Tuition Protection Service
2019 TPS Levy

Session purpose

• To inform providers about the 2019 TPS Levy
  
  o The components of the TPS Levy
    o Key changes for 2019 levy
  
  o How the TPS Levy is calculated

  o Levy collection: process and timeframe
2019 TPS Levy

Key Points

• The Overseas Students Tuition Fund (OSTF) continues to be financially robust.

• No changes (other than CPI for 2019).
How is the TPS Levy calculated
And
What are the Specific Changes?
2019 TPS Levy

There are four components:

1. Administrative fee
2. Base fee
3. Risk rated premium
4. Special tuition protection
2019 TPS Levy

Administrative fee component
In 2019, the administrative fee component charges will be:
– $109; plus
– $0.56 multiplied by the total enrolments for the provider for the previous year.

Base fee component
In 2019, the base fee component charges will be:
– $219; plus
– $1.39 multiplied by the total enrolments for the provider for the previous year.
2019 TPS Levy

Risk rated premium component

• No changes to the specified percentage for the 2019 TPS levy collection.

• Specified percentage rate remains at 0.07%
2019 TPS Levy – Risk Factor Weightings

Risk Factors and Weights for the Risk Rated Premium Component for the TPS Levy in 2019

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>Category</th>
<th>Risk Factor Weightings in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment in arrears</td>
<td>All tuition fees received after full duration of the course for all registered courses</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Any amount of tuition fees received in advance of full course duration</td>
<td>1.0</td>
</tr>
<tr>
<td>Length of operation</td>
<td>Less than 1 year</td>
<td>2.6</td>
</tr>
<tr>
<td></td>
<td>1 year to less than 2 years</td>
<td>1.7</td>
</tr>
<tr>
<td></td>
<td>2 years to less than 3 years</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>3 years to less than 5 years</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>5 years or more</td>
<td>0.0</td>
</tr>
<tr>
<td>Volatility in overseas student enrolments</td>
<td>60% or more</td>
<td>3.1</td>
</tr>
<tr>
<td>(1) Growth in student enrolments</td>
<td>30% to less than 60%</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>10% to less than 30%</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Less than 10%</td>
<td>0.0</td>
</tr>
<tr>
<td>OR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Decline in student enrolments</td>
<td>60% or more</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>30% to less than 60%</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>10% to less than 30%</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Less than 10%</td>
<td>0.0</td>
</tr>
</tbody>
</table>
### 2019 TPS Levy – Risk Factor Weightings (cont’d)

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>Category</th>
<th>Risk Factor Weightings in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum overseas source country concentration</td>
<td>80% or more</td>
<td>3.1</td>
</tr>
<tr>
<td></td>
<td>50% to less than 80%</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>25% to less than 50%</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Less than 25%</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-compliance history</td>
<td>Either or both of the following apply:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) There is a weighted late payment measure of 30 days or more;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) The provider has been sanctioned for non-compliance under Division 1 of Subdivision A of section 83 of the Education Services for Overseas Students Act in the last year.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>There is a weighted late payment measure of less than 30 days but at least 15 days</td>
<td></td>
</tr>
<tr>
<td></td>
<td>There is a weighted late payment measure of less than 15 days but at least 1 day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>There is no weighted late payment measure (payment made on time).</td>
<td></td>
</tr>
</tbody>
</table>
2019 TPS Levy

Risk rated premium component

• Only private/non-exempt providers are liable to pay the risk rated premium component of the TPS Levy.

• **Table A providers, Government Schools and State or Territory VET institutions** are exempt from this component.

• To calculate the amount Risk Rated Premium your institution will pay for 2019, use the following formula:

\[
[\text{Provider's Declared Income}] \times [\text{Total Risk Score}] \times [\text{Specified Percentage}]
\]
2019 TPS Levy Rates - History

TPS Levy Yearly Comparison

- Base and Admin - Cost per enrolment ($)
- RRP - Specified Percentage (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Base and Admin</th>
<th>RRP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$7.00</td>
<td>0.155</td>
</tr>
<tr>
<td>2014</td>
<td>$7.15</td>
<td>0.155</td>
</tr>
<tr>
<td>2015</td>
<td>$7.32</td>
<td>0.155</td>
</tr>
<tr>
<td>2016</td>
<td>$7.43</td>
<td>0.1</td>
</tr>
<tr>
<td>2017</td>
<td>$7.53</td>
<td>0.08</td>
</tr>
<tr>
<td>2018</td>
<td>$1.91</td>
<td>0.07</td>
</tr>
<tr>
<td>2019</td>
<td>$1.95</td>
<td>0.07</td>
</tr>
</tbody>
</table>
2019 TPS Levy

Special Tuition Protection Component

• Special Tuition Protection Component of the 2019 TPS Levy has been set to zero.
2019 TPS Levy
Key Dates
2019 TPS Levy

Key Dates:

• **15 February 2019** – Request for Information/Income Declaration sent to all CRICOS providers required to pay the risk rated premium component of the TPS Levy.

• **15 March 2019** – Overseas Student Tuition Fee Income for 2018 to be submitted into PRISMS.

• **26 April 2019** – TPS Levy invoices sent via PRISMS

• **24 May 2019** – TPS Levy payment due
Income Declaration

Process
2019 TPS Levy – Income Declaration

Overseas Student Tuition Fee Income Declaration

- Only declare **overseas student** tuition fee income received for the 2018 calendar year.
  - Specifically any income received from overseas students or intending overseas students on a **student visa**.

- **Do not** include income from students on other visa types.

- Must be declared by the PEO (or their nominee).

- Due date – **15 March 2019**
2019 TPS Levy – Income Declaration screens

2019 TPS Levy for

Declaration of Overseas Student Tuition Fee Income for

Income

Please provide details of the Actual income of overseas student tuition fee earned during the period from 1 January 2018 to 31 December 2018.
Please note that where a variation in income and enrolment of ± 20% occurs, an explanation will be required.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Variation from 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolments:</td>
<td></td>
<td>431.25</td>
<td></td>
</tr>
<tr>
<td>* Declared Income:</td>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

Provider’s Contact Details

* Name of person completing form:

* Phone number of person completing form:

* Name of appropriate financial contact person:

* Phone number of appropriate financial contact person:

Name of Principal Executive Officer:
Phone number of Principal Executive Officer:

Note: the registered provider must advise the Authority in writing about any change of Principal Executive Officer within 14 days of the change being made.

Enter the amount of overseas students tuition fee income here
2019 TPS Levy – Income Declaration screens

2019 TPS Levy for

<table>
<thead>
<tr>
<th>General Info</th>
<th>Income Declaration</th>
<th>TPS Levy Components</th>
<th>View Payment</th>
</tr>
</thead>
</table>

Declaration of Overseas Student Tuition Fee Income for Perth

### Income

Please provide details of the **Actual** income of overseas student tuition fee earned during the period from 1 January 2018 to 31 December 2018.

Please note that where a variation in income and enrolment of ± 20% occurs, an explanation will be required.

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrolments</th>
<th>Declared Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>203.00</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>2018</td>
<td>98.00</td>
<td>$1,000,000.00</td>
</tr>
</tbody>
</table>

**Variation from 2017**

<table>
<thead>
<tr>
<th>Year</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>-51.72%</td>
</tr>
</tbody>
</table>

**Entering an amount, the system will calculate a variation**

We have identified an inconsistency between your enrolments and declared income for 2017 and 2018. Your enrolments have decreased by 51.72%, but your income has increased by 900.00%.

*Please provide an explanation of the variation in your income in the text box below:

Providers with an income variation of ± 20% will be required to provide an explanation.

Explanation only required if provider has either: income of $400,000 or more or enrolments of 20 or more.

The TPS Director may also request documentation to verify any claims.
2019 TPS Levy – provider action

TPS Risk Factor Data Report – 2019 TPS Levy

Note – to get a breakdown of your risk score, you must declare your overseas tuition fee income first.
# 2019 TPS Levy

## TPS Risk Factor Data Report Estimate - 2019 TPS Levy

* Risk Factors / Risk Rated Premium Component of TPS Levy only apply to Non-Exempt providers.

**Please note:** The report provides an estimate of your risk factor ratings for the TPS Levy 2019. Should you notice any issues, please contact the TPS Operations at operations@tps.gov.au

### Risk Factor 1 - Payment in arrears

| Applies to: All non-exempt providers |

- Tuition fees received after full duration of course for all registered courses: 0.2
- Any amount of tuition fees received in advance of full course duration: 1.0

Increase Risk Factor - 1.0

### Risk Factor 2 - Length of operation

| Applies to: Non-exempt providers who receive at least part of their tuition fees in advance of delivery of the course |

- Less than one year: 2.6
- One year to less than 2 years: 1.7
- 2 years to less than 3 years: 1.1
- 3 years to less than 5 years: 0.6
- 5 years or more: 0.0

Provider was first registered on 13/06/2010 total length of operation as at 31 December 2018: 6.4 years

Increase Risk Factor - 0.0

### Risk Factor 3 - Volatility in overseas student enrolments

| Applies to: Non-exempt providers who receive at least part of their tuition fees in advance of delivery of the course AND have a length of operation of 5 years or more AND had at least 20 enrolments or $400,000 in tuition fee income in 2018. |

Provider is an expanding provider
- 60% or more: 2.1
- 30% to less than 60%: 1.0
- 10% to less than 30%: 0.3
- less than 10%: 0.0

Number of enrolments in 2016 - 85.75, 2017 - 0.00, 2018 - 214.25; volatility in enrolments: 149.9%.

Increase Risk Factor - 3.1
2019 TPS Levy

Risk Factor 4 - Maximum overseas source country concentration

Applies to: Non-exempt providers who receive at least part of their tuition fees in advance of delivery of the course AND had at least 20 enrolments or $400,000 in tuition fee income in 2018.

80% or more: 3.1
50% to less than 80%: 0.7
25% to less than 50%: 0.3
less than 25%: 0.0

In 2018 total number of enrolments: 214.25, 49.25 enrolments from Philippines; top source country concentration is 23.0%

Increase Risk Factor - 0.0

Risk Factor 5 - Non compliance history

Applies to: All non-exempt providers

The provider has been sanctioned for non compliance under Division 1 of Subdivision A of section 83 of the Education Services for Overseas Students Act 2000 in the last year and/or there is a weighted late payment measure of 30 days or more: 2.0
There is a weighted late payment measure of less than 30 days but at least 15 days: 0.9
There is a weighted late payment measure of less than 15 days but at least 1 day: 0.7
There is no weighted late payment measure (Payment on time): 0.0

Total weighted late payment days - 0.0.

Increase Risk Factor - 2.0

Total: 6.1
2019 TPS Levy – Estimating your TPS Levy

• Information that you will need:
  o Total number of enrolments – check your 2019 ARC invoice, or run the “ARC Enrolment Statistics/ARC Amount Calculation” report in PRISMS.
    o **Add** the full (1), half (1/2) and Quarter (1/4) enrolments to get a total enrolments figure.
  o The amount of Overseas Students Tuition Fee Income for the 2018 calendar year
  o Total Risk Factor scores
    o Generate Risk Factor Data Report from PRISMS
2019 TPS Levy – TPS Levy calculator

TPS Levy Estimator

Were you a registered provider on CRICOS as at 1 January 2019?
- Yes
- No

Estimated total enrolments for the 2018 calendar year

Estimated overseas student tuition fee income for the 2018 calendar year

TPS total risk factor score (Enter '0' if you are exempt from the risk rated premium component)

[calculate]
2019 TPS Levy – TPS Levy calculator

Were you a registered provider on CRICOS as at 1 January 2019?

- Yes
- No

Estimated total enrolments for the 2018 calendar year
25

Estimated overseas student tuition fee income for the 2018 calendar year
500000

TPS total risk factor score (Enter '0' if you are exempt from the risk rated premium component)
2.0

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2019 TPS Levy Components

(a) Administrative Fee: $123.00

2018 total enrolments: 25  
[109.00] + ([0.56] * [25])

(b) Base Fee Component: $253.75

2018 total enrolments: 25  
[219.00] + ([1.39] * [25])

(c) Risk Rated Premium Component: $700.00

Risk rated premium component specified percentage rate: 0.0700 %  
Sum of risk factor for the year: 2  
Provider’s overseas student tuition fees for the previous year: $500,000.00  
[0.0700*100] * [2] * [500,000.00]

(d) Special Tuition Protection Component: $0.00

Special tuition protection component specified percentage rate: 0.0000 %  
Provider’s overseas student tuition fees for the previous year: $500,000.00  
$500,000.00 * 0.0000 = $0.00

Estimated levy for 2019 (not subject to GST): $1,076.75

Calculation (a) + (b) + (c) + (d)

$123.00 + $253.75 + $700.00 + $0.00
The TPS Levy invoices will be sent to all providers on or around 26 April 2019.

Providers are given 28 days from receiving it to make their payment.

Please ensure that your payment is made before the due date to allow for processing times. BPay and direct deposit may take around 2-3 working days.

Late payment penalties may apply to all providers who do not have their payments processed by the due date on the invoice.
2019 TPS Levy - Resources to assist you

- *Education Services for Overseas Students Act 2001 (ESOS Act) –* section 26 outlines the disclosure obligations requirement on providers regarding the TPS Levy.

- *Education Services for Overseas Students (TPS Levies) Act 2012 & Education Services for Overseas Students (TPS Levies)(Administrative and Base Fees) Determination 2017* outlines how the base and administrative fees are calculated.

- *Education Services for Overseas Students (TPS Levies – Risk Rated Premium and Special Tuition Protection Components) Instrument 2018* - sets out the method for calculating the risk rated premium

- *Education Services for Overseas Students (TPS Levies) Act 2012 (Levy exemptions) Determination 2012 (No.1)* – sets out the exemptions that are applicable to the TPS Levy

- TPS Risk Factor Data Report - shows how the risk factors apply to your institution (available via PRISMS)
Contacts

Further information

• Website: www.tps.gov.au
  – Links to legislation
  – Frequently asked questions
  – News

• Email: operations@tps.gov.au
Information Session Questions

• We will now go through some FAQs and questions that are submitted by webinar participants.