

2026 International TPS Levy

Sector Consultation on Draft Levy Settings

Sept-Oct 2025

Kate Tagg
TPS Program Management



Outline

Tuition Protection Service (TPS)

International TPS Levy overview and collection history

Levy components and draft 2026 settings

2026 levy timeline and takeaways

Tuition Protection Service (TPS)

TPS Director, team and Advisory Board



www.tps.gov.au



Purpose of the Tuition Protection Service (TPS)

Australian Government initiative

Student tuition protection scheme

Developed for international student fee protection and expanded to specified domestic students

Supports students with tuition fee refunds and facilitates alternative course placements following provider closures

Supports education providers to understand and meet obligations to students

Manages tuition protection levy collections



Tuition Protection Service Director

Melinda Hatton, TPS Director

Statutory office holder appointed by the federal Minister for Education

Operational oversight of the daily activities of the TPS

Responsible for the **annual collection of TPS levies** from CRICOS and eligible domestic education providers

Responsible for **managing the levy funds**



TPS Team



TPS Advisory Board

1. **Ms Sharon Robertson** (Chair)
2. **The Hon. Phil Honeywood** (Deputy Chair)
3. **Ms Karen Sandercock**, Australian Government Department of Education
4. **Ms Renae Houston**, Australian Government Department of Employment and Workplace Relations
5. **Mr Guy Thorburn**, Australian Government Actuary
6. **Ms Sophia Hohnen**, Australian Prudential Regulation Authority
7. **Ms Rebecca Mok**, Australian Government Department of Finance
8. **Ms Libby McDonald**, Australian Government Department of Home Affairs

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member
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TPS Advisory Board's Advice on Levy Settings

When formulating its advice, the Board considers a range of factors including:

- The strategic risk environment
- Advice from the Australian Government Actuary (AGA)
- Views of the sector regulators, industry peak bodies and education providers
- The balance of the OSTF and the quantum of funds required for its long-term sustainability



International TPS Levy

Overview and Collection History



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International TPS Levy

An annual tuition protection levy collected from **international** education providers

Paid into the Overseas Students Tuition Fund (OSTF) – a quarantined account managed by the TPS Director

Funds the student placement and refund activities of the TPS following an international education provider closure and **TPS operational costs**

Levy calculation based on an education provider's size and risk of closure

Legislative Authority: *Education Services for Overseas Students (TPS Levies) Act 2012*



International TPS Levy Setting Process

20 August 2025

TPS Advisory Board provided draft advice to the TPS Director on the 2026 International Levy settings

Sept-Oct 2025

TPS Director consults the sector on the draft levy settings

19 November 2025

TPS Advisory Board considers the sector's feedback on the draft levy settings then provides final advice to the TPS Director

By 1 January 2026

2026 levy settings finalised in legislative instruments



Overseas Students Tuition Fund (OSTF)

International TPS Levy paid into OSTF

AGA recommends target range for OSTF to ensure sufficient funds are available for a large provider closure or multiple provider closures

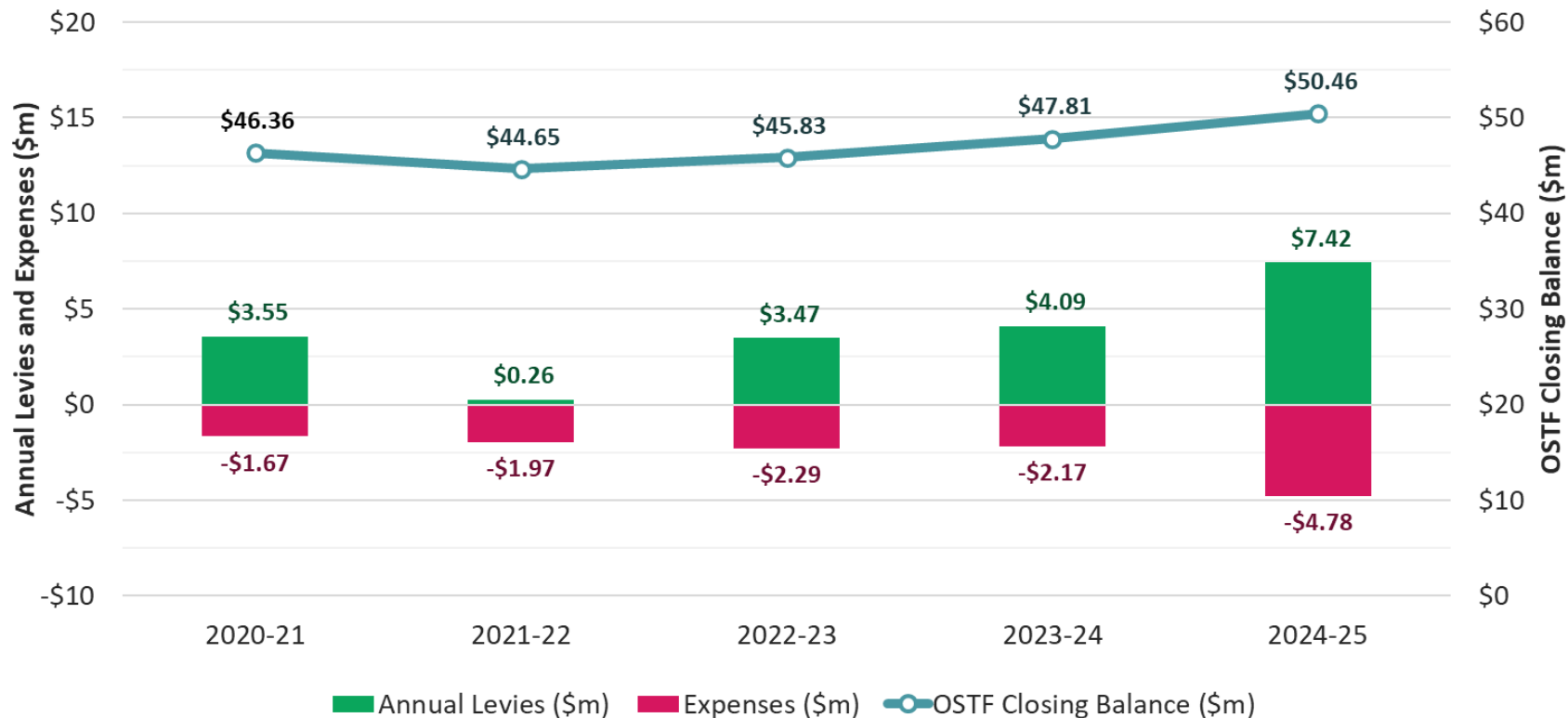
AGA recommends increasing 2026 target range due to increased international student population and tuition fees charged by providers

Balance: \$50.45 million (30 June 2025)

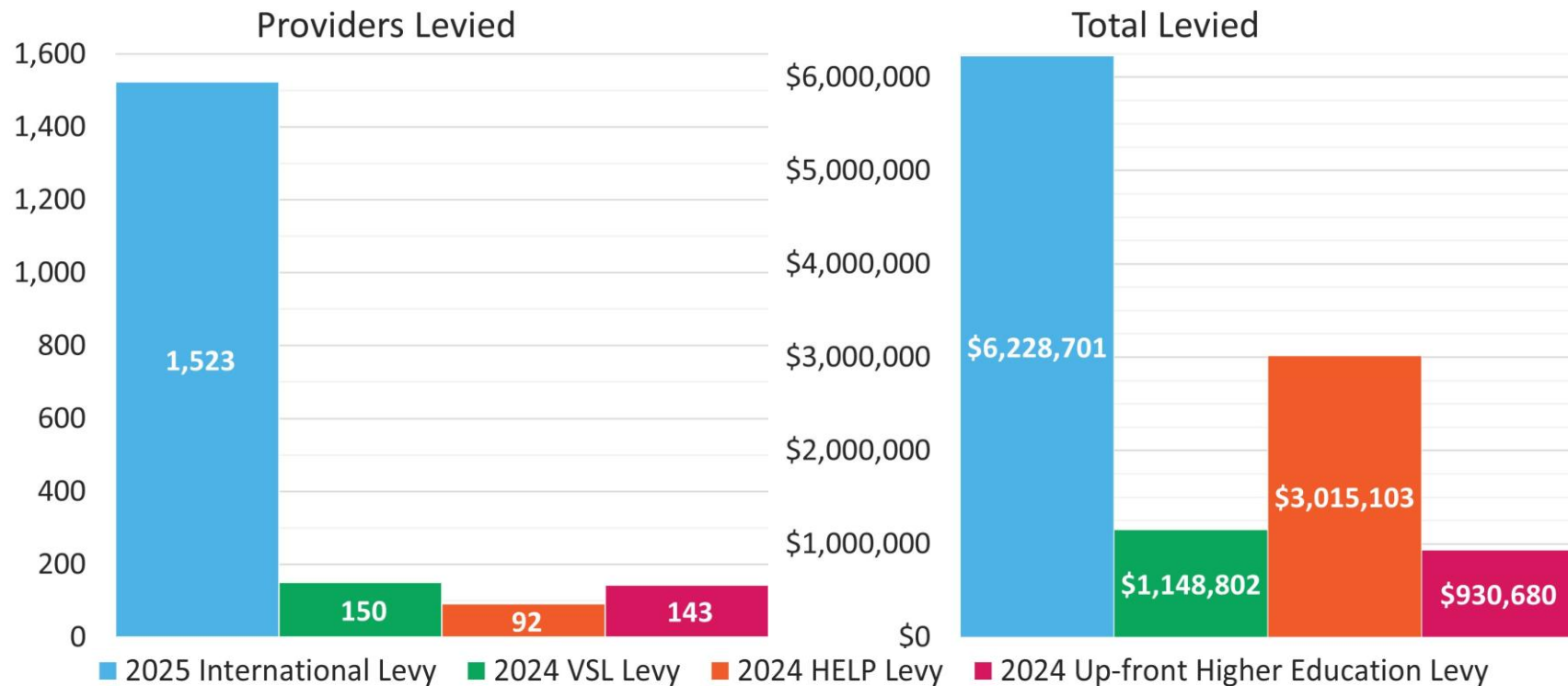
Target range	Mid-point of target range
Current: \$40-60 million	Current: \$50 million
2026 recommendation: \$50-70 million	2026 recommendation: \$60 million



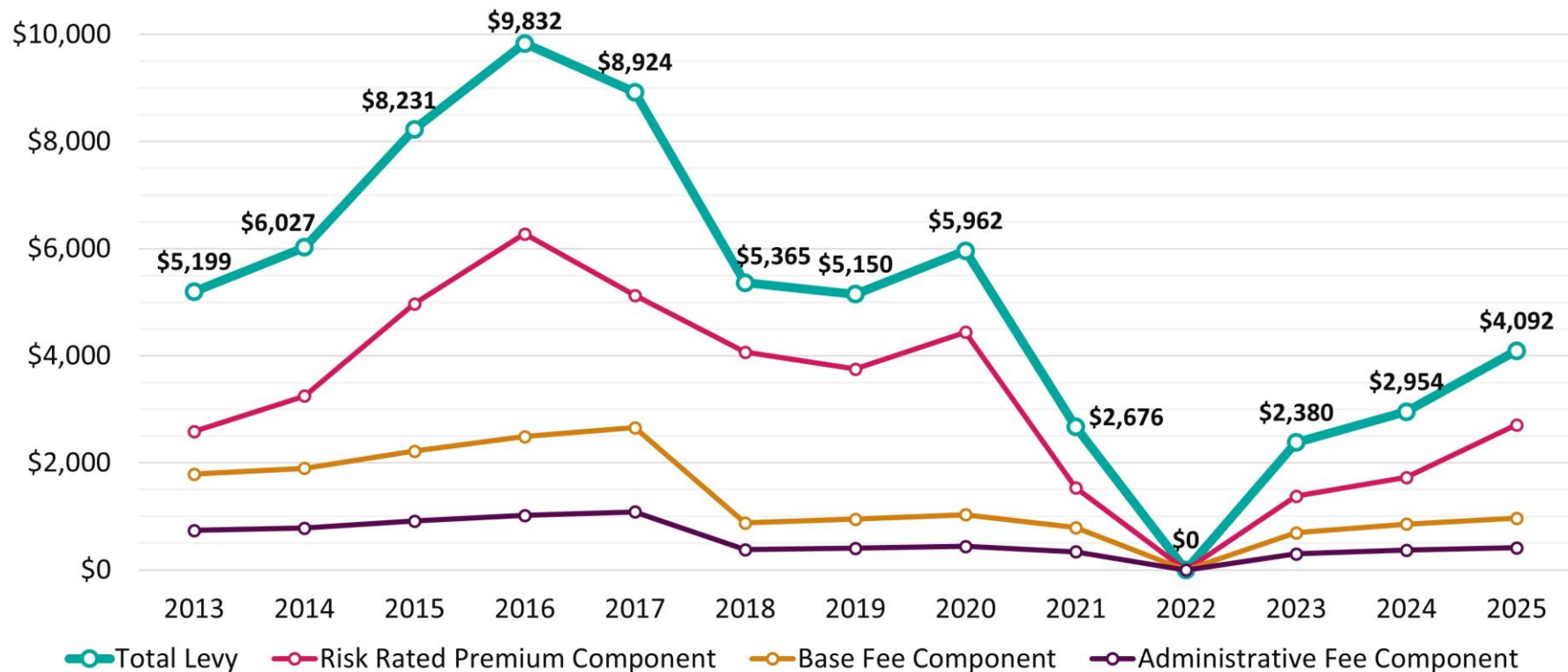
Fund Balance, Annual Levies and Expenses – Last 5 Financial Years



TPS Levy Collection Overview 2024-25



Average International Levy Amount per Provider 2013-25



International TPS Levy

Levy components and draft 2026 settings



International TPS Levy Components

Component	Key elements	Purpose and authority
Administrative fee	Sum of a 'per provider' and 'per student' charge	Designed to cover administrative costs Set by Minister for Education
Base fee	Sum of a 'per provider' and 'per student' charge	Maintains OSTF balance at a sustainable level Set by Minister for Education
Risk rated premium	Considers 5 risk factors and overseas student tuition fees for previous year	Intended to reflect risk of provider closure Set by TPS Director with Board advice
Special tuition protection	Percentage multiplied by overseas student tuition fees for previous year	Charged when OSTF is below target range Set by TPS Director with Board advice



Draft 2026 International TPS Levy Settings

Component	Draft 2026 Settings
Administrative fee*	\$107.00 per provider + \$0.56 per 2025 overseas student enrolment
Base fee*	\$216.00 per provider + \$1.37 per 2025 overseas student enrolment
Risk rated premium	[0.05% x total risk factor value] x total 2025 overseas student tuition fees
Special tuition protection	0% x total 2025 overseas student tuition fees

*Administrative and base fee figures reflect 2025 values and may be indexed to CPI for 2026

Note: 2026 levy calculated using student enrolment numbers and revenue for 2025 calendar year



Risk rated premium component

Considers 5 risk factors designed to reflect the risk of provider closure

Providers receive a risk factor value for each risk factor

Higher risk factor values indicate higher risk of closure



Risk Rated Premium Component: Risk Factors

Base Risk Factor	Risk factor value of 1.0 applied for all providers
Length of Operation	Higher risk of closure associated with shorter length of operation
Volatility in Overseas Student Enrolments	Higher risk of closure associated with extreme volatility in overseas student enrolments
Maximum Overseas Source Country Concentration	Higher risk of closure associated with heavy reliance on a single source country of overseas students
Non-Compliance and Registration Renewal	Penalty for late payment of the levy or CARC, having sanctions imposed for non-compliance, and/or shorter registration periods due to risk management concerns



Risk Rated Premium Component: Risk Factor Values

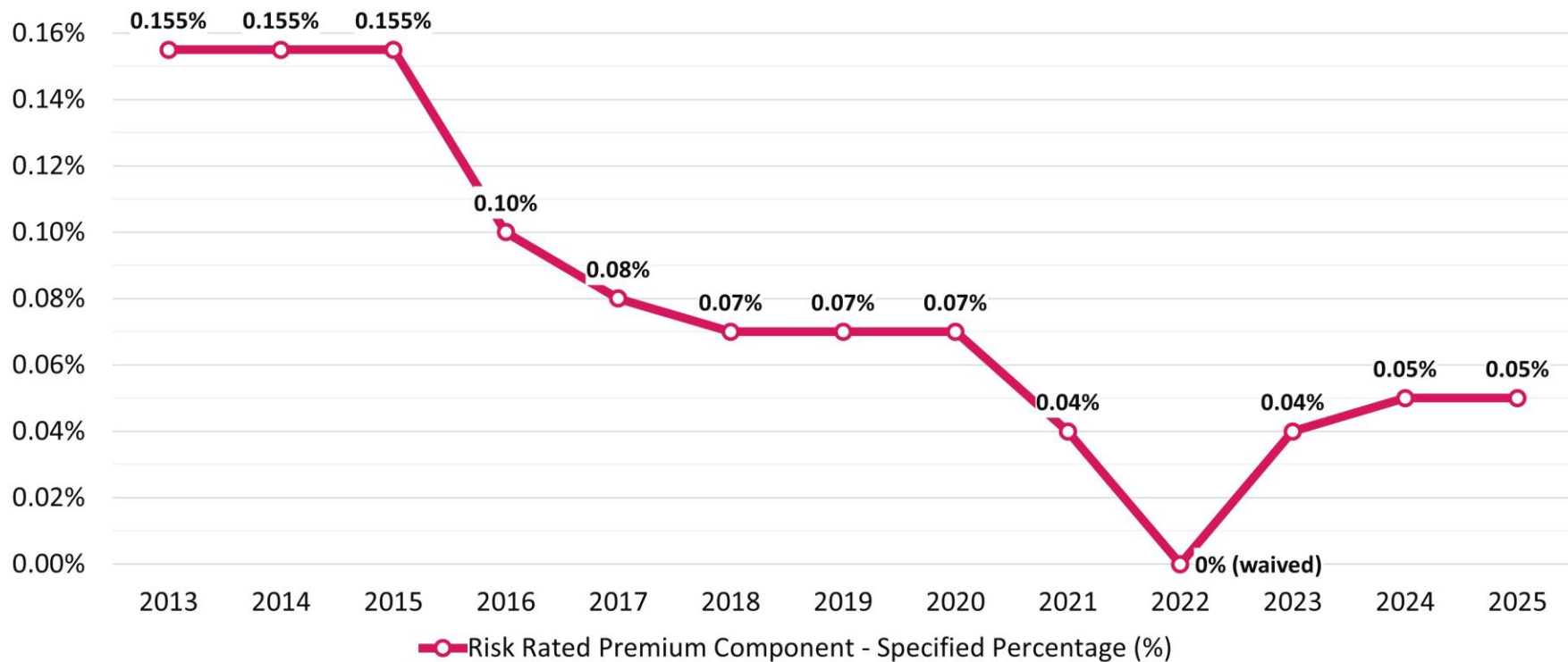
Total risk factor value for the year

=

$$\left(\begin{array}{l} \text{Base risk} \\ \text{factor} \end{array} + \begin{array}{l} \text{Length of} \\ \text{operation} \end{array} + \begin{array}{l} \text{Volatitlity in} \\ \text{overseas student} \\ \text{enrolments} \end{array} + \begin{array}{l} \text{Maximum overseas} \\ \text{source county} \\ \text{concentration} \end{array} + \begin{array}{l} \text{Non-compliance} \\ \text{history \&} \\ \text{registration renewal} \end{array} \right)$$



Risk Rated Premium Component Specified Percentage 2013-25



Proposed change: Non-Compliance and Student Defaults

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 within the provider obligation period of 4 weeks [47D and 47E ESOS Act]



Proposed change: Non-Compliance and Student Defaults

Student defaults where the TPS assisted doubled from 2023 to 2024 and represented over 33% of total 2024 refunds paid by the TPS (up from an average of 4% in the previous 3 years)

Analysis conducted by the AGA shows that failure to refund students following a student default is a strong indication of provider closure

As a result of this analysis, the Board proposes introducing an additional component to the *Non-Compliance and Registration Renewal* risk factor for **providers that had at least one student default occur** where the **refund amount was paid out by the TPS** in the previous calendar year



Risk Rated Premium Component Formula

$$\left[\begin{array}{c} \text{specified percentage} \\ \text{for 2026} \end{array} \times \text{total risk factor value} \right] \times \begin{array}{c} \text{provider's overseas student} \\ \text{tuition fees for 2025} \end{array}$$

Proposed specified percentage for 2026: **0.05%**



Risk Rated Premium Component: **High risk** example

$$\left[0.05\% \quad \times \quad 4.5 \right] \times \$2,000,000$$

$$= 0.00225 \times \$2,000,000$$

$$= \$4,500$$



Risk Rated Premium Component: **Low risk** example

$$\left[0.05\% \quad \times \quad \mathbf{1.0} \right] \times \$2,000,000$$

$$= 0.0005 \times \$2,000,000$$

$$= \mathbf{\$1,000}$$



Special tuition protection component

Charged when the OSTF is below its target size

Formula:

specified percentage
for 2026 \times provider's overseas student
tuition fees for 2025

Proposed specified percentage for 2026: **0%**



2025 International Levy Collection Overview



2025 Request for Information (RFI)

100 providers failed to respond to the RFI by the due date as part of the 2025 levy

The TPS made several attempts to get this information from providers

3 providers did not comply with a Request to Give Information from the regulator



2026 RFI

Providers will receive an RFI in early 2026 to declare their 2025:

- overseas student tuition fee income, and
- domestic student enrolment numbers

This information is necessary for levy amounts to be calculated and you will have two weeks to provide this information.

If you fail to respond, the TPS have developed a methodology to determine your levy



2025 International TPS Levy: Late Payments

1,523 providers invoiced

333 providers did not pay by the due date and were issued a late payment penalty

51 providers did not pay by the reminder notice due date and were suspended

As of 21 August 2025, **24** providers still had outstanding payments, totalling **\$29,659.05**



Late or Non-Payment of International TPS Levy

The TPS is obligated to send **one reminder notice** to providers who have not paid their levy at the end of the due date. Providers have **seven days** to pay their levy after the reminder notice is given.

Providers whose payment is received after the due date will receive a **late payment penalty for the next three years' levy risk rating calculation**. The late payment penalty is 20% of a provider's levy amount.

A provider's registration will be automatically suspended if they fail to comply with the reminder notice (s90 ESOS Act). The provider reinstatement fee is \$673.

Levy invoices are sent to PEO contacts in PRISMS. **Keep your contact information in PRISMS up to date. To update your PEO details, please contact your regulator.**



2026 International TPS Levy Notices

You will receive the following notices about your 2026 levy:

- Early advice
- Request for Information (RFI) (with 2 weeks to respond)
- Invoice (with 28 days to pay)
- Reminder notice (if your payment has not been received on the due date)
- Late payment penalty invoice (if applicable)
- Suspension notification (if applicable)
- Provider reinstatement fee invoice (if applicable)



2026 International Levy Timeline and Takeaways



2025 International TPS Levy Timeline

August 2025

20 August

- Draft advice on 2026 international levy confirmed at TPS Advisory Board meeting

Late August

- Draft advice letter published on TPS website

Sept – Nov 2025

2 September

- Online consultation session for all providers

September-October

- Consultation sessions in Melbourne, Sydney, Brisbane and Perth
- Meetings with stakeholders

5 November

- Online feedback session for all providers

November 2025

19 November

- TPS Advisory Board considers sector feedback
- Final advice on 2026 International TPS Levy settings confirmed at Board meeting

Mid-November

- Legislative instrument drafted and sent to Treasurer
- Department of Education briefing for Administrative and Base Fee Components sent to Minister for Education

December 2025

31 December

- Legislative instrument must be approved by Treasurer and signed off by TPS Director

Feb – May 2026

February

- Non-exempt providers receive a Request for Information to declare 2025 overseas students tuition fee income and domestic student enrolment figures

March

- 2026 levy invoices sent to providers

April-May

- International levy collected



Takeaways

Key features of the Board's draft advice on 2026 levy settings:

1. New risk factor value to be added to the *non-compliance and registration renewal* risk factor for providers that had at least one student default where the refund amount was paid out by the TPS in the previous calendar year
2. Target range of OSTF to be increased from \$40-60 million to \$50-70 million

Timeline estimates levy will be collected in April-May 2026



Key messages

Ensure **all contact information** and **student enrolment data in PRISMS** is **up to date**

Submit your RFI on time to ensure your levy can be calculated

Pay the full and correct levy amount on time to avoid receiving a late payment penalty and a non-compliance loading for the next three levies

Check account details and reference number are correct before making a payment





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operations@tps.gov.au