Australian Government

Tuition Protection Service

Draft Settings of the 2027 International TPS Levy

Levy principles, 2027 draft levy settings and calculation examples

The International TPS Levy (the levy) is paid annually by registered CRICOS providers. The levy funds the sector-specific activities of the Tuition Protection Service (TPS), including the management of provider defaults, student defaults, and TPS operational costs.

A provider default occurs when a provider closes, fails to start, or ceases to provide a course for an enrolled international student on a student visa.

A student default occurs when an international student does not start a course on the agreed starting day, or withdraws from a course, or a provider refuses to provide a course to a student due to the student failing to make payments, breaching student visa conditions, and/or misbehaviour.

Consultation on the draft settings of the 2027 International TPS Levy

The TPS Advisory Board[1] (the Board) provided its draft advice on the 2027 International TPS Levy settings to the TPS Director at its August 2026 meeting. The TPS will consult with leviable providers and other key stakeholders throughout September and October 2026.

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

The Board's letter of draft advice is available on the 2027 International TPS Levy Consultation[2] webpage.

International TPS Levy

The levy comprises four components:

1. the Administrative Fee component
2. the Base Fee component
3. the Risk Rated Premium component
4. the Special Tuition Protection component.

Annual settings for each levy component are established through two legislative instruments, which must be made by 1 January each year.

- The Administrative Fee and Base Fee components are determined by the Minister for Education. The Minister may choose not to make a legislative instrument, in which case the Administrative Fee and Base Fee component figures will be indexed.
- The Risk Rated Premium and Special Tuition Protection components are determined by the TPS Director, with advice from the Board.

The levy is paid into the Overseas Students Tuition Fund (OSTF). The OSTF is a quarantined account managed by the TPS Director.

[1] www.education.gov.au/tps/tuition-protection-service-advisory-board
[2] www.education.gov.au/tps/announcements/2027-international-tps-levy-consultation

Guiding principles for levy setting advice

The Board has agreed to the following principles when providing advice to the TPS Director on the 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**
5. **Additional imposts on industry, such as data collection, should be minimised** where possible, consistent with the ability to set sound risk-based levies.

Exemptions

The Minister for Education may, by legislative instrument, prescribe classes of registered providers that are exempt from paying the Base Fee component and/or the Risk Rated Premium component of the levy.

Under the Education Services for Overseas Students (TPS Levies—Exemptions) Instrument 2022[3], the following providers are exempt from paying the Base Fee component of the levy:

i. registered schools that had no overseas student enrolments in the calendar year immediately prior to the year for which the levy is imposed

and the following providers are exempt from paying the Risk Rated Premium component of the levy:

i. Table A providers
ii. government schools
iii. state or territory VET institutions.

Legislative authority

Legislative authority to collect the International TPS Levy is outlined in the Education Services for Overseas Students (TPS Levies) Act 2012[4].

Draft 2027 International TPS Levy settings

The draft settings for the 2027 levy settings are summarised in the table below. The proposed 2027 Risk Rated Premium component and Special Tuition Protection component amounts remain unchanged from 2026.

Levy component	Draft 2027 settings
Administrative Fee component*	**$110.00** per provider + **$0.58** per 2026 overseas student enrolment
Base Fee component*	**$223.00** per provider + **$1.41** per 2026 overseas student enrolment
Risk Rated Premium component	[**0.05%** x total risk factor value] x total 2026 overseas student tuition fees
Special Tuition Protection component	**0%** x total 2026 overseas student tuition fees

*Administrative Fee and Base Fee figures quoted were applied for the 2026 levy and will be indexed for the 2027 levy if the Minister decides not to determine new amounts in a legislative instrument.

[3] www.legislation.gov.au/F2022L01727/latest/text
[4] www.legislation.gov.au/C2012A00011/latest/text

The 2027 levy will be calculated using a providers' 2026 overseas student enrolment numbers and tuition fee income received.

Risk Rated Premium component

The Risk Rated Premium component is intended to reflect the risk of a provider defaulting. Providers assessed as presenting a higher risk of default will incur a higher charge for the Risk Rated Premium component.

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

1. Base risk factor
2. Length of operation
3. Volatility in overseas student enrolments
4. Maximum overseas source country concentration
5. Non-compliance and registration renewal.

The risk factors apply to non-exempt providers as follows:

Risk factor	Providers the risk factor applies to
Base risk factor	All non-exempt providers
Length of operation	All non-exempt providers
Volatility in overseas student enrolments	Non-exempt providers: a. with a length of operation of 2 years or more, and b. that had either or both of the following apply in 2026: i. at least 20 overseas student enrolments ii. $400,000 or more in tuition fee income, and c. whose proportion of overseas student enrolments was 20% or more of its total student population in 2026
Maximum overseas source country concentration	Non-exempt providers: a. that had either or both of the following apply in 2026: i. at least 20 overseas student enrolments ii. $400,000 or more in tuition fee income, and b. whose proportion of overseas student enrolments was 20% or more of its total student population in 2026
Non-compliance and registration renewal	All non-exempt providers

A provider will receive a **risk factor value** for each of the five 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 is calculated as follows:

$$\left[\frac{\text{Specified percentage}}{\text{for the year}} \times \frac{\text{Total risk factor value}}{\text{for the year}}\right] \times \frac{\text{Provider's overseas student tuition}}{\text{fees for the previous year}}$$

The proposed 2027 Risk Rated Premium component specified percentage of **0.05%** remains unchanged from 2026.

Risk factor 1: Base risk factor

A risk factor value of 1.0 applies to all non-exempt providers for the base risk factor. The proposed 2027 base risk factor value remains unchanged from 2026.

Risk factor 2: Length of operation

The length of operation risk factor is supported by data indicating that providers with a shorter length of operation present a higher risk of defaulting. It provides a general signal to new providers that risks are present in the early stages of operation.

The proposed 2027 length of operation risk factor values remain unchanged from 2026.

Length of operation	2026 risk factor values	Proposed 2027 risk factor values
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

Risk factor 3: Volatility in overseas student enrolments

The volatility in overseas student enrolments risk factor is supported by data showing a strong correlation between extreme volatility in overseas student enrolment numbers and provider defaults.

A provider’s volatility in overseas student enrolments percentage is calculated as follows:

$$\left[\frac{\text{Number of overseas student enrolments in 2026}}{\text{Number of overseas student enrolments in 2025}} - 1\right] \times 100$$

If a provider did not have overseas student enrolments in 2026, the provider’s volatility in overseas student enrolments will be 0%.

The proposed 2027 volatility in overseas student enrolments risk factor values remain unchanged from 2026.

Volatility in overseas student enrolments	2026 risk factor values	Proposed 2027 risk factor values
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
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

The volatility in overseas student enrolment risk factor values are discounted for providers with a length of operation of less than five years, as outlined in the following table. Note that this risk factor will not apply to providers with a length of operation of less than two years. This means that providers are subject to the application of either the length of operation risk factor or the volatility in overseas student enrolments risk factor, but **not both**.

Length of operation	2026 proportion of risk factor value applied	Proposed 2027 proportion of risk factor value applied
0 to less than 2 years	0%	0%
2 years to less than 3 years	25%	25%
3 years to less than 4 years	50%	50%
4 years to less than 5 years	75%	75%
5 years or more	100%	100%

Risk factor 4: Maximum overseas source country concentration

The maximum overseas source country concentration risk factor reflects the greater risk of a provider default associated with enrolling a high concentration of overseas students from a single source country, which increases exposure to potential political and geographical risks.

A provider's maximum overseas source country concentration percentage is calculated as follows:

$$\left[\frac{\text{Largest number of overseas student enrolments for a country}}{\text{Total number of overseas student enrolments}}\right] \times 100$$

where:

largest number of overseas student enrolments for a country means the largest number of overseas student enrolments for any overseas source country in 2026

total number of overseas student enrolments means the total number of overseas student enrolments in 2026.

The proposed 2027 maximum overseas source country concentration risk factor values remain unchanged from 2026.

Maximum overseas source country concentration	2026 risk factor values	Proposed 2027 risk factor values
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

Risk factor 5: Non-compliance and registration renewal

The non-compliance and registration renewal risk factor creates an incentive for providers to adopt low-risk and compliant behaviours. This risk factor penalises a provider for one or more of the following reasons:

1. late payment of the levy and/or CRICOS Annual Registration Charge (CARC) in the previous three years (i.e. 2024-26)
2. compliance action was taken against the provider under section 83 of the *Education Services for Overseas Students Act 2000*[5] (ESOS Act) in 2026
3. the provider applied for registration renewal and, due to risk management, the period of registration granted in 2026 was less than the maximum period allowed
4. had at least one student default occur where the TPS paid a refund to the student in 2026[6].

[5] www.legislation.gov.au/C2004A00757/latest/text

[6] Following a student default, a provider is legally obligated to refund the student's tuition fees in accordance with section 47D or 47E of the ESOS Act. Where the provider fails to meet this obligation, the TPS may issue a refund to the student.

The proposed 2027 non-compliance and registration renewal risk factor values remain unchanged from 2026.

Non-compliance and registration renewal categories	2026 risk factor values	Proposed 2027 risk factor values
Weighted late payment measure of 30 days or more	2.0	2.0
Weighted late payment measure of 15 days to less than 30 days	0.9	0.9
Weighted late payment measure of 1 day to less than 15 days	0.7	0.7
Weighted late payment measure of 0 days to less than 1 day	0.0	0.0
Had action mentioned in section 83 of the ESOS Act taken against it in 2026	1.0	1.0
Applied under section 10D of the ESOS Act to renew the provider's registration and, due to risk management, the period of registration set out in the notice given in 2026 under section 10G of that Act is less than the maximum period allowed	1.0	1.0
Had at least one student default occur where a refund was paid by the TPS in 2026	1.0	1.0

The weighted late payment measure considers the number of days after the due date a provider's levy payment and/or CARC payment were received for the previous three years. A provider's weighted late payment measure for the 2027 levy is the sum of the following calculations:

For 2026: $0.7 \times [\mathrm{CLP} + \mathrm{TLP}]$

For 2025: $0.2 \times [\mathrm{CLP} + \mathrm{TLP}]$

For 2024: $0.1 \times [\mathrm{CLP} + \mathrm{TLP}]$

where:

CLP, for a year, means the number of days after the due date the CRICOS Annual Registration Charge payment for that year was received

TLP, for a year, means the number of days after the due date the International TPS Levy payment for that year was received.

Special Tuition Protection component

The Special Tuition Protection component is charged when the balance of the OSTF is below its target size. It is calculated as follows:

$$\begin{array}{c}\text{Specified percentage}\\ \text{for the year}\end{array} \times \begin{array}{c}\text{Provider's overseas student tuition}\\ \text{fees for the previous year}\end{array}$$

The proposed 2027 Special Tuition Protection component specified percentage of **0%** remains unchanged from 2026.

Levy calculation examples

Provider 1

Provider 1 received **$3,000,000 in overseas student tuition fees** in 2026.

Provider 1 has been **operating for 12 years**.

In 2026, Provider 1 had **400 overseas student enrolments** and **150 domestic student enrolments**. Therefore, Provider 1's **proportion of overseas student enrolments was 73% of its total student population** in 2026.

In 2025, Provider 1 had 600 overseas student enrolments. Therefore, Provider 1's **volatility in overseas student enrolments is -33%**.

Of its 2026 overseas student enrolments, the largest number of enrolments for a country was 50 students. Therefore, Provider 1's **maximum overseas source country concentration is 13%**.

Provider 1's **2024 levy payment was received 5 days after the due date** and its **2025 CARC was received 3 days after the due date**. Therefore, Provider 1 has a **weighted late payment measure** of [0.1 x 5 days] + [0.2 x 3 days] = 0.5 + 0.6 = **1.1 days**.

Provider 1 **did not have action mentioned in section 83 of the ESOS Act taken against it** in 2026. Provider 1 **applied for registration renewal** under section 10D of the ESOS Act and, **due to risk management, the period of registration granted in 2026 was less than the maximum period allowed**. Provider 1 **had no student defaults occur where the refund amounts were paid out by the TPS in 2026**.

Levy component	Levy calculation
Administrative Fee*	$110 + (400 x $0.58) = $342
Base Fee*	$223 + (400 x $1.41) = $787
Risk Rated Premium	**Risk Factor 1: Base risk factor** Risk factor value: 1.0 **Risk Factor 2: Length of operation** Risk factor value: 0.0 **Risk Factor 3: Volatility in overseas student enrolments** Risk factor value: 2.0 **Risk Factor 4: Maximum overseas source country concentration** Risk factor value: 0.0 **Risk Factor 5: Non-compliance and registration renewal** Risk factor value: 0.7 + 1.0 **Total risk factor value** 1.0 + 0.0 + 2.0 + 0.0 + 0.7 + 1.0 = 4.7 **Risk Rated Premium component calculation** (**0.05%** x 4.7) x $3,000,000 = $7,050
Special Tuition Protection	$3,000,000 x **0%** = $0
Total 2027 levy	$342 + $787 + $7,050 + $0 = **$8,179**

*Administrative Fee and Base Fee figures quoted were applied for the 2026 levy and will be indexed for the 2027 levy if the Minister decides not to determine new amounts in a legislative instrument.

Provider 2

Provider 2 received **$1,000,000 in overseas student tuition fees** in 2026.

Provider 2 has been **operating for 4.5 years**.

In 2026, Provider 2 had **120 overseas student enrolments** and **0 domestic student enrolments**. Therefore, Provider 2's **proportion of overseas student enrolments was 100% of its total student population** in 2026.

In 2025, Provider 2 had 90 overseas student enrolments. Therefore, Provider 2's **volatility in overseas student enrolments is 33%**.

Of its 2026 overseas student enrolments, the largest number of enrolments for a country was 80 students. Therefore, Provider 2's **maximum overseas source country concentration is 67%**.

Provider 2's **2026 levy payment was received 22 days after the due date**. Therefore, Provider 2 has a **weighted late payment measure** of [0.7 x 22 days] = **15.4 days**.

Provider 2 **had action mentioned in section 83 of the ESOS Act taken against it** in 2026. Provider 2 **did not apply for registration renewal** under section 10D of the ESOS Act in 2026. Provider 2 **had student defaults occur where the refund amounts were paid out by the TPS in 2026**.

Levy component	Levy calculation
Administrative Fee*	$110 + (120 x $0.58) = $179.60
Base Fee*	$223 + (120 x $1.41) = $392.20
Risk Rated Premium	**Risk Factor 1: Base risk factor** Risk factor value: 1.0 **Risk Factor 2: Length of operation** Risk factor value: 0.0 **Risk Factor 3: Volatility in overseas student enrolments** Risk factor value: [0.4 x 75%] = 0.3 **Risk Factor 4: Maximum overseas source country concentration** Risk factor value: 0.7 **Risk Factor 5: Non-compliance and registration renewal** Risk factor value: 0.9 + 1.0 + 1.0 **Total risk factor value** 1.0 + 0.0 + 0.3 + 0.7 + 0.9 + 1.0 + 1.0 = 4.9 **Risk Rated Premium component calculation** (**0.05%** x 4.9) x $1,000,000 = $2,450
Special Tuition Protection	$1,000,000 x **0%** = $0
Total 2027 levy	$179.60 + $392.20 + $2,450 + $0 = **$3,021.80**

*Administrative Fee and Base Fee figures quoted were applied for the 2026 levy and will be indexed for the 2027 levy if the Minister decides not to determine new amounts in a legislative instrument.

Provider 3

Provider 3 received **$150,000 in overseas student tuition fees** in 2026.

Provider 3 has been **operating for 23 months**.

In 2026, Provider 3 had **18 overseas student enrolments** and **50 domestic student enrolments**. Therefore, Provider 3's **proportion of overseas student enrolments was 26% of its total student population** in 2026.

In 2025, Provider 3 had 12 overseas student enrolments. Therefore, Provider 3's **volatility in overseas student enrolments is 50%**.

Of its 2026 overseas student enrolments, the largest number of enrolments for a country was 8 students. Therefore, Provider 3's **maximum overseas source country concentration is 44%**.

All of Provider 3's levy and CARC payments have been received before the due date. Therefore, Provider 3 has a **weighted late payment measure** of **0 days**.

Provider 3 **did not have action mentioned in section 83 of the ESOS Act taken against it** in 2026. Provider 3 **did not apply for registration renewal** under section 10D of the ESOS Act in 2026. Provider 3 **had no student defaults occur where the refund amounts were paid out by the TPS in 2026**.

Levy component	Levy calculation
Administrative Fee*	$110 + (18 x $0.58) = $120.44
Base Fee*	$223 + (18 x $1.41) = $248.38
Risk Rated Premium	**Risk Factor 1: Base risk factor** Risk factor value: 1.0 **Risk Factor 2: Length of operation** Risk factor value: 0.5 **Risk Factor 3: Volatility in overseas student enrolments** Risk factor value: 0.0 Risk Factor 3 does not apply as Provider 3 has a length of operation of less than 2 years, and had less than 20 overseas student enrolments and received less than $400,000 in overseas student tuition fees in 2026. **Risk Factor 4: Maximum overseas source country concentration** Risk factor value: 0.0 Risk Factor 4 does not apply as Provider 3 had less than 20 overseas student enrolments and received less than $400,000 in overseas student tuition fees in 2026. **Risk Factor 5: Non-compliance and registration renewal** Risk factor value: 0.0 **Total risk factor value** 1.0 + 0.5 + 0.0 + 0.0 + 0.0 = 1.5 **Risk Rated Premium component calculation** (**0.05%** x 1.5) x $150,000 = $112.50
Special Tuition Protection	$150,000 x **0%** = $0
Total 2027 levy	$120.44 + $248.38 + $112.50 + $0 = **$481.32**

*Administrative Fee and Base Fee figures quoted were applied for the 2026 levy and will be indexed for the 2027 levy if the Minister decides not to determine new amounts in a legislative instrument.