



New compliance powers

On 1 January 2017, VET Student Loans commenced and VET FEE-HELP closed for all new students. VET Student Loans offers greater protections for students and provides access to quality higher level VET qualifications that address industry needs and create better opportunities for employment. VET Student Loans is underpinned by strong legislation and hard hitting compliance measures.

Key compliance and regulatory measures enacted through new legislation

Legislation gives the Government greater power to take action against training providers who breach requirements of the program and its associated guidelines. This includes escalating actions ranging from warnings to simplified provider suspension and revocation powers.

The legislation provides for:

- expanded monitoring and regulatory powers
- the power to freeze payments to providers in the event of poor performance, non-compliance or suspected non-compliance
- a lower threshold by which to suspend a provider's approval on the basis of poor performance or reasonable satisfaction that there has been non-compliance
- the ability to re-credit all student debts that have arisen where a particular enrolment or cohort of enrolments have been deemed non-genuine
- the ability to cap individual provider loan amounts on a case by case basis as a result of compliance activity or to control non-genuine growth in enrolments or unreasonable fee increases
- capacity to place conditions on providers, such as restricting the scope of delivery of courses a provider can offer under the program, and greater protection for students by prohibiting providers from seeking outstanding fees from students if a provider's approval is suspended or revoked, or its payments frozen.

What about brokers and third party delivery?

Brokers and marketing agents

Providers will be prohibited from using brokers or marketing agents to interact or engage with students at the time of enrolment, or any other time throughout their training, ensuring enrolment processes and student engagement are the sole responsibility of approved providers.

Third party delivery

Providers will only be permitted to subcontract training to other approved VET Student Loans providers or higher education providers accredited by the Tertiary Education Quality and Standards Agency (TEQSA).

Other key measures

Student engagement requirements

From 1 July 2017, students must log in to an online system to demonstrate they are engaged with their training. Confirmation of engagement will occur at the beginning of at least two fee periods to demonstrate engagement with their course and understand of the loan accrual for that fee period.

The absence of student engagement will be monitored through compliance procedures and may prompt an investigation of student 'genuineness' and the possible re-crediting of debts.

Payments to providers

Providers delivering eligible courses under VET Student Loans will be paid monthly in arrears based on Chief Financial Officer (CFO) authorised and verified student data.

Provider reporting requirements

Under VET Student Loans timely reporting of unit and course completion data will be required. It will be a requirement that all submitted data be accompanied by a statutory declaration (signed by a senior officer) attesting to its validity.

As an ongoing annual requirement, approved providers will be required to submit an estimate of likely loans and delivery for that coming year, including:

- estimated number of student enrolments for the following year
- estimated number of student enrolments within each course being offered
- courses to be offered (including mode of delivery for each course and whether any courses 'nest' lower AQF level courses, such as a Certificate IV level course within a Diploma)
- fees for courses, and
- arrangements regarding the offering of multiple enrolments for individual students.

All providers will be paid monthly in arrears based on Chief Financial Officer (CFO) authorised and verified student data.

Tuition assurance

Strengthened tuition assurance obligations for providers are to be introduced to better protect students.

For more information on compliance powers, visit www.education.gov.au/vet-student-loans

- *If you have questions you may contact the HELP Student Enquiry line on 1800 020 108 or email VETStudentLoans@education.gov.au*

Please note: *The purpose of this information factsheet is to give you a snapshot of the new VET Student Loans program. It is not inclusive of all requirements of the new program.*

Legislation to support VET Student Loans has now passed through parliament.