

# 2024 International TPS Levy Settings

## Levy principles, components and calculation examples

The International TPS Levy (the **levy**) is paid annually by registered CRICOS providers. The levy funds the activities of the Tuition Protection Service (TPS) following an international education and training provider default. That is, where a provider closes, fails to start, or ceases to provide a course or unit of study for an enrolled international student.

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

The levy is comprised of 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 levy settings for each component are set through two legislative instruments, which must be made by 1 January each year.

The administrative fee component and base fee component are set by the Minister for Education in the [Education Services for Overseas Students \(TPS Levies\) \(Administrative and Base Fees\) Determination 2022](#)<sup>1</sup>.

The Minister chose not to make a legislative instrument this year, in which case the administrative fee and base fee component amounts has been indexed for the 2024 levy.

The risk rated premium component and special tuition protection component for the 2024 levy are set by the TPS Director with advice from the TPS Advisory Board in the [Education Services for Overseas Students \(TPS Levies\) \(Risk Rated Premium and Special Tuition Protection Components\) Instrument 2023](#)<sup>2</sup>.

## Levy principles

The [TPS Advisory Board](#)<sup>3</sup> has agreed to the following principles when providing advice to the TPS Director on levy settings, specifically the risk rated premium 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**; and
5. **Additional imposts on industry, such as data collection, should be minimised** where possible, consistent with the ability to set sound risk-based levies.

<sup>1</sup> [www.legislation.gov.au/F2022L01674](http://www.legislation.gov.au/F2022L01674)

<sup>2</sup> [www.legislation.gov.au/F2023L01665](http://www.legislation.gov.au/F2023L01665)

<sup>3</sup> [www.education.gov.au/tps/tuition-protection-service-advisory-board](http://www.education.gov.au/tps/tuition-protection-service-advisory-board)

## Legislative authority

Legislative authority to collect the International TPS Levy is outlined in the [Education Services for Overseas Students Act 2000](#)<sup>4</sup> (ESOS Act).

## Exemptions

The Minister for Education may, by legislative instrument, prescribe classes of registered providers that are exempt from the requirement to pay 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](#)<sup>5</sup>, the following providers are exempt from the requirement to pay 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 the requirement to pay the risk rated premium component of the levy:

- i. Table A providers;
- ii. government schools; and
- iii. State or Territory VET institutions.

## 2024 International TPS Levy settings

The TPS Advisory Board provided its final advice to the TPS Director on the 2024 levy settings at its November 2023 meeting. The [Board's Letter of Final Advice](#)<sup>6</sup> is available for viewing on the TPS website.

The 2024 levy settings are given in the table below.

Levy component	2024 settings
Administrative fee component	<b>\$104.00</b> per provider + <b>\$0.54</b> per 2023 international student enrolment
Base fee component	<b>\$210.00</b> per provider + <b>\$1.33</b> per 2023 international student enrolment
Risk rated premium component	[ <b>0.05%</b> x increase factor for each risk factor] x total 2023 overseas student tuition fees
Special tuition protection component	<b>0%</b> x total 2023 overseas student tuition fees

N.B. The 2024 levy will be calculated using an education provider's 2023 international student enrolment numbers and overseas student tuition fee income received.

<sup>4</sup> [www.legislation.gov.au/Series/C2004A00757](http://www.legislation.gov.au/Series/C2004A00757)

<sup>5</sup> [www.legislation.gov.au/Series/F2022L01727](http://www.legislation.gov.au/Series/F2022L01727)

<sup>6</sup> [www.education.gov.au/tps/resources/final-board-advice-2024-international-tps-levy](http://www.education.gov.au/tps/resources/final-board-advice-2024-international-tps-levy)

## Risk rated premium component

The risk factors are a key aspect of the risk rated premium component. They are determined by the TPS Director with advice from the TPS Advisory Board and Australian Government Actuary (AGA). The risk factors are intended to reflect the risk of an international education provider default.

The risk factors for the 2024 levy are:

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 to which the risk factor applies
Base risk factor	All non-exempt providers
Length of operation	All non-exempt providers
Volatility in overseas student enrolments	Non-exempt providers: <ol style="list-style-type: none"> <li>a. with a length of operation of 2 years or more; and</li> <li>b. that had either or both of the following apply in 2023:               <ol style="list-style-type: none"> <li>i. at least 20 overseas student enrolments;</li> <li>ii. \$400,000 or more in tuition fee income; and</li> </ol> </li> <li>c. whose international student cohort constituted less than 20% of its total student population in 2023 (new filter being introduced)</li> </ol>
Maximum overseas source country concentration	Non-exempt providers: <ol style="list-style-type: none"> <li>a. that had either or both of the following apply in 2023:               <ol style="list-style-type: none"> <li>i. at least 20 overseas student enrolments;</li> <li>ii. \$400,000 or more in tuition fee income; and</li> </ol> </li> <li>b. whose international student cohort constituted less than 20% of its total student population in 2023 (new filter being introduced)</li> </ol>
Non-compliance and registration renewal	All non-exempt providers

'Increase factors' apply to providers for each risk factor. Increase factors are numerical values determined by where a provider sits in a given data set for each risk factor.

### Risk rated premium component formula

The risk rated premium component considers individual providers' increase factors for each risk factor and the overseas student tuition fee income received in the previous calendar year.

The following formula is calculated for each of the risk factors, then added together to form the risk rated premium component.

$$\left( \frac{\text{Specified percentage for the year}}{\text{for the year}} \times \text{Increase factor for the risk factor for the year} \right) \times \text{Provider's overseas student tuition fees for the previous year}$$

The Board's advice recommends that a specified percentage of **0.05%** be applied for the 2024 levy. This is an increase of 0.01 percentage points from the 2023 levy. Maintaining the specified percentage at 0.04% for the

2024 levy would have resulted in a deficit for the OSTF based on average annual Fund claims. Given the current balance of the OSTF is below the mid-point of the target range, a slight increase to the specified percentage is necessary to create a more robust OSTF.

### Risk factor 1: Base risk factor

An increase factor of 1.0 applies to all non-exempt providers for the base risk factor. The Board’s advice recommends maintaining this setting for the 2024 levy.

Application of base risk factor	2023 increase factor	Proposed 2024 increase factor
All non-exempt providers	1.0	1.0

### Risk factor 2: Length of operation

This risk factor is supported by historical 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 Board’s advice recommends that no changes be made to the length of operation risk factor settings for the 2024 levy from 2023.

Length of operation	2023 increase factor	Proposed 2024 increase factor
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

Note that an increase factor of 0.0 applies to providers that have been operating for two years or more.

### Risk factor 3: Volatility in overseas student enrolments

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

An increase factor of 0.0 for positive volatility (i.e. an increased number of overseas student enrolments) was applied for the 2023 levy as a temporary measure to avoid penalising providers experiencing growth in international student enrolments post-COVID-19. The Board’s advice recommends maintaining this setting for the 2024 levy, recognising that the drivers of increasing international student enrolments in 2024 will be different from those in pre-COVID times. With the continued return of international students, it is expected that providers may experience unusually high growth in student enrolments.

Following the advice of the Board, a new filter will be applied to the volatility in overseas student enrolments risk factor for the 2024 levy onwards. The new filter will waive the application of the risk factor for providers whose international student cohort constituted less than 20% of its total student population in 2023. This filter recognises that providers with a low ratio of international students to domestic students present a lower risk of default than providers that are reliant on international students.

The percentage of a provider’s volatility in overseas student enrolments is worked out using the following formula:

$$\left[ 1 - \frac{\text{Number of overseas student enrolments in 2023}}{\text{Number of overseas student enrolments in 2022}} \right] \times 100\%$$

If a provider did not have overseas student enrolments in 2022, the provider's increase factor will be 0.0.

Volatility in overseas student enrolments	2023 increase factor	2024 increase factor
-60% or less	3.5	3.5
-45% to less than -60%	3.0	3.0
-30% to less than -45%	2.0	2.0
-15% to less than -30%	1.5	1.5
-15% to 0% or more (positive volatility)	0.0	0.0

A provider's volatility in overseas student enrolments increase factor is discounted according to their length of operation and rounded to one decimal place as follows. This tapers the introduction of this risk factor for providers transitioning from two to five years of operation.

Length of operation	2023 increase factor discount	2024 increase factor discount
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%

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**.

#### Risk factor 4: Maximum overseas source country concentration

This risk factor reflects the greater risk of a provider default associated with a provider enrolling a high concentration of international students from a single source country. Providers with a greater concentration of international students from a single country are more exposed to potential political and geographical risks.

Following the advice of the Board, a new filter will be applied to the maximum overseas source country concentration risk factor for the 2024 levy onwards. The new filter will waive the application of the risk factor for providers whose international student cohort constituted less than 20% of its total student population in 2023. This filter recognises that providers with a low ratio of international students to domestic students present a lower risk of default than providers that are reliant on international students.

The percentage of a provider's maximum overseas source country concentration is worked out using the following formula:

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

where:

**Largest number of overseas student enrolments for a country** means the largest number of overseas student enrolments for any overseas source country in 2023; and

**Total number of overseas student enrolments** means the total number of overseas student enrolments in 2023.

Source country concentration	2023 increase factor	2024 increase factor
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

This risk factor is based on:

1. a provider's late payment of the International TPS Levy, CRICOS Annual Registration Charge (CARC), Annual Registration Charge (ARC), and/or Entry to Market Charge (EMC) for the previous three years; and
2. whether or not a provider's ESOS agency took action against the provider under section 83 of the ESOS Act for non-compliance in 2023; and
3. if a provider applied for registration renewal in 2023 and the period of registration granted was less than the maximum allowable due to risk management.

This risk factor creates an incentive for providers to adopt low-risk and compliant behaviours.

The Board's advice recommends that no changes be made to the non-compliance and registration renewal risk factor settings for the 2024 levy from 2023.

Weighted late payment measure category	2023 increase factor	2024 increase factor
A weighted late payment measure of 30 days or more	2.0	2.0
A weighted late payment measure of 15 days to less than 30 days	0.9	0.9
A weighted late payment measure of 1 day to less than 15 days	0.7	0.7
No weighted late payment measure (payment on time)	0.0	0.0

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Non-compliance and registration renewal categories	2023 increase factor	2024 increase factor
Had action mentioned in section 83 of the ESOS Act taken against the provider in 2023	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 2023 under section 10G of that Act is less than the maximum period allowed	1.0	1.0

The weighted late payment measure considers how many days past the due date a provider's International TPS Levy payment, CARC, ARC and/or EMC were received over the previous three years. A provider's weighted late payment measure for 2024 is the sum of the following calculations:

**For 2023:**  $0.7 \times [\text{CARC} + \text{TPSL}]$

**For 2022:**  $0.2 \times [\text{CARC} + \text{TPSL}]$

**For 2021:**  $0.1 \times [\text{ARC} + \text{EMC} + \text{TPSL}]$

where:

**ARC**, for a year, means the number of days after the due date on which the annual registration charge for that year was received;

**CARC**, for a year, means the number of days after the due date on which the CRICOS annual registration charge for that year was received;

**EMC**, for a year, means the number of days after the due date on which the entry to market charge for that year was received;

**TPSL**, for a year, means the number of days after the due date on which the International TPS Levy payable for that year was received.

Please note, the ARC and EMC were replaced by the CARC on 1 January 2022.

## 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:

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

The Board's advice recommends maintaining a specified percentage of **0%** for the 2024 levy.

## New International Proportionality Filter and Request for Information

The Board has considered research that there is a reduced risk profile in volatility in overseas student enrolments and maximum source country concentration for education providers who operate across both international and domestic education sectors that have a small proportion of international students to total student population. Accordingly, the new International Proportionality Filter (IPF) will be applied to the volatility in overseas student enrolments and maximum overseas source country concentration risk factor calculations for the 2024 levy onwards.

An education provider whose proportion of international students is less than 20% of its total student population for 2023 will yield an increase factor of 0.0 for **both** the volatility in overseas student enrolments and maximum overseas source country concentration risk factors.

The Request for Information (RFI) is a requirement under section 26(3) of the ESOS Act for providers to make their declaration on the information provided to the TPS Director to determine the 2024 TPS levy. This year, the RFI form will include an additional line to provide information on domestic student enrolments for 2023. An example of this can be seen in the following image.

General Info | **Income Declaration** | TPS Levy Components | View Payment

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**Declaration of Enrolments and Overseas Student Tuition Fee Income for [REDACTED]**

**Enrolments & Income**

International enrolment data is pre-populated from PRISMS data.  
 Please provide domestic enrolment numbers.  
 Provide details of the **Actual** income of overseas student tuition fee earned during the period from 1 January 2023 to 31 December 2023.  
 Please note that where a variation in income and enrolment of ± 20% occurs, an explanation will be required.

[Income Declaration](#)  
[CARC Enrolment Export](#)

	2022	2023	Variation from 2022
International Enrolments:	126.75	424.50	234.91%
* Domestic Enrolments:	-		
* International Declared Income:	\$875,369.76	\$	

### Defining domestic enrolment numbers

Please note that the domestic enrolment numbers for the previous year will not be available for comparative purposes in 2024, as this is the first year domestic enrolments will be reported.

For all providers, domestic student enrolment numbers are to include commenced and commencing domestic students who are studying a course of any duration, onshore or offshore.

### Higher Education domestic sector student definition

When calculating the whole higher education provider’s domestic student enrolments this is to include reported census data outlining HECS-HELP, FEE-HELP, Up-front Payment student enrolments.

For higher education providers, the domestic student enrolment count should be drawn from the provider census reporting.

### Schools domestic sector student definition

When calculating the entire domestic school student enrolments this is to include reported census data linked to the school’s AGEID counting all year levels and campuses that a school encompasses under the relevant AGEID.

For schools, the domestic student enrolment count should be drawn from the provider census reporting.

### VET domestic sector student definition

When reporting the entire domestic VET student enrolment number, CRICOS RTO providers are to report their total VET Activity number as reported to National Centre for Vocational Education Research (NCVER).

For VET providers, the domestic student enrolment count should be drawn from activity reporting.



## Levy calculation examples

### Provider 1

Provider 1 had **75 overseas student enrolments** and received **\$1,500,000 in overseas student tuition fees** in 2023.

Provider 1 has been **operating for 4 years**.

Provider 1 had 300 domestic students in 2023. Therefore, Provider 1's **international student cohort constituted 20% of its total student population**.

In 2022, Provider 1 had 100 overseas student enrolments, meaning Provider 1 experienced a **25% decrease in overseas student enrolments** for 2023.

Of its 2023 overseas student enrolments, the largest number of enrolments for a country was 60 students. Therefore, Provider 1's **maximum overseas source country concentration percentage is 80%**.

All of Provider 1's levy payments and charges were received by the due date from 2021 to 2023. Therefore, Provider 1's **weighted late payment measure is 0.0**. Provider 1 **did not have action mentioned in section 83 of the ESOS Act taken against it** in 2023. Provider 1 **did not apply for registration renewal** under section 10D of the ESOS Act in 2023.

Levy component	Levy calculation
Administrative fee	$\$104 + (75 \times \$0.54) = \$144.50$
Base fee	$\$210 + (75 \times \$1.33) = \$309.75$
Risk rated premium	<p><b>Risk Factor 1: Base risk factor</b> Increase factor: 1.0</p> <p><b>Risk Factor 2: Length of operation</b> Increase factor: 0.0</p> <p><b>Risk Factor 3: Volatility in overseas student enrolments</b> Increase factor: <math>1.5 \times 75\% = 1.1</math> The increase factor was discounted at 25% as Provider 1 has been operating for 4 years.</p> <p><b>Risk Factor 4: Maximum overseas source country concentration</b> Increase factor: 3.1</p> <p><b>Risk Factor 5: Non-compliance and registration renewal</b> Increase factor: 0.0</p> <p><b>Total increase factor</b> <math>1.0 + 0.0 + 1.1 + 3.1 + 0.0 = 5.2</math></p> <p><b>Risk rated premium component calculation</b> <math>(0.05\% \times 5.2) \times \\$1,500,000 = \\$3,900</math></p>
Special tuition protection	$\$1,500,000 \times 0\% = \$0.00$
<b>Total 2024 levy</b>	$\$144.50 + \$309.75 + \$3,900 + \$0.00 = \$4,354.25$

## Provider 2

Provider 2 had **100 overseas student enrolments** and received **\$2,000,000 in overseas student tuition fees** in 2023.

Provider 2 has been **operating for 7 years**.

Provider 2 had 800 domestic students in 2023. Therefore, Provider 2's **international student cohort constituted 11.1% of its total student population**.

In 2022, Provider 2 had 50 overseas student enrolments, meaning Provider 2 experienced a **100% increase in overseas student enrolments** for 2023.

Of its 2023 overseas student enrolments, the largest number of enrolments for a country was 40 students. Therefore, Provider 2's **maximum overseas source country concentration percentage is 40%**.

Provider 2's **2021 levy payment was received 8 days after the due date**. Provider 2's **2022 CARC was received 3 days after the due date**. Therefore, Provider 2's weighted late payment measure is  $[0.1 \times 8 \text{ days}] + [0.2 \times 3 \text{ days}] = 0.8 + 0.6 = 1.4 \text{ days}$ .

Provider 2 did not have action mentioned in section 83 of the ESOS Act taken against it in 2023. Provider 2 **applied for registration renewal** under section 10D of the ESOS Act in 2023 and, due to risk management, **the period of registration granted was less than the maximum allowable**.

Levy component	Levy calculation
Administrative fee	$\$104 + (100 \times \$0.54) = \text{\$158.00}$
Base fee	$\$210 + (100 \times \$1.33) = \text{\$343.00}$
Risk rated premium	<p><b>Risk Factor 1: Base risk factor</b> Increase factor: 1.0</p> <p><b>Risk Factor 2: Length of operation</b> Increase factor: 0.0</p> <p><b>Risk Factor 3: Volatility in overseas student enrolments</b> Increase factor: 0.0 Provider 2's international student cohort constituted less than 20% of its total student population in 2023. Therefore, an increase factor of 0.0 applies.</p> <p><b>Risk Factor 4: Maximum overseas source country concentration</b> Increase factor: 0.0 Provider 2's international student cohort constituted less than 20% of its total student population in 2023. Therefore, an increase factor of 0.0 applies.</p> <p><b>Risk Factor 5: Non-compliance and registration renewal</b> Increase factor: <math>0.7 + 1.0</math></p> <p><b>Total increase factor</b> <math>1.0 + 0.0 + 0.0 + 0.0 + 0.7 + 1.0 = 2.7</math></p> <p><b>Risk rated premium component calculation</b> <math>(0.05\% \times 2.7) \times \\$2,000,000 = \text{\\$2,700.00}</math></p>
Special tuition protection	$\$2,000,000 \times 0\% = \text{\$0.00}$
<b>Total 2024 levy</b>	$\$158.00 + \$343.00 + \$2,700.00 + \$0.00 = \text{\$3,201.00}$

### Provider 3

Provider 3 had **18 overseas student enrolments** and received **\$216,000 in overseas student tuition fees** in 2023.

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

Provider 3 had 70 domestic students in 2023. Therefore, Provider 3's **international student cohort constituted 20.5% of its total student population**.

In 2022, Provider 3 had **0 overseas student enrolments**.

Of its 2023 overseas student enrolments, the largest number of enrolments for a country was 6 students. Therefore, Provider 3's **maximum overseas source country concentration percentage is 33%**.

Provider 3's **2023 levy payment was received 22 days after the due date**. Therefore, Provider 3's weighted late payment measure is  $0.7 \times 22 \text{ days} = 15.4 \text{ days}$ . **Action mentioned in section 83 of the ESOS Act was taken against Provider 3** in 2023. Provider 3 did not apply for registration renewal under section 10D of the ESOS Act in 2023.

Levy component	Levy calculation
Administrative fee	$\$104 + (18 \times \$0.54) = \$113.72$
Base fee	$\$210 + (18 \times \$1.33) = \$233.94$
Risk rated premium	<p><b>Risk Factor 1: Base risk factor</b> Increase factor: 1.0</p> <p><b>Risk Factor 2: Length of operation</b> Increase factor: 0.5</p> <p><b>Risk Factor 3: Volatility in overseas student enrolments</b> Increase factor: 0.0</p> <p>Provider 3 had less than 20 overseas student enrolments and earned less than \$400,000 in overseas student tuition fees in 2023. Therefore, an increase factor of 0.0 applies.</p> <p><b>Risk Factor 4: Maximum overseas source country concentration</b> Increase factor: 0.0</p> <p>Provider 3 had less than 20 overseas student enrolments and earned less than \$400,000 in overseas student tuition fees in 2023. Therefore, an increase factor of 0.0 applies.</p> <p><b>Risk Factor 5: Non-compliance and registration renewal</b> Increase factor: <math>0.9 + 1.0</math></p> <p><b>Total increase factor</b> <math>1.0 + 0.5 + 0.0 + 0.0 + 0.9 + 1.0 = 3.4</math></p> <p><b>Risk rated premium component calculation</b> <math>(0.05\% \times 3.4) \times \\$216,000 = \\$367.20</math></p>
Special tuition protection	$\$216,000 \times 0\% = \$0.00$
<b>Total 2024 levy</b>	$\$113.72 + \$233.94 + \$367.20 + \$0.00 = \$714.86$