

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

Sector Consultation Feedback on Draft Levy Settings

22 April 2026

Kate Tagg
TPS Director (a/g)





Outline

Tuition Protection Service (TPS) and levies

Levy components and draft 2026 settings

Summary of 2026 domestic levies consultation

2026 levies timeline and takeaways



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**
- **determining the settings of two components of the TPS levies** based on advice from the TPS Advisory Board

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. **TBC**, 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. **Mr Anthony Leong**, Australian Prudential Regulation Authority
8. **Ms Gemma Cooper**, Australian Government Department of Finance
9. **Ms Libby McDonald**, Australian Government Department of Home Affairs

View Board
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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 provided 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



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) |



Late or Non-Payment of Domestic Levies

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

In 2025, across the three levies, we saw **approximately 17% of levies not paid by the due date**

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 . Therefore, we are not consulting on the settings of this component . |
| 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 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: 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

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





Unit 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

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 |



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 Consultation Feedback



2026 Domestic Levies Consultation Activities (March 2026)

- National webinar
- In-person sessions in NSW, QLD and VIC
- Online session for SA, WA, ACT, NT and TAS
- Consultations with peak bodies



Q: In the levy calculations, does 'student count' refer to 'EFTSL' or a student 'headcount'?

The levy calculations use a combination of equivalent full-time student load (EFTSL) and a headcount of students

The components of the levies that are calculated using a student count and the type of student count used are:

- **Administrative Fee component:** Headcount of students for previous calendar year
- **Risk Rated Premium component:** Headcount of students for previous calendar year
- **Completion Rate risk factor:** EFTSL for previous calendar year



Q: How is the Completion Rate risk factor calculated if the practical component is deferred into 2026?

Unit completion rate percentage calculation:

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

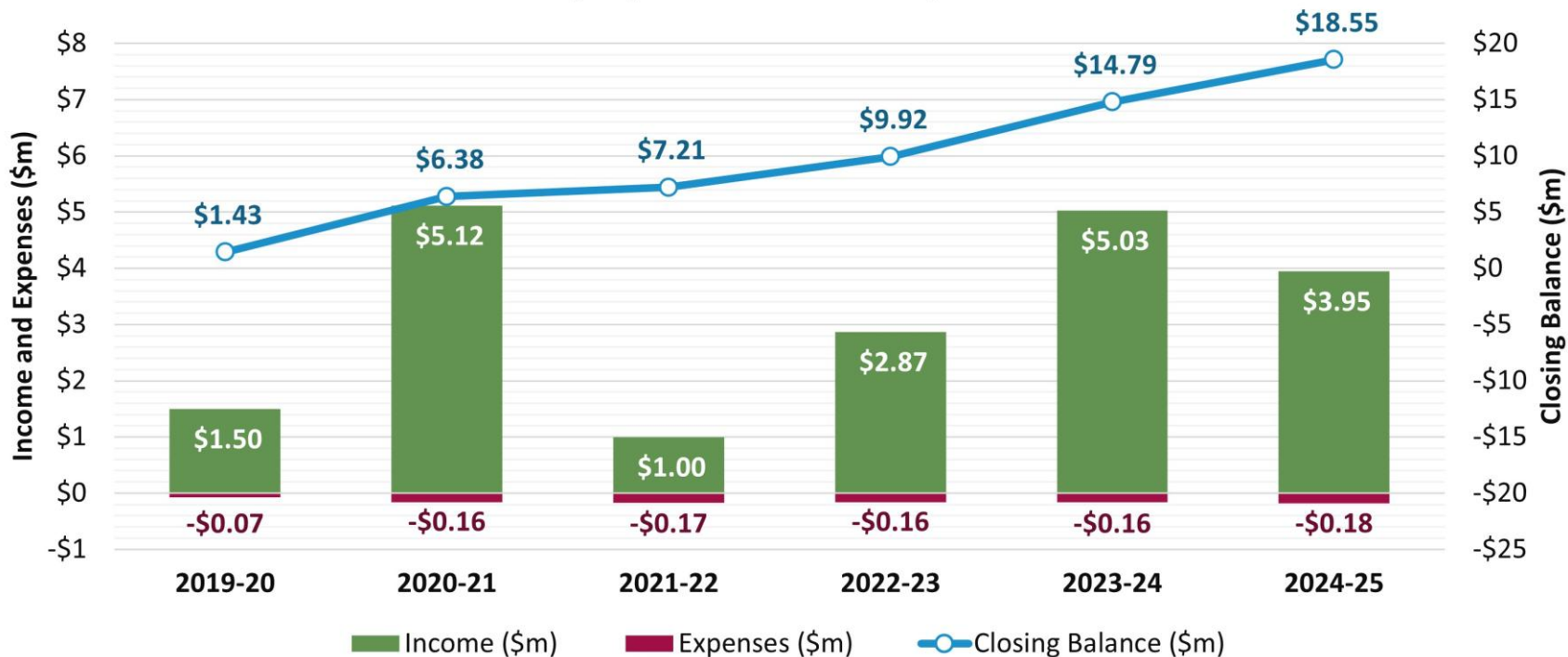
EFTSL: Equivalent full-time student load for a year

If a student remains enrolled in a unit of study and does not pass or fail in the 2025 calendar year, they will be counted as 'ongoing EFTSL' in the calculation denominator for the 2026 levies



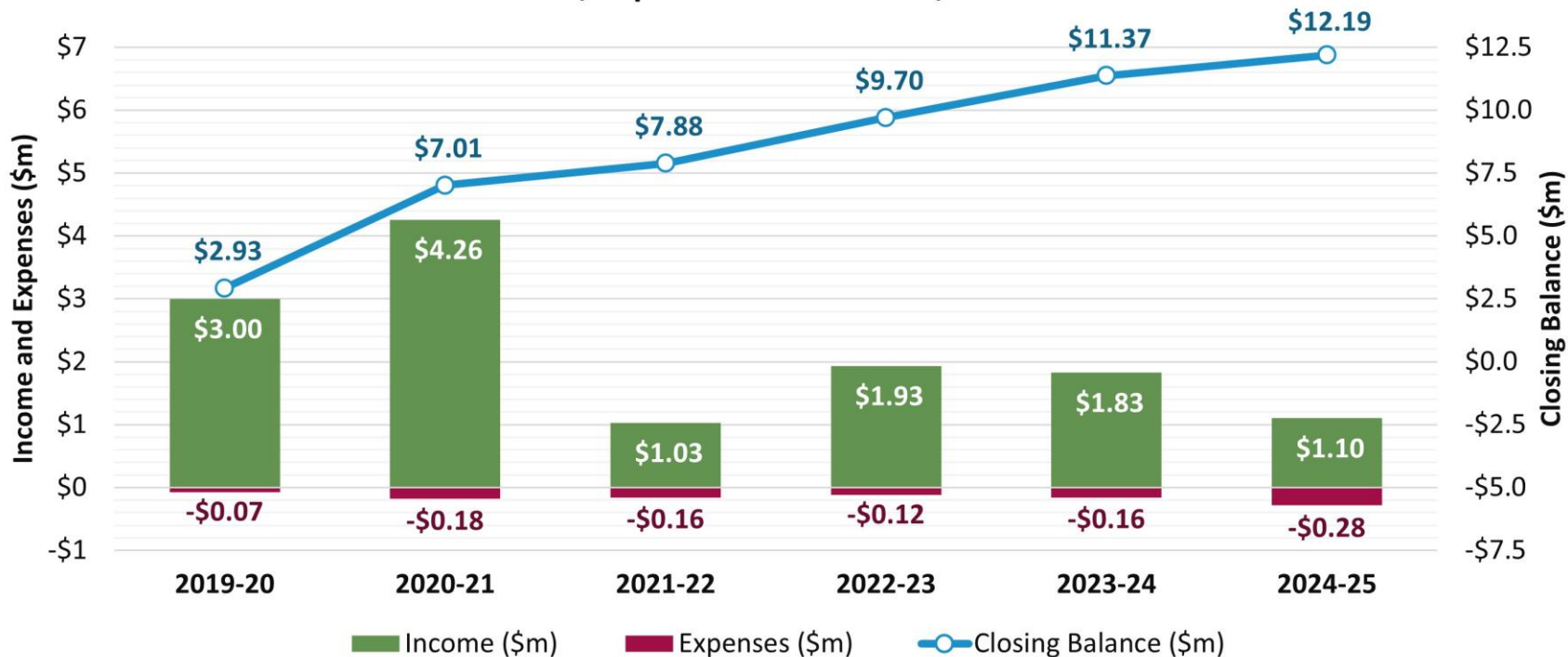
Q: How much is spent against the levy funds?

HE Fund Income, Expenses and Balance, 2019-20 to 2024-25



Q: How much is spent against the levy funds?

VSL Fund Income, Expenses and Balance, 2019-20 to 2024-25



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

22 April

- Online feedback session for all providers

April

- 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

If you have any further questions or feedback, email operations@tps.gov.au by **30 April** so this can be shared with the TPS Advisory Board





Key messages

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

Providers liable for more than one levy will receive a separate invoice for each levy

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 the previous year (2025), previous financial year or the previous applicable financial reporting period; and display the **ABN of the entity** the TPS is levying

Do not use parent company's financial statements





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