Australian Government | Tuition Protection Service

Ms Kate Tagg
Acting TPS Director
Tuition Protection Service
c/o Department of Education
GPO Box 9880
Canberra ACT 2601

Dear Ms Tagg,

**TPS Advisory Board's draft advice on 2027 International TPS Levy**

I am writing to you in my capacity as Chair of the Tuition Protection Service (TPS) Advisory Board (the Board), in accordance with section 55B of the *Education Services for Overseas Students Act 2000*, to provide the Board's draft advice on the 2027 International TPS Levy. This is for the purpose of your drafting of the annual legislative instrument to enact the Risk Rated Premium and Special Tuition Protection components of the Levy.

In formulating its advice, the Board has considered several factors including the advice of the Australian Government Actuary (AGA), the strategic risk environment, the views of relevant sector regulators and industry peak bodies, and the quantum of funds required for the long-term sustainability of the Overseas Students Tuition Fund (the Fund).

The Board has been assisted in its deliberations by 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 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 AGA's report to the Board on the health of the Fund, and actuarial modelling of risk factors and values, is a key document on which the Board relies on when considering its advice to the TPS Director.

**The Fund**

The Board agrees with the AGA's recommendation for the target range of the Fund to remain at $50 million to $70 million. The Fund balance at 30 June 2026 was $53.15 million.

**Risk Rated Premium component**

The Board agrees with the AGA's recommendation that the following risk factors should remain unchanged from their 2026 settings in 2027:

- base risk factor,
- length of operation,
- volatility in overseas student enrolments,
- maximum overseas source country concentration, and
- non-compliance and registration renewal.

The Board also supports the AGA's recommendation to retain the specified percentage for the Risk Rated Premium component at 0.05% as it was in 2026. Further details on the Board's draft advice on the risk factors and values for the Risk Rated Premium component can be found at the end of this letter.

**Special Tuition Protection component**

The Board agrees with the AGA's recommendation that the specified percentage for the Special Tuition Protection component be retained at 0%.

**The Board recommends retaining the Risk Rated Premium and the Special Tuition Protection components from the 2026 International TPS Levy for the 2027 International TPS Levy.**

These positions are consistent with the AGA's recommendations.

Yours sincerely,

**Sharon Robertson**
Chair
Tuition Protection Service Advisory Board
August 2026

**Proposed risk factors and values for the Risk Rated Premium component of the 2027 International TPS Levy**

| Risk factor | Category | 2026 values | Proposed 2027 values |
|---|---|---|---|
| Base | All non-exempt providers | 1.0 | 1.0 |
| Length of operation | Less than 1 year | 1.0 | 1.0 |
| | 1 year to less than 2 years | 0.5 | 0.5 |
| | 2 years or more | 0.0 | 0.0 |
| Volatility in overseas student enrolments[1,2] | 120% or more | 3.5 | 3.5 |
| | 105% to less than 120% | 3.0 | 3.0 |
| | 90% to less than 105% | 2.5 | 2.5 |
| | 75% to less than 90% | 1.8 | 1.8 |
| | 60% to less than 75% | 1.2 | 1.2 |

[1] Risk factor only applies to providers that in the previous year had either: at least 20 overseas students enrolled, or $400,000 or more in tuition fee income. Risk factor will not apply where a provider's proportion of overseas student enrolments is less than 20% of its total student population.

[2] The risk factor value is discounted as follows:

a. 100% for providers with a length of operation of 0 years to less than 2 years (i.e. the risk factor does not apply).
b. 75% for providers with a length of operation of 2 years to less than 3 years
c. 50% for providers with a length of operation of 3 years to less than 4 years
d. 25% for providers with a length of operation of 4 years to less than 5 years.

| Risk factor | Category | 2026 values | Proposed 2027 values |
| --- | --- | --- | --- |
| Volatility in overseas student enrolments (continued) | 45% to less than 60% | 0.6 | 0.6 |
| | 30% to less than 45% | 0.4 | 0.4 |
| | -15% to less than 30% | 0.0 | 0.0 |
| | -30% to less than -15% | 1.5 | 1.5 |
| | -45% to less than -30% | 2.0 | 2.0 |
| | -60% to less than -45% | 3.0 | 3.0 |
| | Less than -60% | 3.5 | 3.5 |
| Maximum overseas source country concentration[3] | 80% or more | 3.1 | 3.1 |
| | 50% to less than 80% | 0.7 | 0.7 |
| | 25% to less than 50% | 0.3 | 0.3 |
| | Less than 25% | 0.0 | 0.0 |

[3] Risk factor only applies to providers that in the previous year had either: at least 20 overseas students enrolled, or $400,000 or more in tuition fee income. Risk factor will not apply where provider's proportion of overseas student enrolments is less than 20% of its total student population.

| Risk factor | | Category | 2026 values | Proposed 2027 values |
|---|---|---|---|---|
| Non-compliance and registration renewal | Late payment history[4] | Weighted late payment measure of 30 days or more | 2.0 | 2.0 |
| | | Weighted late payment measure of 15 days or more but less than 30 days | 0.9 | 0.9 |
| | | Weighted late payment measure of 1 day or more but less than 15 days | 0.7 | 0.7 |
| | | Weighted late payment measure of less than 1 day | 0.0 | 0.0 |
| | Non-compliance history | Provider has had action mentioned in section 83 of the *Education Services for Overseas Students Act 2000* taken against it in the past year | 1.0 | 1.0 |
| | | Provider's registration was renewed by regulator for shorter than maximum period due to risk management | 1.0 | 1.0 |
| | | Provider has had at least one student default occur where the refund amount was paid out by the TPS in the previous calendar year (i.e. the payment by the TPS is in the previous calendar year, not necessarily the student default). | 1.0 | 1.0 |

[4] A provider's weighted late payment measure calculation considers the number of days after the due date the payment was received for the following applicable payments over the past three years: the International TPS Levy and the CRICOS Annual Registration Charge (CARC).