

4 March 2026

Ms Kate Tagg
Acting Higher Education Tuition Protection Director
c/o Department of Education
GPO Box 9880
CANBERRA ACT 2601

Dear Ms Tagg

Re: 2026 HELP Tuition Protection Levy Draft Advice

In accordance with subsection 167-35(2) of the *Higher Education Support Act 2003*, I am writing to you to provide draft advice and make recommendations to you in relation to the Risk Rated Premium and Special Tuition Protection components of the HELP Tuition Protection Levy for 2026.

In formulating its advice, the Higher Education Tuition Protection Fund Advisory Board (the Board) has considered a number of issues including the advice from the Australian Government Actuary (AGA) and the quantum of funds required for the long-term sustainability of the Higher Education Tuition Protection Fund (the Fund).

The Board's deliberations are made using the following 'guiding principles':

1. Advice provided to the TPS Director 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, as far as possible, 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.
5. Additional imposts on industry, such as data collection, should be minimised as far as possible, consistent with the ability to set sound risk-based levies.

The Board agrees with the AGA's recommendation on the risk factors of:

- financial strength;
- completion rate; and
- non-compliance history

The AGA noted that financial strength remains a suitable risk factor as it continues to show a useful correlation with the rate of provider failure. The AGA has recommended no changes to the financial strength risk factor. The completion rate continues to show a useful correlation with the rate of failure for the purposes of the of the risk factors. The AGA has recommended no changes to the completion rate risk factor. The AGA noted that there is limited late payment experience, and only one provider failure since late payment data has been collected. As a result, a meaningful analysis between late payments and failures could not be conducted. This will continue to be monitored as the experience matures. The AGA has recommended no changes to the non-compliance history risk factor.

The Board is satisfied with the correlation between those factors and the risk of provider default and, therefore, a call on the Fund. The Board accepts the AGA's recommended values for the risk factors, which are outlined at the end of this letter for the purposes of subsection 13(1)(c) of the *Higher Education Support (HELP Tuition Protection Levy) Act 2020* (HELP Levy Act).

The Risk Rated Premium component formula includes a per student charge and a percentage rate multiple of the loan amounts paid to the provider.

Accordingly, the Board recommends that:

- the specified percentage rate for the Risk Rated Premium component of the Levy be 0.06% – subsection 13(1)(b), the HELP Levy Act;
- the specified per student amount for the Risk Rated Premium component of the Levy be \$6.00 – subsection 13(1)(a), the HELP Levy Act; and
- the specified percentage rate for the Special Tuition Protection component of the Levy be 0.10% – subsection 13(1)(d), the HELP Levy Act.

Yours sincerely

Sharon Robertson

Chair

Higher Education Tuition Protection Fund Advisory Board

Risk factors and values for the Risk Rated Premium component of the 2026 HELP Tuition Protection Levy

	Category	2025 values	Proposed 2026 settings
Financial Strength ¹	9	0.0	0.0
	6 or 7.5	1.0	1.0
	3 or 4.5	2.0	2.0
	Provider did not submit data	2.5	2.5
Completion rate ²	2025 Category	Proposed 2026 Category	
	85% or higher	85% or higher	0.0
	60% to <85%	60% to <85%	1.0
	35% to <60%	35% to <60%	2.5
	0% to <35%	0% to <35%	3.5
Non-compliance history ³	A weighted late payment measure of 30 days or more	2.0	2.0
	A weighted late payment measure of 15 days or more, but less than 30 days	0.9	0.9
	A weighted late payment measure of 1 day or more, but less than 15 days	0.7	0.7
	No weighted late payment measure exists (payment made on time)	0.0	0.0

¹ The risk factor value for the financial strength risk factor for a leviable provider is as follows:

- (a) if the provider did not submit its financial statement, the risk factor is 2.5,
- (b) if the provider was not required to submit a financial statement, the risk factor is 0.0,
- (c) if the provider submitted its financial statement, the financial strength score is the sum of the return on assets score and the debt-to-equity score for the risk factor as set out in the table.

² The risk factor value for the completion rate risk factor for a leviable provider is as follows:

- (a) if the provider did not report any units of study for the calendar year beginning on 1 January 2025 (previous calendar year) in its statement of general information, the risk factor is 0.0,
- (b) otherwise—the risk factor value is set out in the table.

³ A provider's weighted late payment measure calculation considers how many days past the due date the TPS received payment from the provider for the TPS levy payments and higher education provider charges over the past three years.