

2025 Domestic Tuition Protection Levies

Draft settings of the 2025 VSL, HELP and Up-front Payments Tuition Protection Levies

The VSL, HELP and Up-front Payments Tuition Protection Levies (the domestic levies) are paid annually by registered education and training providers. Each levy funds the sector-specific activities of the Tuition Protection Service (TPS) following a provider default and TPS operational costs. A provider default occurs when a provider closes, fails to start, or ceases to provide a course or unit of study for an enrolled student.

This fact sheet details the draft settings of the 2025 VSL, HELP and Up-front Payments Tuition Protection Levies.

Sector consultation on the draft settings of the 2025 domestic levies

The [TPS Advisory Board](#)¹ provided its draft advice on the 2025 domestic levy settings to the TPS Director at its February 2025 meeting. The TPS will consult with leviable providers and other key stakeholders on the draft levy settings throughout March and April 2025. Feedback collected from the sector during this time will be presented to the Board for consideration ahead of its May 2025 meeting, when the Board will provide its final advice on the 2025 domestic levy settings to the TPS Director.

The Board's letters of draft advice are available on the [2025 Domestic Tuition Protection Levies Consultation](#)² webpage.

Domestic tuition protection levies

Each domestic levy is comprised of three components:

1. The administrative fee component;
2. The risk rated premium component; and
3. The special tuition protection component.

Annual settings for each levy component are set through two legislative instruments per levy, which must be made by 1 August each year:

1. The administrative fee component is set by the relevant Minister³.
2. The risk rated premium component and special tuition protection component are set by the TPS Director with advice from the TPS Advisory Board.

The domestic levies are paid into two sector-specific quarantined accounts managed by the TPS Director:

1. The **VSL Levy** is paid into the **VSL Tuition Protection Fund**
2. The **HELP Levy** is paid into the **Higher Education Tuition Protection Fund**
3. The **Up-front Payments Levy** is paid into the **Higher Education Tuition Protection Fund**.

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

² www.education.gov.au/tps/announcements/2025-domestic-tuition-protection-levies-consultation

³ For the VSL Levy, the relevant Minister is the Minister for Skills and Training. For the HELP and Up-front Payments Levies, the relevant Minister is the Minister for Education.

Guiding principles for levy setting advice

The TPS Advisory Board has agreed to the following principles when providing advice to the TPS Director on 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**; 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.

Legislative authority

Legislative authority to collect the **VSL Levy** is outlined in the [VET Student Loans \(VSL Tuition Protection Levy\) Act 2020⁴](#).

Legislative authority to collect the **HELP Levy** is outlined in the [Higher Education Support \(HELP Tuition Protection Levy\) Act 2020⁵](#).

Legislative authority to collect the **Up-front Payments Levy** is outlined in the [Higher Education \(Up-front Payments Tuition Protection Levy\) Act 2020⁶](#).

Draft 2025 domestic levy settings

The draft settings for 2025 domestic levies are given in Table 1 below.

Table 1: Draft levy settings for the 2025 VSL, HELP and Up-front Payments Tuition Protection Levies

Levy	Administrative fee component*	Risk rated premium component [^]	Special tuition protection component
VSL	\$125 per provider + \$10.55 per VSL student	\$6 per VSL student + 0.13% x total 2024 VSL loan amounts	0.10% x total 2024 VSL loan amounts
HELP	\$125 per provider + \$10.55 per HELP student	\$6 per HELP student + 0.06% x total 2024 HELP loan amounts	0.10% x total 2024 HELP loan amounts
Up-front Payments	\$125 per provider + \$10.55 per up-front student	\$2 per up-front fee-paying student + 0.04% x total 2024 up-front payments	0.10% x total 2024 up-front payments

*Administrative fee figures quoted were applied for the 2024 domestic levies and will be indexed to CPI for 2025 if the responsible Minister decides not to determine new amounts in a legislative instrument for each levy.

[^]The proposed 2025 risk rated premium component figures quoted remain unchanged from 2024. However, the Board's letters of draft advice propose a change to the completion rate risk factor calculation. Further detail about the risk rated premium component settings including a full formula is given in the following section.

The 2025 domestic levies will be calculated using student enrolment numbers and revenue for the 2024 calendar year.

⁴ www.legislation.gov.au/C2020A00005/latest/versions

⁵ www.legislation.gov.au/C2020A00004/latest/versions

⁶ www.legislation.gov.au/C2020A00102/latest/versions

Risk rated premium component

The risk rated premium component is intended to reflect the risk of a provider defaulting. A provider presenting a higher risk of defaulting will yield a higher charge for this component of the levy.

The three risk factors relevant to calculating a provider’s risk rated premium component are:

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

Depending on which levy is being charged, the risk rated premium component calculation also considers either VSL, HELP or up-front fee-paying student enrolment numbers, and either VSL loan amounts, HELP loan amounts or up-front payments received by a provider in the previous calendar year.

The risk rated premium component formula for the 2025 domestic levies is calculated as follows:

$$\left[\left(\frac{\text{total students for 2024}}{\text{specified amount}} \right) + \left(\frac{\text{total tuition fee income received in 2024}}{\text{specified percentage}} \right) \right] \times (\text{sum of risk factor values} + 1)$$

Risk factors

The risk rated premium component is comprised of three risk factors:

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

They are determined by the TPS Director with advice from the TPS Advisory Board and the Australian Government Actuary (AGA).

A provider will receive a **risk factor value** for each of the three risk factors, which are summed together and used as a multiplier for the provider’s risk rated premium component calculation.

Risk Factor 1: Financial strength

The financial strength risk factor is calculated using two ratios:

1. Return on assets
2. Debt to equity.

Financial strength risk scores will be calculated in accordance with Table 2 for 2025.

Table 2: Financial strength calculations and scores

Ratio	Formula	Below average	Average	Above average
Return on assets	$\left[\frac{\text{NPBT}}{\text{Total assets}} \right]$	≤ 0.0	> 0.0 to ≤ 0.1	> 0.1
Debt to equity	$\left[\frac{\text{Total liabilities}}{\text{Total equity}} \right]$	≥ 2.5 or if the total equity is ≤ 0.0	≥ 1.5 to < 2.5	≥ 0.0 to < 1.5
Score		1.5	3.0	4.5

NPBT: Net profit before tax

Providers will receive a score of 1.5, 3.0 or 4.5 for each ratio, which are summed together to give an overall financial strength score. The financial strength score will determine the provider’s financial strength risk factor value according to Table 3. Where a provider receives an overall financial strength score of 7.5, the integer value of 7 will be used to extrapolate the risk factor value.

Table 3: Financial strength risk factor values

Financial strength score	2022-24 risk factor values	Proposed 2025 risk factor values
8 or 9	0.0	0.0
6 or 7	1.0	1.0
1 to 5	2.0	2.0
Provider did not submit financial statements	2.5	2.5

The proposed 2025 financial strength risk factor values remain unchanged from 2024 (and since 2022).

Risk Factor 2: Completion rate

A provider’s unit completion rate percentage will be calculated using the following formula for the 2025 levies:

$$\left[\frac{\text{Passed EFTSL}}{(\text{Passed EFTSL} + \text{Failed EFTSL} + \text{Ongoing EFTSL} + \text{Data missing EFTSL})} \right] \times 100$$

EFTSL: Equivalent full-time student load for a year

In previous years, ‘withdrawn EFTSL’ was also included in the denominator of the unit completion rate calculation. However, in 2024, some providers raised concerns about the inclusion of ‘withdrawn EFTSL’ in the calculation given student withdrawals are out of providers’ control. Some providers also expressed concern about the use of ‘ongoing EFTSL’ in the calculation denominator.

In response to this feedback, the AGA tested alternative methods to calculate the completion rate risk factor. The TPS Advisory Board agreed with the AGA that, as withdrawn students no longer qualify for TPS assistance, it is reasonable to remove ‘withdrawn EFTSL’ from the unit completion rate calculation. Although the AGA also tested the removal of ‘ongoing EFTSL’ from the calculation, both the AGA and the TPS Advisory Board agreed that, in the event of a provider default, a provider with a high number of ongoing students poses a greater cost to the levy funds and, therefore, ‘ongoing EFTSL’ should remain in the calculation.

A provider’s completion rate percentage determines its completion rate risk factor value according to Table 4.

Table 4: Completion rate risk factor values

Completion rate percentage	2020 risk factor values	2022 risk factor values	2023-24 risk factor values	Proposed 2025 risk factor values
85% or higher	0.0	0.0	0.0	0.0
60% to < 85%	0.0	0.0	1.0	1.0
35% to < 60%	3.5	1.7	2.5	2.5
0% to < 35%	5.5	2.7	3.5	3.5

The proposed 2025 completion rate risk factor values remain unchanged from 2024 (and since 2023).

Risk Factor 3: Non-compliance history and registration renewal

The non-compliance history and registration renewal risk factor offers a financial incentive for providers to adopt compliant behaviours. There are two components to this risk factor:

1. **Non-compliance history** penalises providers for late payment of the relevant levy and/or the annual provider registration charge over the previous three years.
2. **Registration renewal** penalises any providers that applied for renewal of its registration and, for risk management reasons, had its registration renewed for a period less than the maximum allowable.

A provider's total non-compliance history and registration renewal risk factor value is the sum of the applicable risk factor values in Table 5.

Table 5: Non-compliance history and registration renewal risk factor values

Non-compliance history category	2022-24 risk factor values	Proposed 2025 risk factor values
A weighted late payment measure of 30 days or more	2.0	2.0
A weighted late payment measure of 15 days to < 30 days	0.9	0.9
A weighted late payment measure of 1 day to < 15 days	0.7	0.7
A weighted late payment measure of less than 1 day (including having a weighted late payment measure of 0)	0.0	0.0

Plus

Registration renewal category	2022-24 risk factor values	Proposed 2025 risk factor values
For registration periods less than the maximum allowable	1.0	1.0
For registration periods equal to the maximum allowable	0.0	0.0

The proposed 2025 non-compliance history and registration renewal risk factor values remain unchanged from 2024 (and since 2022).

Special tuition protection component

The special tuition protection component is intended to build the balance of the levy funds when they are below their target size and help meet Commonwealth seed funding repayments. It is calculated as a percentage of the income (loan amounts or up-front payments) received by a provider in the previous calendar year.

The draft settings for the 2025 domestic levies propose retaining the special tuition protection component percentage at 0.10%.

2025 VSL Levy calculation example

This example is based on a VSL provider that had **75 VSL students** and received **\$250,000 in VSL loan amounts** in 2024.

Levy component	Levy calculation
Administrative fee*	$\$125 + (75 \times \$10.55) = \$916.25$
Risk rated premium^	<p>Step 1: $75 \times \\$6 = \\450</p> <p>Step 2: $\\$250,000 \times 0.13\% = \\325</p> <p>Step 3: $\\$450 + \\$325 = \\$775$</p> <p>Step 4: Financial strength score: 6 (risk factor value = 1.0) Completion rate percentage: 50% (risk factor value = 2.5) Non-compliance history and registration renewal: weighted late payment measure of 17 days applied (risk factor value = 0.9)</p> <p>Step 5: $(1.0 + 2.5 + 0.9) + 1 = 5.4$</p> <p>Step 6: $\\$775 \times 5.4 = \\$4,185$</p>
Special tuition protection	$\$250,000 \times 0.10\% = \250
Total 2025 VSL Levy	$\$916.25 + \$4,185 + \$250 = \$5,351.25$

*Administrative fee figures quoted were applied for the 2024 VSL Levy and will be indexed to CPI for 2025 if the responsible Minister decides not to determine new amounts in a legislative instrument.

^The calculation method is given in section 11 of the *VET Student Loans (VSL Tuition Protection Levy) Act 2020*.

2025 HELP Levy calculation example

This example is based on a HELP provider that had **650 HELP students** and received **\$10 million in HELP loan amounts** in 2024.

Levy component	Levy calculation
Administrative fee*	$\$125 + (650 \times \$10.55) = \$6,982.50$
Risk rated premium^	<p>Step 1: $650 \times \\$6 = \\$3,900$</p> <p>Step 2: $\\$10m \times 0.06\% = \\$6,000$</p> <p>Step 3: $\\$3,900 + \\$6,000 = \\$9,900$</p> <p>Step 4: Financial strength score: 6 (risk factor value = 1.0) Completion rate percentage: 65% (risk factor value = 1.0) Non-compliance history and registration renewal: No weighted late payment measure applied (risk factor value = 0.0)</p> <p>Step 5: $(1.0 + 1.0 + 0.0) + 1 = 3.0$</p> <p>Step 6: $\\$9,900 \times 3.0 = \\$29,700$</p>
Special tuition protection	$\$10m \times 0.10\% = \$10,000$
Total 2025 HELP Levy	$\$6,982.50 + \$29,700 + \$10,000 = \$46,682.50$

*Administrative fee figures quoted were applied for the 2024 HELP Levy and will be indexed to CPI for 2025 if the responsible Minister decides not to determine new amounts in a legislative instrument.

^The calculation method is given in section 11 of the *Higher Education Support (HELP Tuition Protection Levy) Act 2020*.

2025 Up-front Payments Levy calculation example

This example is based on an up-front provider that had **350 up-front fee-paying students** and received **\$400,000 in up-front payments** in 2024.

Levy component	Levy calculation
Administrative fee*	$\$125 + (350 \times \$10.55) = \$3,817.50$
Risk rated premium^	<p>Step 1: $350 \times \\$2 = \\700</p> <p>Step 2: $\\$400,000 \times 0.04\% = \\160</p> <p>Step 3: $\\$700 + \\$160 = \\$860$</p> <p>Step 4: Financial strength score: 6 (risk factor value = 1.0) Completion rate percentage: 30% (risk factor value = 3.5) Non-compliance history and registration renewal: weighted late payment measure of 2 days applied (risk factor value = 0.7)</p> <p>Step 5: $(1.0 + 3.5 + 0.7) + 1 = 6.2$</p> <p>Step 6: $\\$860 \times 6.2 = \\$5,332$</p>
Special tuition protection	$\$400,000 \times 0.10\% = \400
Total 2025 Up-front Payments Levy	$\$3,817.50 + \$5,332 + \$400 = \$9,549.50$

*Administrative fee figures quoted were applied for the 2024 Up-front Payments Levy and will be indexed to CPI for 2025 if the responsible Minister decides not to determine new amounts in a legislative instrument.

^The calculation method is given in section 11 of the *Higher Education (Up-front Payments Tuition Protection Levy) Act 2020*.