



Information for new providers

On 1 January 2017, VET Student Loans commenced and VET FEE-HELP closed for all new students

The new student loans program is affordable, sustainable and student-centred. It gives eligible students access to quality higher level VET qualifications, particularly those students who could not otherwise afford to pay for their course upfront.

VET Student Loans program offers greater protection for students and focuses on courses that address industry needs, creating better opportunities for employment.

How to apply

There will be stringent requirements placed on providers seeking to offer eligible courses through VET Student Loans and only high quality, trusted providers will be approved.

New approval arrangements assess applicants' relationships with industry, assess student completion rates and employment outcomes, evaluate any articulation with higher education providers and appraise a provider's track record of delivering education and training.

Suitability against the application criteria will need to be maintained across the entire period of a provider's approval.

The application process will see providers assessed against a range of criteria including:

- financial performance
- strong management and governance
- links with industry
- student outcomes
- three year track record
- course scope and fees.

Students

- Registered training organisations who are fully approved will be entitled to enrol new students from 1 July 2017.

Other measures

Course eligibility

- Course eligibility for VET Student Loans is limited to courses that have a high national priority, meet industry needs, contribute to addressing skills shortages and lead to employment outcomes.
- A list of eligible courses can be found at www.education.gov.au/vet-student-loans.

Caps on student loans

- Properly considered loan caps will apply to all eligible courses.
- There will be three bands of loan caps of \$5000, \$10,000 and \$15,000, which will apply irrespective of whether the course is being delivered face-to-face, online, or via mixed delivery modes.
- The courses falling into each loan cap are detailed in the eligible course list published at www.education.gov.au/vet-student-loans.
- The loan caps will protect students from rapidly rising course costs while still giving students the ability to choose a course based on a number of factors such as quality of delivery, course content, location and facilities.
- Therefore, establishing loan caps on courses does not prevent approved VET Student Loan providers from setting tuition fees above the cap. Rather, it sets a ceiling on the maximum loan amount the government is willing to provide a student for a specific course.

Compliance

- Under VET Student Loans the Government will have greater power to take action against training providers who breach requirements of the program and its associated guidelines.
- This includes financial penalties, the freezing of payments, the remission of student debts, and recovery of payments from providers to suspension or cancellation of the training provider's approval.
- Failure to comply with legislation under the program will result in compliance action, potential financial penalties and possible exclusion from the program.
- These legislative protections will safeguard vulnerable people from the actions of unscrupulous providers, their agents and data miners.

Approvals and payments

- Approvals will be time-limited, with an annual estimation process for student enrolments, course offerings and fee arrangements.
- Payments to approved providers will be made monthly in arrears, based on actual enrolments.

Third party delivery

- Third party delivery of training will only be allowed in circumstances where the third party is also an approved VET Student Loan provider or accredited with the Tertiary Education Quality Standards Agency (TEQSA).
- Providers will be prohibited from using brokers or marketing agents to interact or engage with students at enrolment or any other time throughout their training.

Student engagement

- Students will be required to demonstrate they are progressing throughout their course.
- Students will also be required to log in and engage with the VET Student Loans online portal to ensure they are active and legitimate ongoing enrolments.

What does it mean for providers with unapproved applications to access VET FEE-HELP?

- No new providers will be approved as VET providers under VET FEE-HELP.
- Assessment of current applications for VET FEE-HELP approval has ceased.
- Registered Training Organisations (RTOs) seeking to become a VET Student Loan approved provider will need to make a new application to be approved to the new program.
- Details on the provider approval process are available on the Department of Education and Training website www.education.gov.au/vet-student-loans

For more information, 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.

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