

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 SUPPLEMENTARY BUDGET ESTIMATES HEARING

**Outcome:** 3  
**Output Group:** 3.3 – AEI Group

#### DEST Question No. E658\_04

Senator Stott Despoja asked on 17 November 2003

#### Question:

1. Can the Government provide figures for revenue from the registration charges of CRICOS providers for the last financial year and, estimates of the revenue it will raise from CRICOS providers under the new registration charges arrangements for each year over the next 4 years? Can the Government outline how these estimates have been calculated?
2. How much has the Government spent on enforcement activities in the past two years?
3. What new enforcement initiatives will the Government engage in as a result of its \$5.1 million Budget initiatives?
4. To what extent is the Government aiming to achieve cost recovery from education providers for its increased enforcement activity?

#### Answer:

*Budget Measures: Increase in the Educational Services for Overseas Students Act Fee*

1. Revenue raised from the charges payable under the *Education Services for Overseas Students (Registration Charges) Act 1997* for last financial year (2002-03) totalled \$2,023,196.

Estimates of the revenue the Government will raise under the restructured registration charges to be introduced on 1 January 2004 for each year over the next 4 years are:

2003/04	\$6.1 million
2004/05	\$6.8 million
2005/06	\$7.4 million
2006/07	\$8.1 million

These estimates have been calculated using the Government's projections of enrolments of overseas students and the Consumer Price Index adjustments applied in accordance with the relevant legislation.

2. The Department does not maintain information specific to "enforcement activities". However, the cost of administering the *Education Services for Overseas Students (ESOS) Act 2000*, of which "enforcement activities" forms a part, in 2001-02 was \$3.28 million and in 2002-03 was \$3.78 million.
3. The Government's primary focus for additional compliance and enforcement activity has been clearly stated in the 2003 international education Budget initiative as the removal of providers of concern. This is most effectively achieved by focusing on the administrative powers of the ESOS Act to apply sanctions including cancellation or suspension of a provider's registration or by imposing conditions on that registration.

A framework for the 2003-2004 compliance and enforcement strategy undertaken by the AEI

Group of DEST in administering the ESOS Act and its National Code has been established. Within this framework, the objectives of the strategy include conducting an education programme for providers to improve voluntary compliance with ESOS obligations and working closely with other government agencies (particularly DIMIA, and States and Territories) to achieve greater synergies and reduce overlap of investigations to allow speedier action against providers of concern. The strategy also focuses on aspects of quality provision of education and training services, particularly through ensuring compliance with the National Code and focus on identifying at risk providers through selection of most effective assessment tools. Broadening internal communication and intelligence gathering on particular issues under the ESOS Act and the National Code for providers in particular industry sectors will also receive attention.

4. The Government's 2003-04 Budget contained a suite of initiatives to support and expand Australia's international education industry. The Commonwealth receives a contribution from industry to the costs of administering the ESOS Act through compulsory registration fees charged to all providers registered on the Commonwealth Register of Institutions and Courses for Overseas Students. Providers are required to pay an initial registration charge upon registration and an annual registration charge each calendar year thereafter. It is estimated that registration charges will raise revenue of \$28.4 million over the first four years of implementation.