



Australian Government
Department of Education,
Skills and Employment

Consultation paper

Updating the Commonwealth Register of
Institutions and Courses for Overseas
Students (CRICOS) charges

May 2021





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1 Summary

The Department of Education, Skills and Employment (the department) proposes to implement new Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) registration charges from 1 January 2022 to reflect the requirements of the [Australian Government Charging Framework](#) (the Charging Framework).

This consultation paper relates to the department’s proposed CRICOS charges for:

- oversight of the regulation for all CRICOS providers in accordance with the *Education Services for Overseas Students Act 2000* (ESOS Act), through a levy
- management of the Provider Registration and International Student Management System (PRISMS), through a levy
- the department’s role as the ESOS agency regulating school providers, through a combination of a levy and application-based fees.

The new charging arrangements represent an overall reduction in the department’s collection of CRICOS charges to the international education sector. Changes to charges for individual education providers will vary depending on providers’ size and sector.

The Department’s authority to charge for its ESOS regulatory functions is set out within the ESOS Act, the *ESOS (Registration Charges) Act 1997*, and the associated regulations. Implementation of some aspects of this proposal will require amendments to this statutory and regulatory framework.

The proposed revised departmental charging arrangements are described in the table below.

Table 1 – Summary charging changes

Provider type	Current charging arrangement	Proposed charges
For entrants to the international education market	New providers pay an <i>Entry to Market Charge</i> to the department in each of the first three years of their registration.	Each ESOS agency will charge for their regulatory activity for new entrants to the international education market. The centralised Entry to Market Charge will be abolished.
For all CRICOS registered providers	Each provider pays an <i>Annual Registration Charge</i> to the department.	The department will charge for its cross-sectoral CRICOS regulatory effort. <ul style="list-style-type: none">• CRICOS Annual Registration Levy<ul style="list-style-type: none">○ Part A - a modified version of the department’s current

		Annual Registration Charge (ARC) will be retained.
For CRICOS registered school providers	Entry to Market Charges and Annual Registration Charge as described above.	<p>The department will charge for its regulatory responsibilities as the ESOS agency for school providers.</p> <p>CRICOS School Application-Based Fees</p> <ul style="list-style-type: none"> • <i>CRICOS School Registration Fee</i> - a single fee for school providers newly registered on CRICOS will be established. <ul style="list-style-type: none"> ○ Replaces the existing <i>entry to market charges</i> for a school. • <i>CRICOS School Registration Renewal Fee</i> – a single fee will be payable on registration renewal. <p>CRICOS Annual Registration Levy</p> <ul style="list-style-type: none"> • School levy components of the CRICOS Annual Registration Levy will be established consisting of: <ul style="list-style-type: none"> ○ Part B (Education and Engagement), will be charged to all CRICOS school providers; and ○ Part C (Oversight and Management), will only be charged to CRICOS school providers with at least one enrolment in the previous calendar year.

The department’s CRICOS charges are related but separate to the Australian Skills Quality Authority’s (ASQA) and the Tertiary Education Quality and Standards Agency’s (TEQSA) cost recovery arrangements which will also change from 1 January 2022.

ASQA's and TEQSA's new cost recovery arrangements will include charges to support their own CRICOS regulatory activities, ensuring clear lines of transparency and accountability between charging and regulatory practice.

Further information on ASQA's current charging arrangements can be found at www.asqa.gov.au/fees-charges. Further information on TEQSA's current and proposed charging arrangements can be found at www.teqsa.gov.au/fees and www.teqsa.gov.au/latest-news/articles/teqsa-fees-and-charges-consultation.

2 How to submit feedback

Your comments will assist the department to prepare the *2022 CRICOS Cost Recovery Implementation Statement* and inform the legislative amendments to implement new CRICOS charges.

To send us your feedback, please read the consultation paper and respond to the consultation questions in the submission form. Submissions close on **11.59pm AEST, Tuesday 1 June 2021**:

Please note: We will only publish the submissions on our website for which we have express permission to do so. You will be asked whether you give consent for your submission to be published in the submission form.

Table 2 – Timeframes

	Date
Public consultation commences	12 May 2021
Closing date for submissions	1 June 2021
Introduction of bills to amend the <i>Education Services for Overseas Students Act 2000</i> and the <i>ESOS (Registration Charges) Act 1997</i> .	Winter sitting of Parliament
Commencement of new CRICOS cost recovery arrangements	1 January 2022

3 Regulation of the international student education sector

The provision of quality Australian education services to student visa holders is underpinned by the *Education Services for Overseas Students Act 2000* (ESOS Act) CRICOS registration requirements.

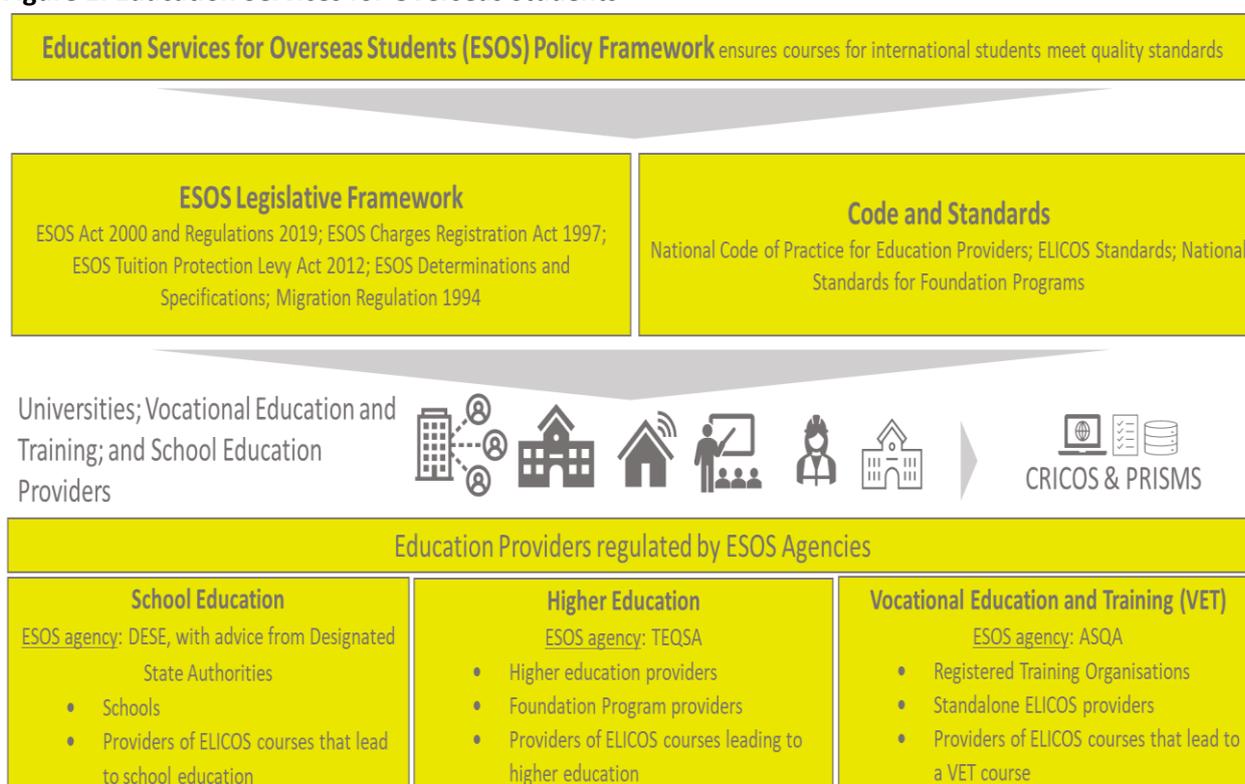
CRICOS registered providers must have met, and continue to meet, the requirements of the ESOS Act and the *National Code of Practice for Providers of Education and Training to Overseas Students*. Providers who deliver English Language Intensive Courses for Overseas Students (ELICOS) or Foundation Programs must also meet the ELICOS or Foundation Program Standards.

The Australian Government recovers the costs of administering the ESOS Act and regulating education providers. The registration, regulatory, compliance and enforcement functions under the ESOS Act are shared across three ESOS agencies:

- the department as the ESOS agency for schools
- ASQA as the ESOS agency for the vocational education and training sector and standalone ELICOS
- TEQSA as the ESOS agency for the higher education sector and Foundation Programs.

The ESOS policy, legislative and regulatory framework is detailed below at Figure 1.

Figure 1: Education Services for Overseas Students



4 Developing the proposed cost recovery arrangements

4.1 The Australian Government Charging Framework

The Charging Framework works to ensure that whoever creates a need for regulation should bear the cost of the regulation being provided, rather than those costs being met by taxpayers more broadly. To deliver on this principle, regulators are required to design charging arrangements that recover only the costs of efficient and necessary regulation through regulatory charges. Charging arrangements must be robust but flexible enough to reflect the regulatory effort over time, including reducing or increasing the charges where appropriate.

More information about the Charging Framework is at [Appendix A](#).

In 2019, the department reviewed its charging for CRICOS-registered providers under the *Education Services for Overseas Students (Registration Charges) Act 1997* (the Charges Act) to ensure consistency with the Charging Framework. Updated arrangements were planned to start from 1 July 2021 but implementation was delayed as part of the Government's 2020 regulatory fee relief measures in response to the COVID-19 pandemic.

The revised departmental CRICOS charging arrangements described in this paper will apply from 1 January 2022.

4.2 Identifying the regulatory services

The department's cost recovery arrangements are based on a detailed cost model, which identified three distinct regulatory activities, delivering 19 specific outputs through 88 business processes. The resulting 'Service Catalogue' describes the complete set of CRICOS activities, outputs, and business processes.

Table 3 - Example activity from the service catalogue

Activity	Output	Output Description	Key processes (high-level tasks) to deliver output
2. Administering Education Services for Overseas Students (ESOS) framework	Output 2.3 - ESOS Policy Guidance and Helpdesk	Responding to provider, student and industry stakeholder queries regarding rights and obligations under the ESOS legislative framework and related issues.	2.3.01 Receive and assess response 2.3.02 Research and information gathering 2.3.03 Prepare Response 2.3.04 Review and approve response

4.3 Determining cost recoverable regulatory services

Not all regulatory services are chargeable under the Charging Framework. Only those that were in-scope were used in calculation of fee-for-service and levy charges, however all have been included in the Service Catalogue to ensure completeness.

An overview of the CRICOS Service Regulatory Service Catalogue is at [Appendix B](#).

4.4 Determining the cost of regulatory services

The department identified the cost of delivering the each of the business processes identified in the Service Catalogue, including all direct and indirect costs. Direct costs include items such as staffing, and ICT operating costs. Indirect costs include overheads such as property operating and training costs.

For example, all costs related to the process of renewing a provider CRICOS registration were identified and moderated against standards for such cost across government. Then based on an estimated volume of renewals each year, a cost per renewal was established.

The total cost of the CRICOS program for 2022 is \$4,042,723, with \$3,526,854 being cost recoverable consistent with the Charging Framework. The balance of \$388,892 are ancillary ESOS services, essential for the on-going operation of the ESOS program, that are not appropriate to be recovered from the regulated population. These ancillary services are Budget funded. Table 4 provides an overview by CRICOS activity of the direct and indirect costs of the CRICOS program and ASL requirements.

Table 4: Overview of CRICOS Regulatory Costs for 2021-22

CRICOS Activities	Direct Costs					Indirect Costs				Total Costs (\$)
	Salaries (\$)	Salary Oncosts (\$)	Suppliers (\$)	ICT Costs (\$)	Total Direct Costs (\$)	Overheads (\$)	Capital (\$)	Total Indirect Costs (\$)	ASL (#)	
1. PRISMS and CRICOS Systems	1,061,707	191,107	428,733	1,200,000	2,881,548	338,352	-	338,352	11.8	3,219,900
2. ESOS Framework Administration	232,258	41,806	63,330	-	337,395	61,920	-	61,920	2.1	399,315
3. School Regulation	253,853	45,694	52,234	-	351,781	71,727	-	71,727	2.5	423,508
Total	1,547,819	278,607	544,297	1,200,000	3,570,723	471,999	-	471,999	16.4	4,042,723

4.5 Determining charges for the cost-recoverable services

Types of charges

Cost recovery *levies* are imposed where regulatory effort is provided to a group of individuals or organisations, such as all or a portion of organisations in an industry sector, rather than a specific entity.

Direct *fees for service* reflect the costs to the department of carrying out an activity that can be attributed directly to a specific an individual group or organisation.

The levies and fees should be designed in a way to ensure that the identified costs are properly apportioned to the entity that created the need for the regulatory effort.

4.6 Proposed design of CRICOS regulatory levies and fees

Ceasing the Entry to Market Charge

The department proposes to cease the sector-wide entry to market charge (EMC). The department currently charges an EMC to all new CRICOS providers during their first three years of registration. The EMC was established to recover the cost of additional regulatory activity associated with new applications for registration and the additional supervision required by providers with a shorter history of registration.

This regulatory responsibility and cost recovery is now shared between the three ESOS agencies: the department; TEQSA; and ASQA. This means the EMC is now redundant as each ESOS agency has its own cost recovery arrangements to reflect the regulatory effort they undertake to register and monitor new providers.

CRICOS School Application-Based Fees

CRICOS School Registration Fee

The department proposes to establish a CRICOS School Registration Fee to reflect the cost of its functions for approving a new CRICOS registration by a school. The CRICOS School Registration Fee will be charged directly to individual schools who have applied for CRICOS registration.

CRICOS School Registration Renewal Fee

The department also proposes to establish a CRICOS School Renewal Fee to reflect the cost of conducting a provider renewal. The CRICOS School Renewal Fee will be charged directly to individual schools who have applied to renew their CRICOS registration with their Designated State Authority.

CRICOS Annual Registration Levy (CARL)

A cost recovery levy will recoup the department's costs in regulating CRICOS-registered education providers. These activities include:

- oversight of the regulation for all CRICOS providers in accordance with the ESOS Act
- ongoing maintenance and management of PRISMS
- the department's role as an ESOS Agency regulating school providers.

Currently all these activities are supported through the department's Annual Registration Charge.

The existing Annual Registration Charge (ARC) will be modified and renamed the CRICOS Annual Registration Levy (CARL) The CARL will consist of three parts to recover the cost of the department's levy based regulatory activities:

- CARL Part A - sector wide regulatory activities payable by all CRICOS providers
 - Base component plus a per enrolment component.
- CARL Part B - payable by all CRICOS registered school providers
 - set amount

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

4.7 Determining the charge amounts

Under the Charging Framework, the price of each levy or fee should be set to ensure that they *collect the cost* of delivering the regulatory services.

As noted above, each charge or component of a charge will be calculated to *reflect the different regulatory effort* and outputs that the levy recovers, and different cost drivers will be used to reflect regulatory effort.

For application-based fees this has been determined by calculating the efficient time it takes to complete the assessment and decisions in the particular application process, such as processing a CRICOS registration application, and the costs associated with that time.

For cost recovery levy components, the cost is determined by calculating the total regulatory effort expended to deliver an activity, such as PRIMS Helpdesk and IT support. The total cost of the regulatory effort is then determined and divided amongst the group the costs of that process can be reasonably attributed to using an appropriate cost driver, for example between all providers based on the number of Certificates of Enrolments they have registered on CRICOS.

5 Proposed schedule of CRICOS levies and fees

Based on the analysis described above, the department proposes the levies and fees shown in Tables 5 and 6 be charged for CRICOS registration. Timing of payment is set out in Figure 2.

All proposed amounts are approximate and may change prior to finalisation. Final implementation arrangements and amounts will be outlined in the Cost Recovery Implementation Statement that will be released later this year.

Table 5: CRICOS Annual Registration Levy (CARL)

Charge name / type	Provider cohort	Proposed Amount*	When
CARL Part A	All ¹	Base - \$440 Plus Pro-rata on number of CoEs ² - \$5 per CoE	Annually due in January / February.

¹ All CRICOS providers delivering education services to overseas students in the higher education, vocational education and training and school sectors.

² Where the cost of the relevant outputs is split between the provider cohort based on a levy proxy (in this case Certificates of Enrolment) that reflects regulatory effort.

CARL Part B - School base component	Schools ³	Set amount - \$116	CoE number based on prior year's PRISMS data.
CARL Part C - School student component	Schools with at least one CoE ⁴	Set amount - \$695	

Table 6: Application-based ESOS fees for schools

Charge name / type	Provider cohort	Proposed Amount*	When
CRICOS School Registration Fee	Individual schools	Set amount - \$2,691	Receipt of invoice from the department prior to registration
CRICOS School Registration Renewal Fee	Individual schools	Set amount - \$1,083	Receipt of invoice from the department prior to renewal

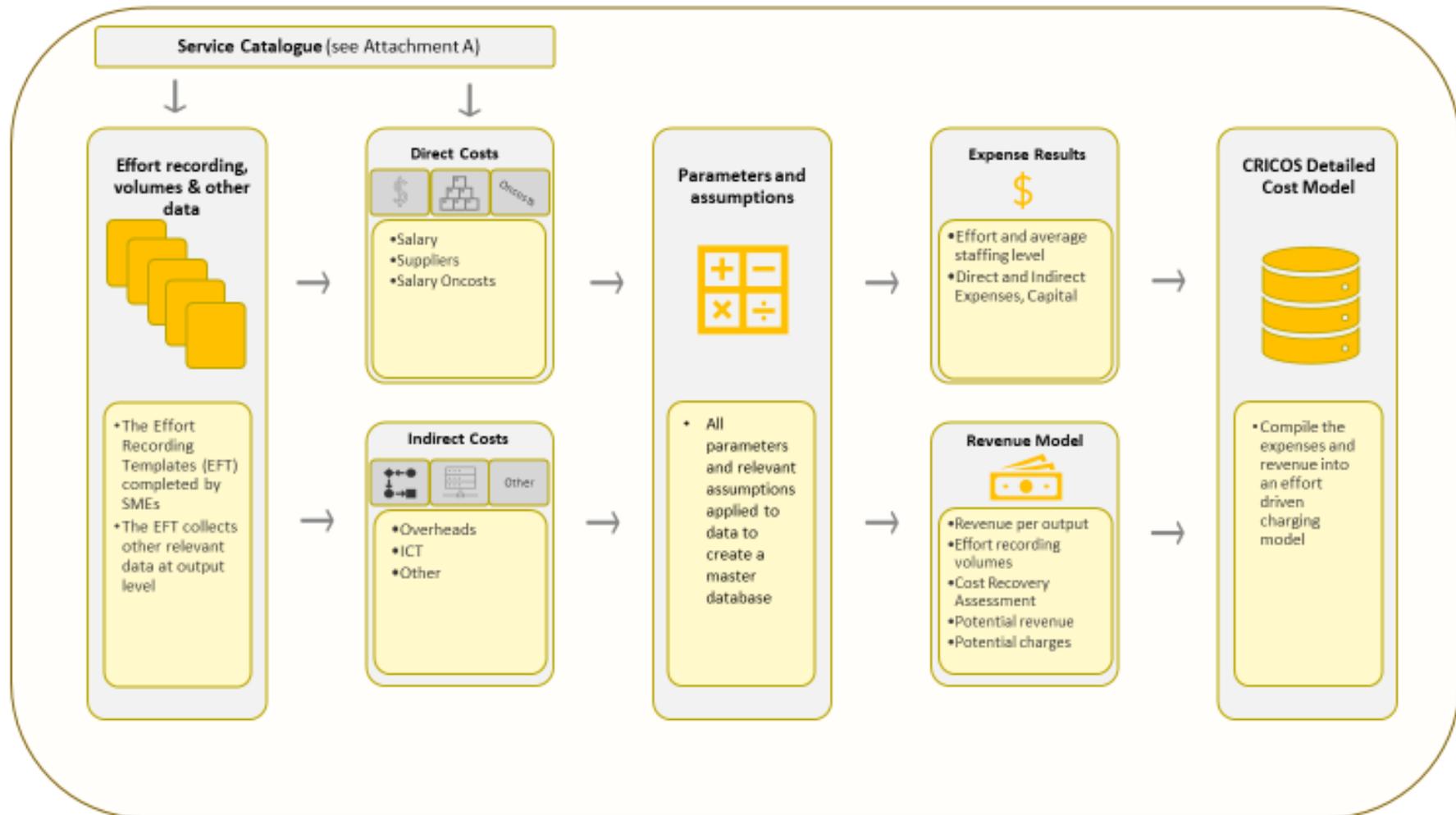
Figure 2. Proposed typical five year CRICOS registration business flow



³ Only CRICOS School providers delivering education services to overseas students in the school sector.

⁴ CRICOS school providers delivering education services to overseas students in the school sector who had at least one enrolment in the previous calendar year

Figure 3 Methodology for determining CRICOS costs





6 Implementation

The department proposes a two-step process to give effect to the charging model:

1. Before 1 January 2022, legislative amendments to the *Education Services for Overseas Students (Registration Charges) Act 1997* and consequential amendments to the *ESOS Act* and *ESOS (TPS Levies) Act 2012*.
2. After legislative amendments to the *ESOS Acts* are made, the introduction of *ESOS charges regulations* that specify the formula for working out the amount for each charge.

Appendix A - Australian Government Charging Framework

The *Australian Government Charging Framework* (the Charging Framework) is a policy of the Australian Government. 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.

The Charging Framework applies to all non-corporate Commonwealth entities and selected corporate Commonwealth entities, where the Finance Minister has made a 'government policy order' that applies the Charging Framework to them. Non-corporate and corporate entities are defined under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Charging Framework applies to all new and existing charging activities and establishes six charging principles which guide all processes involved in charging for a government activity, from planning and design to review and evaluation.

- **transparency** –making available key information about the activity, such as the authority to charge, charging rates, and, where relevant, the basis of the charges
- **efficiency** –delivering activities at least cost, while achieving the policy objectives and meeting the legislative requirements of the Australian Government
- **performance** – which relates to effectiveness, risk mitigation, sustainability and responsiveness. Engagement with stakeholders is a key element of managing and achieving performance. Entities must regularly review and evaluate charges in consultation with stakeholders to assess their impact and whether they are contributing to government outcomes
- **equity** – where specific demand for a government activity is created by identifiable individuals or groups they should be charged for it, unless the Government has decided to fund that activity. Equity is also achieved through the Government's social safety net, to ensure that vulnerable citizens are not further disadvantaged through the imposition of a charge
- **simplicity** – whereby charges should be straightforward, practical, easy to understand and collect
- **policy consistency** – charges must be consistent with Australian Government priorities and policies, including entity purpose and outcomes. Australian Government agreement may be required for the introduction of new charges and/or changes to charges.

Appendix B: DESE CRICOS Service Catalogue Overview

Activity	Output	High level description	Fee for service or levy component
1. Provider Registration and International Student Management System (PRISMS) and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS)	Output 1.1 - Stakeholder engagement, education, training, and conference attendance	User guidance materials, delivering training and webinars, conference attendances	CARL Part A Base
	Output 1.2 - Annual education provider fee collection and reconciliation	Administration of CRICOS fees and charges	CARL Part A (pro-rata)
	Output 1.3 - PRISMS upgrades and maintenance	Ongoing systems maintenance, software upgrades, updates for legislative changes, bug fixes	CARL Part A (pro-rata)
	Output 1.4 - PRISMS and CRICOS data analysis and reporting	Responding to routine, regular, and bespoke data requests Development and maintenance of specific database for international education data area, which releases statistics monthly	CARL Part A (pro-rata) (cost recoverable components only)
	Output 1.5 - CRICOS Register	Maintenance of the CRICOS Register and CRICOS.education.gov.au website	CARL Part A (pro-rata) (cost recoverable components only)
	Output 1.6 - Helpdesk and IT support	Responding to individual provider's queries on PRISMS use	CARL Part A (pro-rata)
2. Administering Education Services for Overseas Students (ESOS) framework	Output 2.1 - Stakeholder education and training relating to the ESOS legislative framework	Development of education products and input into training materials	CARL Part A Base
	Output 2.2 - Stakeholder and peak body engagement	Stakeholder engagement through attendance at meetings, conferences, presentations etc where DESE receives and answers queries and provides and clarifies advice	CARL Part A Base
	Output 2.3 - ESOS Policy Guidance and Helpdesk	Responding to provider, student and industry stakeholder queries regarding rights and obligations under the ESOS legislative framework and related issues	CARL Part A (pro-rata)
	Output 2.4 - Maintaining and updating the ESOS legislative framework	Review and amendment of the ESOS legislative framework to address gaps or emerging issues	CARL Part A Base

Activity	Output	High level description	Fee for service or levy component
3. School Regulation	Output 3.1 - Assessments - provider renewal	Renewal of CRICOS provider registration as recommended by the Designated State Authority (DSA) and requested by the registered school provider	CRICOS School Registration Fee
	Output 3.2 - Assessments - provider registration	Registration of school provider as a CRICOS provider as recommended by the DSA and requested by the school	CRICOS School Registration Renewal Fee
	Output 3.3 - Provider suspension and cancellations	Use of ESOS Agency for Schools powers under section 10B and 83 of the ESOS Act (including required actions under s87), as well as acting on recommendations under Section 10C	CARL Part B – School component
	Output 3.4 - Compliance audits	Development of annual audit plan and provider monitoring, and support and review of DSAs activities	CARL Part C – School component (cost recoverable components only)
	Output 3.5 - Enforcement activities	Execution of enforceable undertakings with both DSAs and other ESOS Agencies, monitoring and searching providers and issuing and analysing production notices	CARL Part C – School component
	Output 3.6 - Reporting	Development of annual Regulator Performance Framework report, quarterly delegations reports and ad-hoc data reporting	Not cost recovered
	Output 3.7 - Provider education and awareness	Engagement with the sector, including peak organisations, conferences, direct training to providers.	CARL Part B – School component
	Output 3.8 - Designated State Authority (DSA) and Peaks forums/engagement	Quarterly engagement with DSAs to ensure regulatory alignment and resolve issues	CARL Part B – School component
	Output 3.9 - Policy advice inc management of email inbox	Management of enquiries from schools, agents, DSAs and students in the ESOS compliance inbox	CARL Part C – School component