

Draft Settings of the 2026 International TPS Levy

Levy principles, 2026 draft levy settings and calculation examples

The International TPS Levy (the levy) is paid annually by registered CRICOS providers. The levy funds the activities of the Tuition Protection Service (TPS) following an international education and training provider default. That is, where a provider closes, fails to start, or ceases to provide a course or unit of study for an enrolled international student.

The levy is paid into the Overseas Students Tuition Fund (OSTF). The OSTF is a quarantined account managed by the TPS Director.

The levy is comprised of four components:

1. the Administrative Fee component
2. the Base Fee component
3. the Risk Rated Premium component
4. the Special Tuition Protection component.

Annual levy settings for each component are set through two legislative instruments, which must be made by 1 January each year.

The Administrative Fee and Base Fee components are set by the Minister for Education. The Minister may choose not to make a legislative instrument, in which case the Administrative Fee and Base Fee component figures will be indexed.

The Risk Rated Premium and Special Tuition Protection components are set by the TPS Director with advice from the Australian Government Actuary (AGA) and the [TPS Advisory Board](#)¹ (the Board).

Legislative authority to collect the International TPS Levy is outlined in the [Education Services for Overseas Students \(TPS Levies\) Act 2012](#)².

Levy principles

The Board has agreed to the following principles when providing advice to the TPS Director on the levy settings:

1. Advice should **reflect the overall risk environment** and ensure that revenue matches what is needed to **sustain the relevant fund**, while also being **sustainable for the industry**;
2. The model for each levy should **reflect gradual change** and assist the industry with business planning by providing a stable regulatory environment;
3. The model should be as **simple and transparent** as possible, preferably based on a small number of risk factors;
4. Risk premiums imposed should provide **incentives for providers to adopt positive behaviours**; and
5. **Additional imposts on industry, such as data collection, should be minimised** where possible, consistent with the ability to set sound risk-based levies.

¹ www.education.gov.au/tps/tuition-protection-service-advisory-board

² www.legislation.gov.au/C2012A00011/latest/versions

Exemptions

The Minister for Education may, by legislative instrument, prescribe classes of registered providers that are exempt from paying the Base Fee component and/or the Risk Rated Premium component of the levy.

Under the [Education Services for Overseas Students \(TPS Levies—Exemptions\) Instrument 2022](#)³, the following providers are exempt from paying the Base Fee component of the levy:

- i. registered schools that had no overseas student enrolments in the calendar year immediately prior to the year for which the levy is imposed;

and the following providers are exempt from paying the Risk Rated Premium component of the levy:

- i. Table A providers;
- ii. government schools; and
- iii. State or Territory VET institutions.

Draft 2026 International TPS Levy settings

The Board provided its draft advice to the TPS Director on the 2026 levy settings at its August 2025 meeting. The [Board's Letter of Draft Advice](#)⁴ is available for viewing on the TPS website.

The draft 2026 levy settings are given in the table below.

Levy component	Draft 2026 settings
Administrative Fee component*	\$107.00 per provider + \$0.56 per 2025 overseas student enrolment
Base Fee component*	\$216.00 per provider + \$1.37 per 2025 overseas student enrolment
Risk Rated Premium component	[0.05% x total risk factor value] x total 2025 overseas student tuition fees
Special Tuition Protection component	0% x total 2025 overseas student tuition fees

*Administrative Fee and Base Fee figures reflect 2025 values and will be indexed for the 2026 levy if the Minister decides not to make a legislative instrument specifying new amounts.

The 2026 levy will be calculated using an education provider's 2025 overseas student enrolment numbers and tuition fee income received.

Risk Rated Premium component

The Risk Rated Premium component comprises a number of risk factors. They are determined by the TPS Director with advice from the Board and the AGA. The risk factors are intended to reflect the risk of an international education provider closure and, therefore, a need to use the levy funds.

The risk factors for the 2026 levy are:

1. Base risk factor
2. Length of operation
3. Volatility in overseas student enrolments
4. Maximum overseas source country concentration
5. Non-compliance and registration renewal.

³ www.legislation.gov.au/F2022L01727/latest/versions

⁴ www.education.gov.au/tps/resources/draft-board-advice-2026-international-tps-levy-settings

The risk factors apply to non-exempt providers as follows:

Risk factor	Providers to which the risk factor applies
Base risk factor	All non-exempt providers
Length of operation	All non-exempt providers
Volatility in overseas student enrolments	Non-exempt providers: <ul style="list-style-type: none"> a. with a length of operation of 2 years or more; and b. that had either or both of the following apply in 2025: <ul style="list-style-type: none"> i. at least 20 overseas student enrolments; ii. \$400,000 or more in tuition fee income; and c. whose proportion of overseas student enrolments was 20% or more of its total student population in 2025
Maximum overseas source country concentration	Non-exempt providers: <ul style="list-style-type: none"> a. that had either or both of the following apply in 2025: <ul style="list-style-type: none"> i. at least 20 overseas student enrolments; ii. \$400,000 or more in tuition fee income; and b. whose proportion of overseas student enrolments was 20% or more of its total student population in 2025
Non-compliance and registration renewal	All non-exempt providers

Providers receive a risk factor value for each risk factor. Each risk factor value is added together to calculate the 'total risk factor value for the year', which is used to calculate the Risk Rated Premium component of the levy.

Risk Rated Premium component formula

The Risk Rated Premium component considers individual providers' risk factor values for each risk factor and the overseas student tuition fee income received in the previous calendar year.

The Risk Rated Premium component is calculated as follows:

$$\left[\frac{\text{Specified percentage for the year}}{\times} \times \frac{\text{Total risk factor value for the year}}{\times} \right] \times \frac{\text{Provider's overseas student tuition fees for the previous year}}{\times}$$

The Board's Letter of Draft Advice recommends maintaining the specified percentage at **0.05%** for the 2026 levy.

Risk factor 1: Base risk factor

A risk factor value of 1.0 applies to all non-exempt providers for the base risk factor. The Board's Letter of Draft Advice recommends maintaining this setting for the 2026 levy.

Base risk factor	2025 risk factor value	Proposed 2026 risk factor value
Applied for all non-exempt providers	1.0	1.0

Risk factor 2: Length of operation

The length of operation risk factor is supported by historical data indicating that providers with a shorter length of operation present a higher risk of closure. It provides a general signal to new providers that risks are present in the early stages of operation.

The Board's Letter of Draft Advice recommends the length of operation risk factor values for the 2026 levy remain unchanged from the 2025 settings.

Length of operation	2025 risk factor values	Proposed 2026 risk factor values
Less than 1 year	1.0	1.0
1 year to less than 2 years	0.5	0.5
2 years or more	0.0	0.0

Risk factor 3: Volatility in overseas student enrolments

The volatility in overseas student enrolments risk factor is supported by data showing a strong correlation between extreme volatility in overseas student enrolment numbers and provider closure.

A provider's volatility in overseas student enrolments percentage is calculated as follows:

$$\left[\frac{\text{Number of overseas student enrolments in 2025}}{\text{Number of overseas student enrolments in 2024}} - 1 \right] \times 100$$

If a provider did not have overseas student enrolments in 2025, the provider's volatility in overseas student enrolments will be 0%.

The Board's Letter of Draft Advice recommends the volatility in overseas student enrolments risk factor values for the 2026 levy remain unchanged from the 2025 settings.

Volatility in overseas student enrolments	2025 risk factor values	Proposed 2026 risk factor values
120% or more	3.5	3.5
105% to less than 120%	3.0	3.0
90% to less than 105%	2.5	2.5
75% to less than 90%	1.8	1.8
60% to less than 75%	1.2	1.2
45% to less than 60%	0.6	0.6
30% to less than 45%	0.4	0.4
-15% to less than 30%	0.0	0.0
-30% to less than -15%	1.5	1.5
-45% to less than -30%	2.0	2.0
-60% to less than -45%	3.0	3.0
Less than -60%	3.5	3.5

The volatility in overseas student enrolment risk factor values are discounted for providers with a length of operation of less than five years as outlined in the following table. Note that this risk factor will not apply to providers with a length of operation of less than two years. This means that providers are subject to the application of either the length of operation risk factor or the volatility in overseas student enrolments risk factor, but **not both**.

Length of operation	2025 proportion of risk factor value applied	Proposed 2026 proportion of risk factor value applied
0 to less than 2 years	0%	0%
2 years to less than 3 years	25%	25%
3 years to less than 4 years	50%	50%
4 years to less than 5 years	75%	75%
5 years or more	100%	100%

Risk factor 4: Maximum overseas source country concentration

The maximum overseas source country concentration risk factor reflects the greater risk of a provider closure associated with a provider enrolling a high concentration of overseas students from a single source country. Providers with a greater concentration of overseas students from a single country are more exposed to potential political and geographical risks.

A provider's maximum overseas source country concentration percentage is calculated as follows:

$$\left[\frac{\text{Largest number of overseas student enrolments for a country}}{\text{Total number of overseas student enrolments}} \right] \times 100$$

where:

largest number of overseas student enrolments for a country means the largest number of overseas student enrolments for any overseas source country in 2025

total number of overseas student enrolments means the total number of overseas student enrolments in 2025.

The Board's Letter of Draft Advice recommends the maximum overseas source country concentration risk factor values for the 2026 levy remain unchanged from the 2025 settings.

Maximum overseas source country concentration	2025 risk factor values	Proposed 2026 risk factor values
80% or more	3.1	3.1
50% to less than 80%	0.7	0.7
25% to less than 50%	0.3	0.3
Less than 25%	0.0	0.0

Risk factor 5: Non-compliance and registration renewal

The non-compliance and registration renewal risk factor creates an incentive for providers to adopt low-risk and compliant behaviours. This risk factor is based on:

1. a provider's late payment of the levy and/or CRICOS Annual Registration Charge (CARC) in the previous three years (i.e. 2023-25); and
2. whether compliance action was taken against the provider under section 83 of the [Education Services for Overseas Students Act 2000](#)⁵ (ESOS Act) in 2025; and
3. if a provider applied for registration renewal and, for risk management reasons, the period of registration granted in 2025 was less than the maximum period allowed.

⁵ www.legislation.gov.au/C2004A00757/latest/versions

Proposed change for 2026 levy

The Board's Letter of Draft Advice proposes one change to the non-compliance and registration renewal risk factor for the 2026 levy regarding non-compliance following a student default.

Under section 47A of the ESOS Act, a **student default** occurs when:

- an international student does not start a course on the agreed starting day, or
- an international student withdraws from a course, or
- an education provider refuses to provide a course to a student due to the student failing to make payments, breaching student visa conditions, and/or misbehaviour.

Following a student default, a provider is legally obligated to refund the student's tuition fees in accordance with section 47D or 47E of the ESOS Act. Where the provider fails to meet this obligation, the TPS may issue a refund to the defaulted student.

From 2023 to 2024, the number of student defaults where refund payments were made by the TPS doubled. The AGA acknowledged the increased prevalence of student defaults requiring TPS assistance in 2024 and conducted an analysis that found that failure to refund students following a student default is a strong indication of provider default.

The AGA recommends introducing an additional loading within the non-compliance and registration renewal risk factor, which will be applied to providers that had at least one student default occur where the refund amount was paid out by the TPS in the previous calendar year. The Board's Letter of Draft Advice supports this recommendation for the 2026 levy to encourage compliant behaviour from providers following a student default.

The Board's Letter of Draft Advice recommends the following non-compliance and registration renewal risk factor values be applied for the 2026 levy.

Non-compliance and registration renewal categories	2025 risk factor values	Proposed 2026 risk factor values
Weighted late payment measure of 30 days or more	2.0	2.0
Weighted late payment measure of 15 days to less than 30 days	0.9	0.9
Weighted late payment measure of 1 day to less than 15 days	0.7	0.7
Weighted late payment measure of 0 days to less than 1 day	0.0	0.0
Had action mentioned in section 83 of the ESOS Act taken against it in 2025	1.0	1.0
Applied under section 10D of the ESOS Act to renew the provider's registration and, due to risk management, the period of registration set out in the notice given in 2025 under section 10G of that Act is less than the maximum period allowed	1.0	1.0
Provider has had at least one student default occur where the refund amount was paid out by the TPS in the previous calendar year (i.e. the payment by the TPS is in the previous calendar year, not necessarily the student default)	N/A	1.0

The weighted late payment measure considers the number of days after the due date a provider's levy payment and/or CARC payment were received for the previous three years. A provider's weighted late payment measure for the 2026 levy is the sum of the following calculations:

For 2025: $0.7 \times [\text{CARC} + \text{TPSL}]$

For 2024: $0.2 \times [\text{CARC} + \text{TPSL}]$

For 2023: $0.1 \times [\text{CARC} + \text{TPSL}]$

where:

CARC, for a year, means the number of days after the due date the CRICOS Annual Registration Charge payment for that year was received

TPSL, for a year, means the number of days after the due date the International TPS Levy payment for that year was received.

Special Tuition Protection component

The Special Tuition Protection component is charged when the balance of the OSTF is below its target size. It is calculated as follows:

$$\begin{array}{c} \text{Specified percentage} \\ \text{for the year} \end{array} \times \begin{array}{c} \text{Provider's overseas student tuition} \\ \text{fees for the previous year} \end{array}$$

The Board's Letter of Draft Advice recommends maintaining a specified percentage of **0%** for the 2026 levy.

Levy calculation examples

Provider 1

Provider 1 received **\$3,000,000 in overseas student tuition fees** in 2025.

Provider 1 has been **operating for 12 years**.

In 2025, Provider 1 had **400 overseas student enrolments** and **150 domestic student enrolments**. Therefore, Provider 1's **proportion of overseas student enrolments was 73% of its total student population** in 2025.

In 2024, Provider 1 had 600 overseas student enrolments. Therefore, Provider 1's **volatility in overseas student enrolments is -33%**.

Of its 2025 overseas student enrolments, the largest number of enrolments for a country was 50 students. Therefore, Provider 1's **maximum overseas source country concentration is 13%**.

Provider 1's **2023 levy payment was received 5 days after the due date** and its **2024 CARC was received 3 days after the due date**. Therefore, Provider 1 has a **weighted late payment measure** of $[0.1 \times 5 \text{ days}] + [0.2 \times 3 \text{ days}] = 0.5 + 0.6 = \mathbf{1.1 \text{ days}}$.

Provider 1 **did not have action mentioned in section 83 of the ESOS Act taken against it** in 2025. Provider 1 **applied for registration renewal** under section 10D of the ESOS Act and, **due to risk management, the period of registration granted in 2025 was less than the maximum period allowed**. Provider 1 **had no student defaults occur where the refund amounts were paid out by the TPS in 2025**.

Levy component	Levy calculation
Administrative Fee*	$\$107 + (400 \times \$0.56) = \mathbf{\$331}$
Base Fee*	$\$216 + (400 \times \$1.37) = \mathbf{\$764}$
Risk Rated Premium	<p>Risk Factor 1: Base risk factor Risk factor value: 1.0</p> <p>Risk Factor 2: Length of operation Risk factor value: 0.0</p> <p>Risk Factor 3: Volatility in overseas student enrolments Risk factor value: 2.0</p> <p>Risk Factor 4: Maximum overseas source country concentration Risk factor value: 0.0</p> <p>Risk Factor 5: Non-compliance and registration renewal Risk factor value: $0.7 + 1.0$</p> <p>Total risk factor value $1.0 + 0.0 + 2.0 + 0.0 + 0.7 + 1.0 = 4.7$</p> <p>Risk Rated Premium component calculation $(0.05\% \times 4.7) \times \\$3,000,000 = \mathbf{\\$7,050}$</p>
Special Tuition Protection	$\$3,000,000 \times 0\% = \mathbf{\$0}$
Total 2026 levy	$\$331 + \$764 + \$7,050 + \$0 = \mathbf{\$8,145}$

*Administrative Fee and Base Fee figures reflect 2025 values and will be indexed for the 2026 levy if the Minister decides not to make a legislative instrument specifying new amounts.

Provider 2

Provider 2 received **\$1,000,000 in overseas student tuition fees** in 2025.

Provider 2 has been **operating for 4.5 years**.

In 2025, Provider 2 had **120 overseas student enrolments** and **0 domestic student enrolments**. Therefore, Provider 2's **proportion of overseas student enrolments was 100% of its total student population** in 2025.

In 2024, Provider 2 had 90 overseas student enrolments. Therefore, Provider 2's **volatility in overseas student enrolments is 33%**.

Of its 2025 overseas student enrolments, the largest number of enrolments for a country was 80 students. Therefore, Provider 2's **maximum overseas source country concentration is 67%**.

Provider 2's **2025 levy payment was received 22 days after the due date**. Therefore, Provider 2 has a **weighted late payment measure** of $[0.7 \times 22 \text{ days}] = 15.4 \text{ days}$.

Provider 2 **had action mentioned in section 83 of the ESOS Act taken against it** in 2025. Provider 2 **did not apply for registration renewal** under section 10D of the ESOS Act in 2025. Provider 2 **had student defaults occur where the refund amounts were paid out by the TPS in 2025**.

Levy component	Levy calculation
Administrative Fee*	$\$107 + (120 \times \$0.56) = \$174.20$
Base Fee*	$\$216 + (120 \times \$1.37) = \$380.40$
Risk Rated Premium	<p>Risk Factor 1: Base risk factor Risk factor value: 1.0</p> <p>Risk Factor 2: Length of operation Risk factor value: 0.0</p> <p>Risk Factor 3: Volatility in overseas student enrolments Risk factor value: $[0.4 \times 75\%] = 0.3$</p> <p>Risk Factor 4: Maximum overseas source country concentration Risk factor value: 0.7</p> <p>Risk Factor 5: Non-compliance and registration renewal Risk factor value: $0.9 + 1.0 + 1.0$</p> <p>Total risk factor value $1.0 + 0.0 + 0.3 + 0.7 + 0.9 + 1.0 + 1.0 = 4.9$</p> <p>Risk Rated Premium component calculation $(0.05\% \times 4.9) \times \\$1,000,000 = \\$2,450$</p>
Special Tuition Protection	$\$1,000,000 \times 0\% = \0
Total 2026 levy	$\$174.20 + \$380.40 + \$2,450 + \$0 = \$3,004.60$

*Administrative Fee and Base Fee figures reflect 2025 values and will be indexed for the 2026 levy if the Minister decides not to make a legislative instrument specifying new amounts.

Provider 3

Provider 3 received **\$150,000 in overseas student tuition fees** in 2025.

Provider 3 has been **operating for 23 months**.

In 2025, Provider 3 had **18 overseas student enrolments** and **50 domestic student enrolments**. Therefore, Provider 3's **proportion of overseas student enrolments was 26% of its total student population** in 2025.

In 2024, Provider 3 had 12 overseas student enrolments. Therefore, Provider 3's **volatility in overseas student enrolments is 50%**.

Of its 2025 overseas student enrolments, the largest number of enrolments for a country was 8 students. Therefore, Provider 3's **maximum overseas source country concentration is 44%**.

All of Provider 3's levy and CARC payments have been received before the due date. Therefore, Provider 3 has a **weighted late payment measure of 0 days**.

Provider 3 **did not have action mentioned in section 83 of the ESOS Act taken against it** in 2025. Provider 3 **did not apply for registration renewal** under section 10D of the ESOS Act in 2025. Provider 3 **had no student defaults occur where the refund amounts were paid out by the TPS in 2025**.

Levy component	Levy calculation
Administrative Fee*	$\$107 + (18 \times \$0.56) = \$117.08$
Base Fee*	$\$216 + (18 \times \$1.37) = \$240.66$
Risk Rated Premium	<p>Risk Factor 1: Base risk factor Risk factor value: 1.0</p> <p>Risk Factor 2: Length of operation Risk factor value: 0.5</p> <p>Risk Factor 3: Volatility in overseas student enrolments Risk factor value: 0.0 Risk Factor 3 does not apply to Provider 3 as it has a length of operation of less than 2 years, and had less than 20 overseas student enrolments and received less than \$400,000 in overseas student tuition fees in 2025.</p> <p>Risk Factor 4: Maximum overseas source country concentration Risk factor value: 0.0 Risk Factor 4 does not apply to Provider 3 as it had less than 20 overseas student enrolments and received less than \$400,000 in overseas student tuition fees in 2025.</p> <p>Risk Factor 5: Non-compliance and registration renewal Risk factor value: 0.0</p> <p>Total risk factor value $1.0 + 0.5 + 0.0 + 0.0 + 0.0 = 1.5$</p> <p>Risk Rated Premium component calculation $(0.05\% \times 1.5) \times \\$150,000 = \\$112.50$</p>
Special Tuition Protection	$\$150,000 \times 0\% = \0
Total 2026 levy	$\$117.08 + \$240.66 + \$112.50 + \$0 = \$470.24$

*Administrative Fee and Base Fee figures reflect 2025 values and will be indexed for the 2026 levy if the Minister decides not to make a legislative instrument specifying new amounts.