



Education Services for Overseas Students (TPS Levies) (Risk Rated Premium and Special Tuition Protection Components) Determination 2012¹

Education Services for Overseas Students (TPS Levies) Act 2012

I, Vipan Mahajan, TPS Director, make the following determination under sections 9 and 10 of the *Education Services for Overseas Students (TPS Levies) Act 2012*.

Dated 21 December 2012

Vipan Mahajan
TPS Director

1 Name of determination

This determination is the *Education Services for Overseas Students (TPS Levies) (Risk Rated Premium and Special Tuition Protection Components) Determination 2012*.

2 Commencement

This determination commences on 31 December 2012.

3 Definitions

In this determination:

Act means the *Education Services for Overseas Students (TPS Levies) Act 2012*.

annual registration charge has the same meaning as in the *Education Services for Overseas Students (Registration Charges) Act 1997*.

enrolments means the number of full time equivalent overseas student enrolments for a registered provider calculated using the rules set out in subsection 5(4) of the *Education Services for Overseas Students (Registration Charges) Act 1997*.

growth in overseas enrolments: see section 4.

length of operation, for a current CRICOS provider means the number of years:

- (a) commencing when the provider was registered, or last registered, as a CRICOS provider; and
- (b) ending on 31 December 2012.

maximum source country concentration: see section 5.

non-exempt provider means a registered provider of a kind that is not mentioned in section 5 of the *Education Services for Overseas Students (TPS Levies) (Levy exemptions) Determination 2012 (No. 1)*.

Note When this determination commenced, the registered providers mentioned in that determination were Table A providers under the *Higher Education Support Act 2003*, Government schools and State or Territory VET institutions.

PRISMS has the same meaning as in the *Education Services for Overseas Students Regulations 2001*.

weighted late payment measure: see section 6.

Note **Overseas student tuition fees** is defined in section 4 of the Act.

4 Meaning of **growth in overseas enrolments**

- (1) If a registered provider had overseas student enrolments in 2010, the provider's **growth in overseas students** is worked out using the formula:

$$\left[\frac{\text{Number of overseas student enrolments in 2012}}{\text{Number of overseas student enrolments in 2010}} - 1 \right]$$

(2) If a registered provider did not have overseas student enrolments in 2010, but had overseas student enrolments in 2011, the provider's ***growth in overseas students*** is worked out using the formula:

$$\left[\frac{\text{Number of overseas student enrolments in 2012}}{\text{Number of overseas student enrolments in 2011}} \right]^2 - 1$$

(3) If a registered provider did not have overseas student enrolments in 2010, and did not have overseas student enrolments in 2011, the provider's ***growth in overseas students*** is zero.

5

Meaning of *maximum source country concentration*

The ***maximum source country concentration*** for a registered provider is worked out using the following steps:

Step 1 Work out the number of the enrolments with the registered provider in 2012 for each source country

Step 2 Divide the largest result for an individual country by the total number of enrolments

Step 3 Express the result as a percentage

6

Meaning of *weighted late payment measure*

(1) The ***weighted late payment measure*** for a registered provider is worked out using the following steps:

Step 1 Work out $0.7 \times [\text{ARCDL}(2012) + \text{AFDL}(2012)]$

Step 2 Work out $0.2 \times [\text{ARCDL}(2011) + \text{AFDL}(2011)]$

Step 3 Work out $0.1 \times [\text{ARCDL}(2010) + \text{AFDL}(2010)]$

Step 4 Add the results

(2) ***ARCDL***, and a year, is the number of days after the due date on which the annual registration charge for that year was received. However, if the payment was received before the due date, ***ARCDL*** for that year is zero.

(3) ***AFDL***, and a year, is the number of days after the due date on which the premium payable to the ESOS Assurance Fund for that year was received. However, if the Fund received the premium before the due date, ***AFDL*** for the year is zero.

Section 7

7 Risk rated premium component

- (1) For paragraph 9(3)(a) of the Act, the specified percentage for a year to which subsection 9(2) of the Act relates is 0.155%.
- (2) For paragraphs 9(3)(b) and (c) of the Act, the table sets out:
 - (a) risk factors that reflect the risk of calls being made on the OSTF in respect of registered providers with that factor or those factors; and
 - (b) for each risk factor, the factor by which the specified percentage for that year is multiplied.

| Item | Risk factor | Risk factor applies to | Category | Factor |
|------|---------------------------------------|--|--|--------|
| 1 | Advance payment | All non-exempt providers | Tuition fees received after full duration of course for all registered courses | 0.2 |
| | | | Some tuition fees received in advance of full course duration | 1.0 |
| 2 | Length of operation | Non-exempt providers who receive at least part of their tuition fees in advance of delivery of the course | Less than one year | 2.0 |
| | | | One year to less than 2 years | 1.5 |
| | | | 2 years to less than 3 years | 1.0 |
| | | | 3 years to less than 5 years | 0.5 |
| | | | 5 years or more | 0 |
| 3 | Growth in overseas student enrolments | (a) receive at least part of their tuition fees in advance of delivery of the course; and (b) have a length of operation of 5 years or more; and (c) had at least 20 enrolments, or \$300,000 in tuition fee income, in 2012 | 60% or more | 1.8 |
| | | | 30% to less than 60% | 0.9 |
| | | | 10% to less than 30% | 0.3 |
| | | | less than 10% | 0.0 |
| | | | | |
| | | | | |
| | | | | |

| Item | Risk factor | Risk factor applies to | Category | Factor |
|------|---|---|--|--------------------------|
| 4 | Maximum overseas source country concentration | Non-exempt providers who: (a) receive at least part of their tuition fees in advance of delivery of the course; and (b) had at least 20 enrolments, or \$300,000 in tuition fee income, in 2012 | 80% or more 50% to less than 80% 25% to less than 50% less than 25% | 1.2 0.6 0.3 0.0 |
| 5 | Non compliance history | All non-exempt providers | Either or both of the following apply: (a) there is a weighted late payment measure of 30 days or more; (b) the provider has been sanctioned for non compliance under Division 1 of Subdivision A of section 83 of the <i>Education Services for Overseas Students Act 2000</i> in the last year | 1.6 |
| | | | There is a weighted late payment measure of less than 30 days but at least 15 days | 0.8 |
| | | | There is a weighted late payment measure of less than 15 days | 0 |

Note 1 Subsection 9(2) of the Act relates to a registered provider's risk component for a risk factor for a year. That subsection includes a formula with contents that are supported by this section.

Note 2 If more than one risk factor exists for a year to which subsection 9(2) of the Act relates, the matching factors in the last column of the table will be added together. The specified percentage will then be multiplied by the sum of the factors.

Section 8

Note 3 In order to work out the correct amount of TPS levy, registered providers will be requested under subsection 26(3) of the *Education Services for Overseas Students Act 2000* to enter, by 28 February 2013, the total of their overseas student tuition fees for the previous year into the specified field in PRISMS. If a registered provider does not provide its overseas student tuition fees for the previous year by 28 February 2013, the Minister may take action under Division 1 of Part 6 of the *Education Services for Overseas Students Act 2000* against the registered provider.

8 Special tuition protection component

For subsection 10(2) of the Act, the percentage is for a year is zero.

Note Subsection 10(1) of the Act relates to a registered provider's special tuition protection component for a year. That subsection includes a formula with contents that are supported by this section.

Note

1. All legislative instruments and compilations are registered on the Federal Register of Legislative Instruments kept under the *Legislative Instruments Act 2003*. See www.comlaw.gov.au.