

# 2026 Higher Education Loan Program (HELP) Tuition Protection Levy

## Calculation Guidelines

### HELP Tuition Protection Levy components

The HELP Tuition Protection Levy (HELP Levy) is comprised of three parts:

$$\text{HELP Levy} = A + R + S$$

where:

A = the Administrative Fee component

R = the Risk Rated Premium component

S = the Special Tuition Protection component.

All non-exempt higher education providers who offer HELP courses are required to pay the annual HELP Levy. The HELP Levy funds the student placement and loan re-credit activities of the Tuition Protection Service (TPS) in the event of a higher education provider default, as well as TPS operational costs. The HELP Levy is paid into the Higher Education Tuition Protection Fund (HE Fund), which is managed by the TPS Director.

Legislative authority to collect the **HELP Levy** is outlined in the [Higher Education Support \(HELP Tuition Protection Levy\) Act 2020](#).<sup>1</sup>

### Administrative Fee component

The Administrative Fee component is intended to contribute to the ongoing administration costs of the HELP tuition protection arrangements. The two amounts for the Administrative Fee component are determined by the Minister for Education through a legislative instrument (or indexed annually if the Minister chooses not to make a new legislative instrument for a particular year).

The two amounts for the Administrative Fee component for 2026 are \$133 (per provider charge) and \$11.20 (per student charge).

The 2026 Administrative Fee component (A) is calculated as:

$$A = \$133 + (\$11.20 \times \text{HELP students})$$

where:

HELP students = headcount of HELP students for 2025 (calendar year).

Source: Tertiary Collection of Student Information (TCSI) – data is submitted by each provider as a requirement under the *Higher Education Support Act 2003*.

<sup>1</sup> [www.legislation.gov.au/C2020A00004/latest/text](http://www.legislation.gov.au/C2020A00004/latest/text)

## Risk Rated Premium component

The Risk Rated Premium component is intended to capture differences in provider risk, including indicators that may be associated with a higher likelihood of financial distress or future default, rather than applying the same premium to all providers.

The Risk Rated Premium component is determined by the TPS Director through a legislative instrument each year. The TPS Director determines the annual Risk Rated Premium component settings in collaboration with the Australian Government Actuary (AGA), the TPS Advisory Board and feedback from stakeholders.

The 2026 Risk Rated Premium component (R) is calculated as:

$$R = \left[ \left( \frac{\$6}{\text{HELP students}} \right) + \left( \frac{0.06\%}{\text{HELP loan amounts}} \right) \right] \times \left( \frac{\text{sum of risk factor} + 1}{\text{values}} \right)$$

where:

HELP students = headcount of HELP students for 2025 (calendar year).

Source: TCSI.

HELP loan amounts = total HELP loan amounts received for 2025 (calendar year).

Source: TCSI.

### Sum of risk factor values

The 'sum of risk factor values' is based on the following three risk factors:

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

Each provider receives a value for each risk factor. These values are added together to calculate the provider's sum of risk factor values.

$$\text{sum of risk factor values} = \left( \frac{\text{Financial strength}}{\text{strength}} \right) + \left( \frac{\text{Completion rate}}{\text{rate}} \right) + \left( \frac{\text{Non-compliance history \& registration renewal}}{\text{registration renewal}} \right)$$

### Financial strength

$$\text{Financial strength} = (\text{Return on assets}) + (\text{Debt to equity})$$

The financial strength risk factor measures a provider's financial viability and financial risk using return on assets and debt-to-equity ratios. Higher scores indicate stronger financial performance and lower financial risk.

The financial ratios are calculated as follows:

$$\text{Return on assets} = \frac{\text{Net profit before tax}}{\text{Total assets}}$$

$$\text{Debt to equity} = \frac{\text{Total liabilities}}{\text{Total equity}}$$

Source: Financial statements provided in HITS.

To calculate the financial strength risk factor value, follow these steps:

1. Calculate the return on assets ratio using the formula above and identify the score in Table 1a.
2. Calculate the debt to equity ratio using the formula above and identify the score in Table 1b.
3. Add the return on assets score and debt to equity score to determine the financial strength score.
4. Identify the financial strength risk factor value using Table 2.

**Table 1a: Return on assets**

| Rating | Range                 | Score |
|--------|-----------------------|-------|
| Low    | $\leq 0.0$            | 1.5   |
| Medium | $> 0.0$ to $\leq 0.1$ | 3.0   |
| High   | $> 0.1$               | 4.5   |

**Table 1b: Debt to equity**

| Rating | Range                                 | Score |
|--------|---------------------------------------|-------|
| Low    | $\geq 2.5$ or total equity $\leq 0.0$ | 1.5   |
| Medium | $\geq 1.5$ to $< 2.5$                 | 3.0   |
| High   | $\geq 0.0$ to $< 1.5$                 | 4.5   |

**Table 2: Financial strength risk factor value**

| Financial strength score          | 2026 risk factor value |
|-----------------------------------|------------------------|
| 9                                 | 0.0                    |
| 6 or 7.5                          | 1.0                    |
| 3 or 4.5                          | 2.0                    |
| Financial statements not provided | 2.5                    |

## Completion rate

The completion rate risk factor measures a provider's course completion performance. Higher completion rates indicate stronger student outcomes and lower risk.

To calculate the completion rate risk factor value, follow these steps:

1. Calculate completion rate percentage:

$$\text{Completion rate percentage} = \left( \frac{\text{Passed EFTSL}}{(\text{Passed} + \text{Failed} + \text{Ongoing} + \text{Data Missing EFTSLs})} \right) \times 100$$

Source: TCSI, with completion rate using EFTSL counts for all categories for 2025.

For more detail, see the accompanying [Unit Completion Rate Risk Factor Calculation fact sheet](#).<sup>2</sup>

2. Identify completion rate risk factor value using Table 3 below.

<sup>2</sup> <https://www.education.gov.au/tps/resources/faqs-unit-completion-rate-risk-factor-calculation>

**Table 3: Completion rate risk factor value**

| Completion rate value | 2026 risk factor value |
|-----------------------|------------------------|
| 85% or higher         | 0.0                    |
| 60% to < 85%          | 1.0                    |
| 35% to < 60%          | 2.5                    |
| 0% to < 35%           | 3.5                    |

### Non-compliance history and registration renewal

$$\text{Non-compliance history and registration renewal} = \left( \frac{\text{Non-compliance history risk factor value}}{\text{risk factor value}} \right) + \left( \frac{\text{Registration renewal risk factor value}}{\text{risk factor value}} \right)$$

The non-compliance history risk factor measures late payment of the HELP Levy and the RHEP charge over the previous three years. The registration renewal risk factor applies where the regulator has determined that a shorter registration renewal period is warranted for risk management reasons.

To calculate the non-compliance history risk factor value, follow these steps:

1. Establish the number of days after the due date a payment was received for the 2023, 2024 and 2025 HELP Levy. Repeat this process for the RHEP charge. Apply these values to the formulas below.

Source: HELP Levy payment receipt date and RHEP charge (Tertiary Education Quality and Standards Agency).

#### Weighted late payment measure formula

$$(\text{2025 HELP Levy days late} + \text{RHEP charge days late}) \times 0.7 = X$$

$$(\text{2024 HELP Levy days late} + \text{RHEP charge days late}) \times 0.2 = Y$$

$$(\text{2023 HELP Levy days late} + \text{RHEP charge days late}) \times 0.1 = Z$$

2. Add the calculated amounts together to determine the weighted late payment measure.
3. Identify the non-compliance history risk factor value in Table 4.

**Table 4: Non-compliance history risk factor value**

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

To calculate the registration renewal risk factor value, follow these steps:

1. Identify the registration renewal risk factor value in Table 5.
2. Add the risk factor values from Table 4 and Table 5 to determine the combined non-compliance history and registration renewal risk factor value.

**Table 5: Registration renewal risk factor value**

| Registration renewal category                                                           | 2026 risk factor value |
|-----------------------------------------------------------------------------------------|------------------------|
| For registration periods less than the maximum allowable due to risk management reasons | 1.0                    |
| For registration periods equal to the maximum allowable                                 | 0.0                    |

Sources: Provider's registration renewal length.

Note: All HELP providers will receive a registration renewal risk factor value of 0.0 as there is no minimum registration period.

## Special Tuition Protection component

The Special Tuition Protection component percentage is determined by the TPS Director through a legislative instrument each year. The Special Tuition Protection Component contributes to building the balance of the HE Fund to ensure there are sufficient funds available in the event of a large provider default, or multiple provider defaults.

The 2026 Special Tuition Protection component (S) is calculated as:

$$S = 0.10\% \times \text{HELP loan amounts}$$

where:

HELP loan amounts = total loan amounts received for 2025 (calendar year).

Source: TCSI.

## 2026 HELP Levy calculation example

The following 2026 HELP Levy calculation example is based on a HELP provider that had:

- HELP students = 650
- amount received in HELP loan amounts in 2025 = \$10 million
- financial strength score = 6, therefore risk factor value = 1.0
- completion rate percentage = 65%, therefore risk factor value = 1.0
- non-compliance history weighted late payment measure calculation = 1 day, therefore risk factor value = 0.0
- registration renewal period = maximum allowable, therefore risk factor value = 0.0.

| Levy component                            | Levy calculation                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(A) Administrative Fee</b>             | $\$133 + (\$11.20 \times 650 \text{ HELP students}) = \mathbf{\$7,413.00}$                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>(R) Risk Rated Premium</b>             | $R = \left[ \left( \frac{\$6}{650 \text{ students}} \right) + \left( \frac{0.06\%}{\$10 \text{ million HELP loan amounts}} \right) \right] \times \left( \begin{array}{l} \text{Financial strength value} = 1.0 \\ \text{Completion rate value} = 1.0 \\ \text{Non-compliance history value} = 0.0 \\ \text{Registration renewal value} = 0.0 \\ +1 \end{array} \right)$ <p>Therefore <math>R = (\\$3,900 + \\$6,000) \times 3.0</math><br/> <math>R = \mathbf{\\$29,700.00}</math></p> |
| <b>(S) Special Tuition Protection</b>     | $0.10\% \times \$10\text{m (HELP loan amounts in 2025)} = \mathbf{\$10,000.00}$                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Total 2026 HELP Levy<br/>A + R + S</b> | $\$7,413 + \$29,700 + \$10,000 = \mathbf{\$47,113.00}$                                                                                                                                                                                                                                                                                                                                                                                                                                  |