

2026 VSL, HELP and Up-front Payments Tuition Protection Levies

Sector Consultation on Draft Levy Settings

Mar-Apr 2026

Kate Tagg
TPS Director (a/g)



Outline

Tuition Protection Service (TPS)

Levy setting process, guiding principles and legislation

2025 levy collection snapshot

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2026 levies timeline and takeaways

Tuition Protection Service (TPS)

TPS Director, team and Advisory Board



Purpose of the Tuition Protection Service (TPS)

What the TPS does:

- Supports students with tuition fee refunds, loan re-credits and course placements
- Helps providers meet their obligations
- Manages tuition protection levies

Who it supports:

- International students
- VET Student Loans (VSL) students
- HELP and higher education up-front fee-paying students

Australian Government initiative, supported by the Department of Education

Safeguards Australia's reputation as a trusted education destination



Tuition Protection Service Director

Kate Tagg, TPS Director (a/g)

- **Statutory office holder** appointed by the federal Minister for Education
- **Operational oversight** of the daily activities of the TPS

Responsible for:

- **annual collection of TPS levies** from eligible education providers
- **managing the levy funds**

Supported by small team – the Tuition Protection Service - 13 staff



TPS Advisory Board

1. **Ms Sharon Robertson** (Chair)
2. **The Hon. Phil Honeywood** (Deputy Chair)
3. **Ms Joanna Kwai** (General Board member)
4. **Ms Karen Sandercock**, Australian Government Department of Education
5. **Ms Renae Houston**, Australian Government Department of Employment and Workplace Relations
6. **Mr Guy Thorburn**, Australian Government Actuary
7. ***[Vacant, pending appointment]*** Australian Prudential Regulation Authority
8. **Ms Gemma Cooper**, Australian Government Department of Finance
9. **Ms Libby McDonald**, Australian Government Department of Home Affairs

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Domestic Tuition Protection Levies

Levy setting process, guiding principles and legislation



Domestic Tuition Protection Levies – at a glance

Levy	VSL Levy	HELP Levy	Up-front Payments Levy
Paid by	VSL providers	HELP providers	Higher education up-front fee-paying providers
Account	VSL Tuition Protection Fund	Higher Education Tuition Protection Fund	Higher Education Tuition Protection Fund
Funds	<ul style="list-style-type: none"> - Loan re-credits - Placements 	<ul style="list-style-type: none"> - Loan re-credits - Placements 	<ul style="list-style-type: none"> - Student refunds - Placements
Supports	TPS operational costs	TPS operational costs	TPS operational costs
Calculated	Based on provider's size and risk of closure	Based on provider's size and risk of closure	Based on provider's size and risk of closure



Domestic Tuition Protection Levy Setting Process

4 March 2026

TPS Advisory Board provides draft advice to the TPS Director on the 2026 domestic tuition protection levies settings

Mar-Apr 2026

TPS consults the sector on the draft settings

20 May 2026

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

By 1 August 2026

2026 domestic levies settings finalised in legislative instruments



How the TPS Advisory Board sets levy advice

What the Board considers

- The overall risk environment
- Advice from the Australian Government Actuary (AGA)
- Feedback from sector regulators, peak bodies and providers
- Current Fund balances and the funds required for long-term sustainability

How the Board applies this

- Reflects the current risk environment
- Makes changes gradually to support business planning
- Keeps levy models simple and transparent
- Reflect risk to the fund and encourage positive provider behaviour
- Minimises extra data and reporting requirements



Tuition Protection Levy Framework

How domestic levies are set

- Levy settings are made through two legislative instruments for the following components:
 - Administrative Fee – set by the relevant Minister
 - Risk Rated Premium and Special Tuition Protection – set by the TPS Director, informed by Board advice

Role of the Australian Government Actuary (AGA)

- The AGA provides independent advice on levy settings. This advice ensures the arrangements are financially sound and sustainable over time

What providers need to know

- Providers operating in more than one sector pay separate levies for each sector



Legislative Authority

VET Student Loans (VSL Tuition Protection Levy) Act 2020

www.legislation.gov.au/C2020A00005

Higher Education Support (HELP Tuition Protection Levy) Act 2020

www.legislation.gov.au/C2020A00004

Higher Education (Up-front Payments Tuition Protection Levy) Act 2020

www.legislation.gov.au/C2020A00102



2025 Levy Collection Snapshot

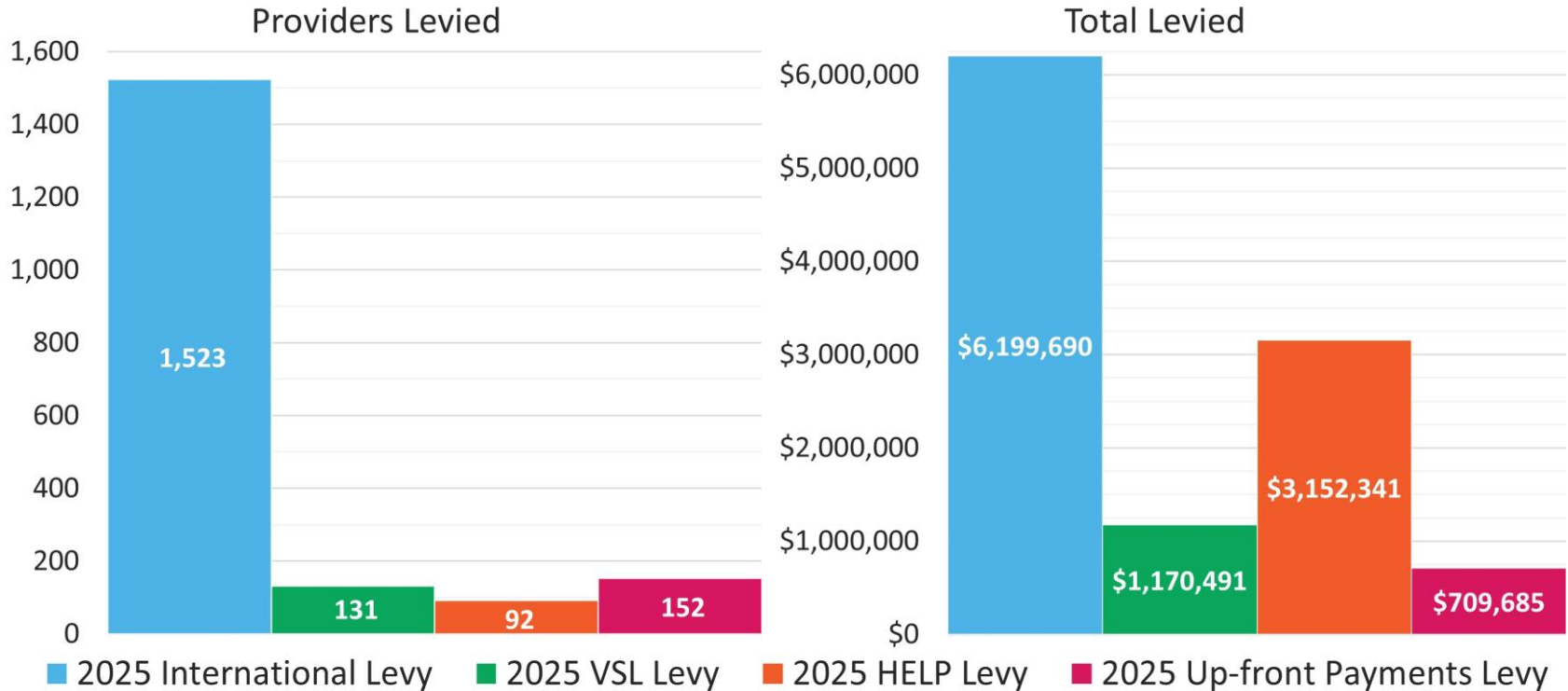


VSL and Higher Education Tuition Protection Funds

Fund	Target range	Balance	Seed funding to be repaid
VSL	\$6.92-9.74 million	\$9.12 million (as at 31 Dec 2025)	\$3.58 million (as at 31 Dec 2025)
Higher Education	\$21.53-25.63 million	\$22.35 million (as at 31 Dec 2025)	\$8.62 million (as at 31 Dec 2025)



2025 Levy Collection Overview



2025 Domestic Levies: Late Payments

Invoices issued mid-November 2025, due mid-December 2025

	VSL Levy	HELP Levy	Up-front Levy
Providers invoiced	131	92	152
Levies <u>not</u> paid by due date	23	14	26
Payments still not received (as at 31 Jan 2026)	3	2	5



Late or Non-Payment of Domestic Levies

The TPS is obligated to give providers notice of their levy amounts. The due date to pay must be at least:

- 14 days after the notice is given (VSL)
- 30 days after the notice is given (HELP and Up-front).

Providers that pay their levies after the due date may receive a **late payment penalty for the next three years' levy risk rating calculation.**

Levy invoices are sent to contacts identified in HITS with the contact type 'CEO/VC' and are copied to those listed as 'CFO', 'Senior Authorised Officer' and 'Primary Contact – HE/VET'. **Keep your contact information in HITS up to date.**



Domestic Levy Components and Draft 2026 Settings



Domestic Tuition Protection 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 relevant Minister
Risk Rated Premium	Considers 3 risk factors : <ol style="list-style-type: none">1. Financial strength2. Completion rate3. Non-compliance history and registration renewal	Intended to reflect risk of provider default Set by TPS Director with Board advice
Special Tuition Protection	Percentage multiplied by total loan amounts or up-front payments received	Builds Fund balances when below target range and facilitates repayment of seed funding Set by TPS Director with Board advice



Draft 2026 Domestic Tuition Protection Levy Settings

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

*Administrative Fee figures quoted are 2025 rates. These are yet to be set by relevant Ministers for 2026.

Note: 2026 levies will be calculated using 2025 calendar year student enrolment numbers and revenue



Risk Rated Premium component

Considers 3 risk factors designed to reflect the risk of provider closure

Providers receive a risk value against each risk factor

The sum of a provider's risk values give a **total risk factor value**

Providers with a high total risk factor value present a higher risk of closure and will pay a higher levy amount



Risk Rated Premium Component: Risk Factors

Risk Factor 1 Financial Strength

Based on 2 ratios: return on assets and debt to equity
Calculations use provider's most recent financial data

Risk Factor 2 Unit Completion Rate

Based on the unit completion rate of students

Risk Factor 3 Non-Compliance History and Registration Renewal

Late payment history of the relevant tuition protection levy and annual registration provider charges; and
If a provider's registration was renewed for a period less than the maximum allowable for risk management reasons





Financial Strength

Assessed using two ratios:

Ratio	Formula
Return on Assets: Measures the profitability of a provider relative to its total assets	$NPBT / \text{total assets}$
Debt to Equity: Measures the degree to which a provider is financing its operations through debt	$\text{Total liabilities} / \text{total equity}$

NPBT: Net profit before tax

‘Net profit ratio’ was also used to calculate financial strength in previous years but was removed from the 2024 levy calculations in response to concerns raised by some not-for-profit providers at the 2023 consultation sessions





Financial Strength

Proposed 2026 risk factor values unchanged from 2025 (and since 2022)

Financial strength score	Risk factor value (2022-25)	Proposed risk factor value (2026)
9	0.0	0.0
6 or 7.5	1.0	1.0
3 or 4.5	2.0	2.0
Provider does not submit financial statements	2.5	2.5

Providers 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

Financial strength scores determine providers' financial strength risk factor values





Completion Rate

Low student unit completion rates are correlated with an increased likelihood of closure

Unit completion rate percentage calculation:

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

EFTSL: Equivalent full-time student load for a year

‘Withdrawn EFTSL’ was included in the calculation denominator in previous years but was removed from the 2025 levy calculations in accordance with AGA and Board advice





Completion Rate

Proposed 2026 risk factor values unchanged from 2025 (and since 2023)

Completion rate percentage	Risk factor value (2023-25)	Proposed risk factor value (2026)
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





Non-Compliance History and Registration Renewal

Assesses the risk of a provider based on their **history of non-compliance and lack of risk management practices**

Non-compliance history

- Penalises providers for a late payment history of the relevant levy and annual registration provider charges over the previous 3 years (i.e. 2023-2025)

Registration renewal

- Penalises 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





Non-Compliance History and Registration Renewal

Proposed 2026 risk factor values unchanged from 2025 (and since 2022)

Non-compliance history and registration renewal	Risk factor value (2022-25)	Proposed risk factor value (2026)
Weighted late payment measure of 30 days or more	2.0	2.0
Weighted late payment measure of 15 to >30 days	0.9	0.9
Weighted late payment measure of 1 to >15 days	0.7	0.7
Weighted late payment measure of <1 day	0.0	0.0
PLUS		
Applied to have its registration renewed and, for risk management reasons , had its registration renewed for a period less than the maximum allowable	1.0	1.0



Risk Rated Premium Component

Risk Rated Premium component formula:

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

The sum of a provider's risk factor values is a multiplier for the Risk Rated Premium component calculation



Risk Rated Premium Component: VSL Example

$$\left[\left(\begin{array}{c} 75 \text{ VSL students} \\ \text{for 2025} \\ \times \\ \$6 \end{array} \right) + \left(\begin{array}{c} \$250,000 \text{ VSL Loans} \\ \text{received in 2025} \\ \times \\ 0.13\% \end{array} \right) \right] \times (\text{total risk factor value of } 4.7 + 1)$$

= **\$450**

= **\$325**

= **5.7**

$$= (\$450 + \$325) \times 5.7$$

= **\$4,417.50**



Risk Rated Premium Component: HELP Example

$$\left[\left(\begin{array}{c} 650 \text{ HELP students} \\ \text{for 2025} \\ \times \\ \$6 \end{array} \right) + \left(\begin{array}{c} \$10\text{m HELP Loans} \\ \text{received in 2025} \\ \times \\ 0.06\% \end{array} \right) \right] \times (\text{total risk factor value of } 1.0 + 1)$$

= **\$3,900**

= **\$6,000**

= **2.0**

$$= (\$3,900 + \$6,000) \times 2.0$$

= **\$19,800**



Risk Rated Premium Component: Up-front Example

$$\left[\left(\begin{array}{c} 350 \text{ up-front} \\ \text{students for 2025} \\ \times \\ \$2 \end{array} \right) + \left(\begin{array}{c} \$400,000 \text{ payments} \\ \text{received in 2025} \\ \times \\ 0.04\% \end{array} \right) \right] \times (\text{total risk factor value of } 6.4 + 1)$$

= **\$700**

= **\$160**

= **7.4**

$$= (\$700 + \$160) \times 7.4$$

= **\$6,364**



Special Tuition Protection component (STPC)

Helps **build the balance of the Funds** when below their target range and **facilitates seed funding repayments**

One proposed change for 2026 VSL Levy: STPC percentage to be reduced from 0.10% to 0%

Proposed 2026 STPC percentages for HELP and Up-front Levies unchanged from 2025 (and since 2022)

Levy	STPC percentage (2022-25)	Proposed STPC percentage (2026)
VSL	0.10%	0%
HELP	0.10%	0.10%
Up-front	0.10%	0.10%



2026 Domestic Levies Timeline and Takeaways



2026 Domestic Tuition Protection Levies Timeline

March 26

4 March

- Draft advice on 2026 Levy settings confirmed at TPS Advisory Board meeting

March

- Online consultation session for all providers
- State-based in-person and online consultation sessions
- Meetings with stakeholders

April 26

April

- Online feedback session for all providers
- Legislative instruments prepared

May 26

20 May

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

August 26

1 August

- Legislative Instruments must be made by 1 August and published online

Oct-Dec 26

October

- Early advice notices sent
- Levy estimate notice with link to estimator tool sent to providers

November

- Domestic levy invoices issued

December

- Domestic levy payments due





Takeaways

One proposed change for 2026: VSL Special Tuition Protection component percentage to be reduced from 0.10% to 0%

No proposed changes for 2026 to:

- Risk Rated Premium component settings (all levies)
- Special Tuition Protection component settings for HELP and Up-front levies

2026 domestic levies collected in November-December 2026





Key messages

Ensure **contact details in HITS** and **enrolment data in TCSI** are **current**

Check account details before making a payment

Pay the right amount, on time to avoid being penalised for non-compliance for the following three years

Ensure all financial statements:

- are signed by an auditor
- contain financial information from previous year (2025), previous financial year or the previous applicable financial reporting period
- display the **ABN of the entity** the TPS is levying

Do not use parent company's financial statements





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