

Draft Settings of the 2025 International TPS Levy

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). The OSTF is 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 and base fee components are set 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 amounts will be indexed.

The risk rated premium and special tuition protection components are set by the TPS Director with advice from the Australian Government Actuary (AGA) and the [TPS Advisory Board](#)¹ (the Board).

Legislative authority to collect the International TPS Levy is outlined in the [Education Services for Overseas Students \(TPS Levies\) Act 2012](#)².

Levy principles

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:

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.

¹ www.education.gov.au/tps/tuition-protection-service-advisory-board

² www.legislation.gov.au/C2012A00011/latest/versions

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](#)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; and
- iii. State or Territory VET institutions.

Draft 2025 International TPS Levy settings

The Board provided its draft advice to the TPS Director on the 2025 levy settings at its August 2024 meeting. The [Board's Letter of Draft Advice](#)⁴ is available for viewing on the TPS website.

The draft 2025 levy settings are given in the table below.

Levy component	Draft 2025 settings
Administrative fee component*	\$104.00 per provider + \$0.54 per 2024 overseas student enrolment
Base fee component*	\$210.00 per provider + \$1.33 per 2024 overseas student enrolment
Risk rated premium component	[0.05% x total risk factor value] x total 2024 overseas student tuition fees
Special tuition protection component	0% x total 2024 overseas student tuition fees

*Administrative fee and base fee figures reflect 2024 values and will be indexed for the 2025 levy if the Minister decides not to make a legislative instrument specifying new amounts.

The 2025 levy will be calculated using an education provider's 2024 overseas student enrolment numbers and tuition fee income received.

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 Board and the AGA. The risk factors are intended to reflect the risk of an international education provider default.

The risk factors for the 2025 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.

³ www.legislation.gov.au/F2022L01727/latest/versions

⁴ www.education.gov.au/tps/resources/draft-board-advice-2025-international-tps-levy-settings

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"> a. with a length of operation of 2 years or more; and b. that had either or both of the following apply in 2024: <ol style="list-style-type: none"> 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 2024
Maximum overseas source country concentration	Non-exempt providers: <ol style="list-style-type: none"> a. that had either or both of the following apply in 2024: <ol style="list-style-type: none"> 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 2024
Non-compliance and registration renewal	All non-exempt providers

Providers receive a risk factor value for each risk factor. Risk factor values 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' risk factor values for each risk factor and the overseas student tuition fee income received in the previous calendar year.

The risk rated premium component is calculated as follows:

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

The Board's Letter of Draft Advice recommends maintaining the specified percentage at **0.05%** for the 2025 levy.

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 Board's Letter of Draft Advice recommends maintaining this setting for the 2025 levy.

Base risk factor	2024 risk factor value	Proposed 2025 risk factor value
Applied for all non-exempt providers	1.0	1.0

Risk factor 2: Length of operation

The length of operation 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 Letter of Draft Advice recommends the length of operation risk factor values for the 2025 levy remain unchanged from the 2024 settings.

Length of operation	2024 risk factor values	Proposed 2025 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:

$$\left[\frac{\text{Number of overseas student enrolments in 2024}}{\text{Number of overseas student enrolments in 2023}} - 1 \right] \times 100$$

If a provider did not have overseas student enrolments in 2024, the provider's volatility in overseas student enrolments will be 0%.

A risk factor value of 0.0 for positive volatility (growth) in overseas student enrolments was applied for the 2023 and 2024 levies as a temporary measure to avoid penalising providers experiencing growth in overseas student enrolments post-COVID. The Board's Letter of Draft Advice recommends reinstating the positive volatility risk factor values for the 2025 levy to pre-pandemic levels.

Volatility in overseas student enrolments	2024 risk factor values	Proposed 2025 risk factor values
120% or more		3.5
105% to less than 120%		3.0
90% to less than 105%		2.5
75% to less than 90%		1.8
60% to less than 75%		1.2
45% to less than 60%		0.6
30% to less than 45%		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	2024 proportion of risk factor value applied	Proposed 2025 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 a provider enrolling a high concentration of overseas students from a single source country. Providers with a greater concentration of overseas students from a single country are more exposed 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 2024

total number of overseas student enrolments means the total number of overseas student enrolments in 2024.

The Board's Letter of Draft Advice recommends the maximum overseas source country concentration risk factor values for the 2025 levy remain unchanged from the 2024 settings.

Maximum overseas source country concentration	2024 risk factor values	Proposed 2025 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 is based on:

1. a provider's late payment of the levy and/or CRICOS Annual Registration Charge (CARC) in the previous three years; and
2. whether compliance action was taken against the provider under section 83 of the [Education Services for Overseas Students Act 2000](#)⁵ (ESOS Act) in 2024; and
3. if a provider applied for registration renewal and, due to risk management, the period of registration granted in 2024 was less than the maximum period allowed.

⁵ www.legislation.gov.au/C2004A00757/latest/versions

The Board’s Letter of Draft Advice recommends the non-compliance and registration renewal risk factor values for the 2025 levy remain unchanged from the 2024 settings.

Non-compliance and registration renewal categories	2024 risk factor values	Proposed 2025 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 2024	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 2024 under section 10G of that Act is less than the maximum period allowed	1.0	1.0

The weighted late payment measure considers the number of days after the due date on which a provider’s levy payment and/or CARC were received over the previous three years. A provider’s weighted late payment measure for the 2025 levy is the sum of the following calculations:

For 2024: $0.7 \times [\text{CARC} + \text{TPSL}]$

For 2023: $0.2 \times [\text{CARC} + \text{TPSL}]$

For 2022: $0.1 \times [\text{CARC} + \text{TPSL}]$

where:

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

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.

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 Letter of Draft Advice recommends maintaining a specified percentage of **0%** for the 2025 levy.

Levy calculation examples

Provider 1

Provider 1 received **\$3,000,000 in overseas student tuition fees** in 2024.

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

In 2024, 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 2024.

In 2023, Provider 1 had 600 overseas student enrolments. Therefore, Provider 1's **volatility in overseas student enrolments is -33%**.

Of its 2024 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 **2022 levy payment was received 5 days after the due date** and its **2023 CARC was received 3 days after the due date**. Therefore, Provider 1 has a **weighted late payment measure** of $[0.1 \times 5 \text{ days}] + [0.2 \times 3 \text{ days}] = 0.5 + 0.6 = 1.1 \text{ days}$.

Provider 1 **did not have action mentioned in section 83 of the ESOS Act taken against it** in 2024. Provider 1 **applied for registration renewal** under section 10D of the ESOS Act and, **due to risk management, the period of registration granted in 2024 was less than the maximum period allowed**.

Levy component	Levy calculation
Administrative fee*	$\$104 + (400 \times \$0.54) = \$320$
Base fee*	$\$210 + (400 \times \$1.33) = \$742$
Risk rated premium	<p>Risk Factor 1: Base risk factor Risk factor value: 1.0</p> <p>Risk Factor 2: Length of operation Risk factor value: 0.0</p> <p>Risk Factor 3: Volatility in overseas student enrolments Risk factor value: 2.0</p> <p>Risk Factor 4: Maximum overseas source country concentration Risk factor value: 0.0</p> <p>Risk Factor 5: Non-compliance and registration renewal Risk factor value: 0.7 + 1.0</p> <p>Total risk factor value $1.0 + 0.0 + 2.0 + 0.0 + 0.7 + 1.0 = 4.7$</p> <p>Risk rated premium component calculation $(0.05\% \times 4.7) \times \\$3,000,000 = \\$7,050$</p>
Special tuition protection	$\$3,000,000 \times 0\% = \0
Total 2025 levy	$\$320 + \$742 + \$7,050 + \$0 = \$8,112$

*Administrative fee and base fee figures reflect 2024 values and will be indexed for the 2025 levy if the Minister decides not to make a legislative instrument specifying new amounts.

Provider 2

Provider 2 received **\$1,000,000 in overseas student tuition fees** in 2024.

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

In 2024, 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 2024.

In 2023, Provider 2 had 90 overseas student enrolments. Therefore, Provider 2's **volatility in overseas student enrolments is 33%**.

Of its 2024 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 **2024 levy payment was received 22 days after the due date**. Therefore, Provider 2 has a **weighted late payment measure** of $[0.7 \times 22 \text{ days}] = 15.4 \text{ days}$.

Provider 2 **had action mentioned in section 83 of the ESOS Act taken against it** in 2024. Provider 2 **did not apply for registration renewal** under section 10D of the ESOS Act in 2024.

Levy component	Levy calculation
Administrative fee*	$\$104 + (120 \times \$0.54) = \$168.80$
Base fee*	$\$210 + (120 \times \$1.33) = \$369.60$
Risk rated premium	<p>Risk Factor 1: Base risk factor Risk factor value: 1.0</p> <p>Risk Factor 2: Length of operation Risk factor value: 0.0</p> <p>Risk Factor 3: Volatility in overseas student enrolments Risk factor value: $[0.4 \times 75\%] = 0.3$</p> <p>Risk Factor 4: Maximum overseas source country concentration Risk factor value: 0.7</p> <p>Risk Factor 5: Non-compliance and registration renewal Risk factor value: $0.9 + 1.0$</p> <p>Total risk factor value $1.0 + 0.0 + 0.3 + 0.7 + 0.9 + 1.0 = 3.9$</p> <p>Risk rated premium component calculation $(0.05\% \times 3.9) \times \\$1,000,000 = \\$1,950$</p>
Special tuition protection	$\$1,000,000 \times 0\% = \0
Total 2025 levy	$\$168.80 + \$369.60 + \$1,950 + \$0 = \$2,488.40$

*Administrative fee and base fee figures reflect 2024 values and will be indexed for the 2025 levy if the Minister decides not to make a legislative instrument specifying new amounts.

Provider 3

Provider 3 received **\$150,000 in overseas student tuition fees** in 2024.

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

In 2024, 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 2024.

In 2023, Provider 3 had 12 overseas student enrolments. Therefore, Provider 3's **volatility in overseas student enrolments is 50%**.

Of its 2024 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 2024. Provider 3 **did not apply for registration renewal** under section 10D of the ESOS Act in 2024.

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>Risk Factor 1: Base risk factor Risk factor value: 1.0</p> <p>Risk Factor 2: Length of operation Risk factor value: 0.5</p> <p>Risk Factor 3: Volatility in overseas student enrolments Risk factor value: 0.0 Risk Factor 3 does not apply to Provider 3 as it 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 2024.</p> <p>Risk Factor 4: Maximum overseas source country concentration Risk factor value: 0.0 Risk Factor 4 does not apply to Provider 3 as it had less than 20 overseas student enrolments and received less than \$400,000 in overseas student tuition fees in 2024.</p> <p>Risk Factor 5: Non-compliance and registration renewal Risk factor value: 0.0</p> <p>Total risk factor value $1.0 + 0.5 + 0.0 + 0.0 + 0.0 = 1.5$</p> <p>Risk rated premium component calculation $(0.05\% \times 1.5) \times \\$150,000 = \\$112.50$</p>
Special tuition protection	$\$150,000 \times 0\% = \0
Total 2025 levy	$\$113.72 + \$233.94 + \$112.50 + \$0 = \$460.16$

*Administrative fee and base fee figures reflect 2024 values and will be indexed for the 2025 levy if the Minister decides not to make a legislative instrument specifying new amounts.