

2026 Domestic Tuition Protection Levies

Draft settings of the 2026 VSL, HELP and Up-front Payments Tuition Protection Levies

The VSL, HELP and Up-front Payments Tuition Protection Levies (the domestic levies) are paid annually by registered education and training providers. The levies fund the sector-specific activities of the Tuition Protection Service (TPS), including the management of provider defaults and TPS operational costs.

A provider default occurs when a provider closes, fails to start, or ceases to provide a course or unit of study for an enrolled student.

Consultation on the 2026 domestic levies draft settings

The [TPS Advisory Board](#)¹ provided its draft advice on the 2026 domestic levy settings to the TPS Director at its March 2026 meeting. The TPS will consult with leviable providers and other key stakeholders throughout March and April 2026.

Feedback received during the consultation period will be considered by the Board ahead of its May 2026 meeting, at which time the Board will provide its final advice to the TPS Director.

The Board's letters of draft advice are available on the [2026 Domestic Tuition Protection Levies Consultation](#)² webpage.

Domestic tuition protection levies

Each domestic levy is comprised of three components:

- The Administrative Fee component
- The Risk Rated Premium component
- The Special Tuition Protection component.

Annual settings for each levy component are established through legislative instruments that must be made by 1 August each year:

- The Administrative Fee component is determined by the relevant Minister.³
- The Risk Rated Premium component and Special Tuition Protection component are determined by the TPS Director, with advice from the TPS Advisory Board.

The domestic levies are paid into two sector-specific quarantined accounts managed by the TPS Director:

1. The **VSL Levy** is paid into the **VSL Tuition Protection Fund**
2. The **HELP Levy** is paid into the **Higher Education Tuition Protection Fund**
3. The **Up-front Payments Levy** is paid into the **Higher Education Tuition Protection Fund**.

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

² <https://www.education.gov.au/tps/announcements/2026-domestic-tuition-protection-levies-consultation>

³ For the VSL Levy, the relevant Minister is the Minister for Skills and Training. For the HELP and Up-front Payments Levies, the relevant Minister is the Minister for Education.

Guiding principles for levy setting advice

The TPS Advisory Board has agreed to the following principles when providing advice to the TPS Director on levy settings, specifically the Risk Rated Premium component and Special Tuition Protection component:

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.

Legislative authority

Legislative authority to collect levies are as follows:

- **VSL Levy:** [VET Student Loans \(VSL Tuition Protection Levy\) Act 2020](#).⁴
- **HELP Levy:** [Higher Education Support \(HELP Tuition Protection Levy\) Act 2020](#).⁵
- **Up-front Payments Levy:** [Higher Education \(Up-front Payments Tuition Protection Levy\) Act 2020](#).⁶

Draft 2026 domestic levy settings

The draft settings for 2026 domestic levies are summarised in Table 1 below.

The proposed 2026 Risk Rated Premium component amounts remain unchanged from 2025.

The Special Tuition Protection component is proposed to be reduced to 0 per cent for the VSL Levy and retained at 0.10 per cent for the HELP and Up-front Payments Levies. Refer to the 'Special Tuition Protection Component' section of this document for details.

Table 1: Draft levy settings for the 2026 VSL, HELP and Up-front Payments Tuition Protection Levies

Levy	Administrative Fee component*	Risk Rated Premium component [^]	Special Tuition Protection component
VSL	\$129 per provider + \$10.85 per VSL student	\$6 per VSL student + 0.13% x total 2025 VSL loan amounts	0% x total 2025 VSL loan amounts
HELP	\$129 per provider + \$10.85 per HELP student	\$6 per HELP student + 0.06% x total 2025 HELP loan amounts	0.10% x total 2025 HELP loan amounts
Up-front Payments	\$129 per provider + \$10.85 per up-front student	\$2 per up-front fee-paying student + 0.04% x total 2025 up-front payments	0.10% x total 2025 up-front payments

*Administrative Fee figures quoted were applied for the 2025 domestic levies and will be indexed to CPI for 2026 if the responsible Minister decides not to determine new amounts in a legislative instrument for each levy.

⁴ www.legislation.gov.au/C2020A00005/latest/versions

⁵ www.legislation.gov.au/C2020A00004/latest/versions

⁶ www.legislation.gov.au/C2020A00102/latest/versions

The 2026 domestic levies will be calculated using provider-level data from the 2025 calendar year, including student enrolment numbers and tuition fee income (loan amounts of up-front payments).

Risk Rated Premium component

The Risk Rated Premium component reflects the risk of a provider defaulting. Providers assessed as presenting a higher risk of default will incur a higher Risk Rated Premium.

Three risk factors are used in calculating the Risk Rated Premium component:

1. Financial strength
2. Completion rate
3. Non-compliance history and registration renewal.

A provider will receive a **risk factor value** for each of the three risk factors, which are summed together and used as a multiplier for the provider’s Risk Rated Premium component calculation.

The Risk Rated Premium component formula for the 2026 domestic levies is calculated as follows:

$$\left[\left(\begin{array}{c} \text{total students} \\ \text{for 2025} \\ \times \\ \text{specified amount} \end{array} \right) + \left(\begin{array}{c} \text{total tuition fee income} \\ \text{received in 2025} \\ \times \\ \text{specified percentage} \end{array} \right) \right] \times (\text{sum of risk factor values} + 1)$$

Risk Factor 1: Financial strength

The financial strength risk factor is calculated using two ratios:

1. Return on assets
2. Debt to equity.

Financial strength risk scores will be calculated in accordance with Table 2 for 2026.

Table 2: Financial strength calculations and scores

Ratio	Formula	Below average	Average	Above average
Return on assets	$\left[\frac{\text{NPBT}}{\text{Total assets}} \right]$	≤ 0.0	> 0.0 to ≤ 0.1	> 0.1
Debt to equity	$\left[\frac{\text{Total liabilities}}{\text{Total equity}} \right]$	≥ 2.5 or if the total equity is ≤ 0.0	≥ 1.5 to < 2.5	≥ 0.0 to < 1.5
Score		1.5	3.0	4.5

NPBT: Net profit before tax

Providers will receive a score of 1.5, 3.0 or 4.5 for each ratio, which are summed together to give an overall financial strength score. The financial strength score will determine the provider’s financial strength risk factor value according to Table 3.

Table 3: Financial strength risk factor values

Financial strength score	2022-25 risk factor values	Proposed 2026 risk factor values
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 financial statements	2.5	2.5

The proposed 2026 financial strength risk factor values remain unchanged from 2025 (and since 2022).

Risk Factor 2: Completion rate

A provider's unit completion rate percentage will be calculated using the following formula for the 2026 levies:

$$\left[\frac{\text{Passed EFTSL}}{(\text{Passed EFTSL} + \text{Failed EFTSL} + \text{Ongoing EFTSL} + \text{Data missing EFTSL})} \right] \times 100$$

EFTSL: Equivalent full-time student load for a year

A provider's completion rate percentage determines its completion rate risk factor value according to Table 4.

Table 4: Completion rate risk factor values

Completion rate percentage	2023-25 risk factor values	Proposed 2026 risk factor values
85% or higher	0.0	0.0
60% to < 85%	1.0	1.0
35% to < 60%	2.5	2.5
0% to < 35%	3.5	3.5

The proposed 2026 completion rate risk factor values remain unchanged from 2025 (and since 2023).

Risk Factor 3: Non-compliance history and registration renewal

The non-compliance history and registration renewal risk factor offers a financial incentive for providers to adopt compliant behaviours. There are two components to this risk factor:

1. **Non-compliance history** penalises providers for late payment of the relevant levy and/or the annual provider registration charge over the previous three years (i.e. 2023-25).
2. **Registration renewal** penalises any providers that applied for renewal of its registration and, for risk management reasons, had its registration renewed for a period less than the maximum allowable.

A provider's total non-compliance history and registration renewal risk factor value is the sum of the applicable risk factor values in Table 5.

Table 5: Non-compliance history and registration renewal risk factor values

Non-compliance history category	2022-25 risk factor values	Proposed 2026 risk factor values
A weighted late payment measure of 30 days or more	2.0	2.0
A weighted late payment measure of 15 days to < 30 days	0.9	0.9
A weighted late payment measure of 1 day to < 15 days	0.7	0.7
A weighted late payment measure of less than 1 day (including having a weighted late payment measure of 0)	0.0	0.0

Plus

Registration renewal category	2022-25 risk factor values	Proposed 2026 risk factor values
For registration periods less than the maximum allowable	1.0	1.0
For registration periods equal to the maximum allowable	0.0	0.0

The proposed 2026 non-compliance history and registration renewal risk factor values remain unchanged from 2025 (and since 2022).

Special Tuition Protection component

The Special Tuition Protection component is intended to build the balance of the levy funds when they are below their target size and help meet Commonwealth seed funding repayments.

It is calculated as a percentage of the income (loan amounts or up-front payments) received by a provider in the previous calendar year.

For 2026, the VSL Fund is expected to remain within its target range following the commencement of seed funding repayments in 2025. As a result, the draft settings propose reducing the VSL Special Tuition Protection component to 0 per cent.

The Higher Education Tuition Protection Fund is at the lower end of its target range, and seed funding repayments are yet to commence. Accordingly, the draft settings propose retaining the Special Tuition Protection component at 0.10 per cent for the HELP and Up-front Payments Levies.

2026 VSL Levy calculation example

This example is based on a VSL provider that had **75 VSL students** and received **\$250,000 in VSL loan amounts** in 2025.

Levy component	Levy calculation
Administrative Fee*	$\$129 + (75 \times \$10.85) = \$942.75$
Risk Rated Premium^	<p>Step 1: $75 \times \\$6 = \\450</p> <p>Step 2: $\\$250,000 \times 0.13\% = \\325</p> <p>Step 3: $\\$450 + \\$325 = \\$775$</p> <p>Step 4: Financial strength score: 6 (risk factor value = 1.0) Completion rate percentage: 50% (risk factor value = 2.5) Non-compliance history and registration renewal: weighted late payment measure of 17 days applied (risk factor value = 0.9)</p> <p>Step 5: $(1.0 + 2.5 + 0.9) + 1 = 5.4$</p> <p>Step 6: $\\$775 \times 5.4 = \\$4,185$</p>
Special Tuition Protection	$\$250,000 \times 0\% = \0
Total 2026 VSL Levy	$\$942.75 + \$4,185 + \$0 = \$5,127.75$

*Administrative Fee figures quoted were applied for the 2025 VSL Levy and will be indexed to CPI for 2026 if the responsible Minister decides not to determine new amounts in a legislative instrument.

^The calculation method is given in section 11 of the *VET Student Loans (VSL Tuition Protection Levy) Act 2020*.

2026 HELP Levy calculation example

This example is based on a HELP provider that had **650 HELP students** and received **\$10 million in HELP loan amounts** in 2025.

Levy component	Levy calculation
Administrative Fee*	$\$129 + (650 \times \$10.85) = \$7,181.50$
Risk Rated Premium^	<p>Step 1: $650 \times \\$6 = \\$3,900$</p> <p>Step 2: $\\$10m \times 0.06\% = \\$6,000$</p> <p>Step 3: $\\$3,900 + \\$6,000 = \\$9,900$</p> <p>Step 4: Financial strength score: 6 (risk factor value = 1.0) Completion rate percentage: 65% (risk factor value = 1.0) Non-compliance history and registration renewal: No weighted late payment measure applied (risk factor value = 0.0)</p> <p>Step 5: $(1.0 + 1.0 + 0.0) + 1 = 3.0$</p> <p>Step 6: $\\$9,900 \times 3.0 = \\$29,700$</p>
Special Tuition Protection	$\$10m \times 0.10\% = \$10,000$
Total 2026 HELP Levy	$\$7,181.50 + \$29,700 + \$10,000 = \$46,881.50$

*Administrative Fee figures quoted were applied for the 2025 HELP Levy and will be indexed to CPI for 2026 if the responsible Minister decides not to determine new amounts in a legislative instrument.

^The calculation method is given in section 11 of the *Higher Education Support (HELP Tuition Protection Levy) Act 2020*.

2026 Up-front Payments Levy calculation example

This example is based on an up-front provider that had **350 up-front fee-paying students** and received **\$400,000 in up-front payments** in 2025.

Levy component	Levy calculation
Administrative Fee*	$\$129 + (350 \times \$10.85) = \$3,926.50$
Risk Rated Premium^	<p>Step 1: $350 \times \\$2 = \\700</p> <p>Step 2: $\\$400,000 \times 0.04\% = \\160</p> <p>Step 3: $\\$700 + \\$160 = \\$860$</p> <p>Step 4: Financial strength score: 6 (risk factor value = 1.0) Completion rate percentage: 30% (risk factor value = 3.5) Non-compliance history and registration renewal: weighted late payment measure of 2 days applied (risk factor value = 0.7)</p> <p>Step 5: $(1.0 + 3.5 + 0.7) + 1 = 6.2$</p> <p>Step 6: $\\$860 \times 6.2 = \\$5,332$</p>
Special Tuition Protection	$\$400,000 \times 0.10\% = \400
Total 2026 Up-front Payments Levy	$\$3,926.50 + \$5,332 + \$400 = \$9,658.50$

*Administrative Fee figures quoted were applied for the 2025 Up-front Payments Levy and will be indexed to CPI for 2026 if the responsible Minister decides not to determine new amounts in a legislative instrument.

^The calculation method is given in section 11 of the *Higher Education (Up-front Payments Tuition Protection Levy) Act 2020*.