas students at an independent school is 7 students.

This profile differs quite substantially from other sectors. For the vast majority of independent schools, overseas students do not determine the school's sustainability. Rather, overseas students provide a much valued international element and diversity to school populations.

While there are only a small number of overseas students seeking to enrol in school VET courses, schools prefer to provide the same curriculum offerings, where possible, to all students, without differentiation.

Impact of recent challenges in international education on non-government schools

Since 2008, declines in overseas student enrolments in the school sector have been most significant in non-government schools in New South Wales and Victoria, the states most affected by adverse publicity about "private" education providers in the media overseas in 2009. Declines in other states have also been experienced between 2009 and 2012.

¹ Based on DEEWR 2012 Non-government School Census Data

Apart from the impact of adverse media coverage overseas on the non-government schools sector, other factors commonly reported as influencing the rapid decline of overseas school student enrolments have been the continuing strength of the Australian dollar, and the relative ease of being granted visas to study in competitor countries.

However, ISCA has consistently identified increases in compliance burden and costs associated with gaining and maintaining CRICOS registration as significant disincentives for the large number of CRICOS registered non-government schools. Generally, these schools only wish to enrol comparatively small numbers of overseas students as part of an international engagement strategy aimed at enhancing and diversifying school programs and student cohorts.

ASQA 2013 Cost Recovery Impact Statement

While ISCA understands that ASQA is working from a cost recovery basis, the proposed CRICOS fee structure and associated increases are quite large and would significantly disadvantage providers with small numbers of students and CRICOS registered courses. For example, the proposed blanket fee of \$2,525 for annual CRICOS registration fee for 3 – 50 courses is unfairly penalising providers with smaller numbers of CRICOS registered courses.

ASQA should consider returning to a per course fee or to further break down the fee levels by number of qualifications into more realistic “blocks” of courses e.g. 3 – 10, 10 – 20, 20 – 30 etc. This would allow for a fairer and more accurate distribution of costs.

However this is not the only fee which could increase significantly. As a matter of good practice, a cap on the percentage by which a fee can be increased per year should be implemented to avoid “price shock” on the part of providers. A comparison chart is provided below at Attachment 1, which shows that several fees are proposed to increase by over 100%.

Conclusion

In ISCA’s submission to the ASQA consultation regarding its initial proposed fee structure in 2011, ISCA noted that:

“In numerous submissions to government regarding recent ESOS changes and the Strategic Review of the Student Visa Program, ISCA has constantly advocated for schools to be considered as low risk providers of education to overseas students, and against regulatory changes that create a disincentive for schools to engage in international education, putting into jeopardy valuable internationalisation programs within this sector.

VET in schools has become increasingly popular over the past few years, with significant investment by departments of education in some states. Schools should not be penalised for expanding curriculum offerings in this area; nor should overseas students enrolled in schools be prevented, by cost or regulation, from accessing the same range of curriculum offerings as is available to Australian school students.”

We believe this still holds true in 2013 and that some of the proposed CRICOS cost structures, particularly as they relate to providers with small numbers of overseas students, are too high and will act as a disincentive to providers.

Canberra
9 April 2013

Attachment 1: Current and proposed CRICOS fees

Fee Name / Structure	Current fee	Proposed fee	Increase
Initial Registration			
Application lodgement fee	\$640	\$1,025	60%
Application assessment fee	\$4,300	\$11,475	167%
	(2 quals, 2 sites)	(4 quals, 4 sites)	
Additional qual	\$375	\$270	-28%
Additional site	\$700	\$1,645	135%
Renewal			
Application lodgement fee	\$640	\$1,065	66%
Application assessment fee	\$3,300	\$5,140	56%
	(2 quals, 2 sites)	(4 quals, 4 sites)	
Additional qual	\$100	\$125	25%
Additional site	\$700	\$825	18%
Change to scope			
1 qualification	\$375	\$1,400	273%
2 qualifications	\$750	\$1,550	107%
3 qualifications	\$1,125	\$1,700	51%
4 qualifications	\$1,500	\$1,850	23%
5 qualifications	\$1,775	\$2,000	13%
6 qualifications	\$2,050	\$2,150	5%
7 qualifications	\$2,325	\$2,300	-1%
8 qualifications	\$2,600	\$2,450	-6%
9 qualifications	\$2,875	\$2,600	-10%
more than 9 quals	\$2,875	\$2,600	-10%
+ qualification	\$125	\$150	20%
+ students	\$700	\$1,645	135%
+ site	\$700	\$825	18%
Annual CRICOS registration fee			
Base fee	\$600	\$950	58%
3 - 50 quals	\$100	\$2,525	2425%
	for each additional qual		
more than 50 quals	\$100	\$4,100	4000%
	for each additional qual		