

VET STUDENT LOANS

Information Guide

VET Student Loans

An Australian Government Initiative

The VET Student Loans (VSL) program is a Commonwealth Government loan available to help eligible students pay their tuition fees.

For complete information about VET Student Loans, go to the Department of Education's website and access the following links – [VET Student Loans](#), or contact [HELP Student Enquiry](#) or download the [VET Student Loans Information Booklet](#).

Consider the following facts before applying for a VET Student Loan:

- It is a loan from the Commonwealth
- The loan will remain a personal debt until it is repaid to the Commonwealth
- The loan may, until the debt is repaid, reduce a person's take home (after tax) wage or salary and may reduce the person's borrowing capacity.
- The loan must be paid to the Australian Taxation Office when your income reaches a certain level.
- Students should seek independent financial advice before applying for a loan.
- If you are a full fee paying student, a loan fee of 20% will be added to the VSL loan amount.
- Each eligible student has a FEE-HELP limit that can be used over their lifetime. The loan cannot be greater than the student's remaining FEE HELP balance.
- Other than for specified exceptions, there are three loan cap bands of \$5,000, \$10,000 and \$15,000 (2019 amounts) which apply irrespective of whether the course is being delivered face-to-face, online, or via mixed delivery modes.
- You cannot borrow more than the maximum loan amount for your course. The amount available will be indexed each year. The indexed amounts are available at VET Student Loans.
- The Commonwealth pays the funds directly to your training provider for your tuition fees. Your Commonwealth Higher Education Support Number (CHESN) is connected to information about your VSL debt.

The loan is issued by the Australian Government to make higher education more accessible, by removing the burden of upfront tuition fees. Ongoing access to a VET Student Loan is dependent upon the student demonstrating that they are still engaged in and progressing through their qualification.

VET Student Loans are only available for approved courses at the diploma, advanced diploma, graduate certificate and graduate diploma level that are specified by the [VET Student Loans \(Courses and Loan Caps\) Determination 2016](#).

The courses and loan caps determination specifies the courses for which VET Student Loans may be granted; sets the maximum loan amounts for those courses; and provides for the annual indexation of the maximum loan amounts.

The VET Student Loans Scheme pays eligible students' tuition fees. This means students can focus on their career and repay the Australian Government loan when their income is higher than the minimum repayment threshold. The Australian Tax Office (ATO) calculates and adjusts repayments each year. Students can also make voluntary repayments to the ATO. Best of all, there is no interest charged on VET Student Loans, however a 20% loan fee does apply for full fee paying students.

Eligibility Criteria and Academic Suitability

Eligibility Criteria

(as per subsection 98(2)(f) of the VET Student Loans Rules 2016)

Further eligibility requirements include:

- Entry requirements of SCEI during selection
- Not have exceeded the VSL limit
- Be enrolled on or before the first census date of your course (or entry point into the course) by completing an Electronic Commonwealth Assistance Form (eCAF)
- Meet the **Tax File Number (TFN)** requirements.
- Have a **Unique Student Identifier (USI)** or are otherwise exempt.
- Have read the **VET Student Loans information booklet**.
- Have provided the required documents to SCEI and submitted the loan application form by the first census day no less than two business days after enrolling.

To see if you are likely to meet the eligibility requirements, check out the VET Student Loans **Eligibility Tool** on the My Skills website.

Detailed eligibility information can be found in the **VET Student Loans Information Booklet**. You should also speak to an approved VET Student Loans provider about accessing a VET Student Loan to pay for your studies. The provider will confirm if you are eligible to access a VET Student Loan.

Academic Suitability

Before a student can access VET Student Loans, SCEI must also determine if they have the ability to undertake the qualification. To be assessed as academically suitable, students must either:

- Providing your Australian Year 12 Certificate, or
- Providing evidence of successful completion of an Australian Qualifications Framework Certificate IV or higher qualification (*where the language of instruction is English*), or
- Displaying competence at Exit Level 3 in the Australian Core Skills Framework in both reading and numeracy through an approved Language, Literacy and Numeracy indicator.

In addition, SCEI must reasonably believe the student will be able to successfully complete the qualification.

IMPORTANT: VET Student Loans will not be approved for students who do not meet the eligibility requirements.

Fees and Schedules:

- The amount a student can borrow on a VET Student Loan cannot exceed their remaining FEE-HELP balance or exceed the loan limit set for each qualification.

- Tuition fees for the students enrolled in the course will be apportioned across a specified number of sequential fee periods.
- Each sequential fee period will be inclusive of one census day (as per subsection 98(2)(k) of the VET Student Loans Rules 2016).
- Where the term census day is referred to, this means; the day to which a student can withdraw from a course without incurring a fee (as per subsection 98(2)(l)(i) of the VET Student Loans Rules 2016).
- Where a student has received the maximum amount of VSL funding for their course, they will accrue a debt up to 120% of the HELP debt (as per subsection 98(2)(j) of the VET Student Loans Rules 2016).

Census Dates:

Fees for qualifications eligible for VET Student Loans are charged by Units of Study. Payments will be spread across the duration of the qualification. For every Unit of Study in the qualification, there is a Census Date as outlined in the VET Student Loans Schedule.

VET Student Loans will be debited for any tuition fees that remain unpaid after choosing to continue after each census date. If students choose to withdraw from a Unit of Study prior to the Census date, there will be no tuition fee for this unit added to their loan.

In reference to census dates, SCEI will:

- Allow students to withdraw from a Unit of Study on or before the census date and not incur a financial penalty. In the event that a student withdraws after the census date has passed, the student will be liable for the full debt of the unit of study.
- Set a census date for each VET Unit of Study that is no earlier than 20% of the way through the Unit of Study.
- Ensure that students have been informed of census dates for each Unit of Study on or before the earliest enrolment date for the Units of Study.

Applying for a VET Student Loan:

(as per subsection 98(2)(g) of the VET Student Loans Rules 2016)

1. Students are required to read the **VET Student Loans information booklet** before applying for a VET Student Loan. **All students must read this booklet when applying for a VET Student Loan.**
2. Students cannot apply for VET Student Loans until 2 business days after they receive their Confirmation of Enrolment (COE) but they must submit their application on or before the first census day for the qualification.
3. Two business days following the enrolment, SCEI will advise the Australian Government that the student wishes to apply for VET Student Loans. The Australian Government will email the student log in details and password to access and complete an eCAF (the Australian Government's electronic Commonwealth Assistance Form).

Please see attached [eCAF Flow Diagram](#) provided by The Australian Government, detailing the application and progression process for the student.

All students wishing to apply for a Commonwealth VET Student Loans must be assessed for academic suitability to undertake a high level VET qualification. This is aimed at ensuring students have the skills and knowledge to succeed in their qualification.

Academic assessment is in addition to any other entry requirements, or any other additional selection criteria as stipulated in the Student Handbook, or qualification information published on the SCEI website.

The student may be required, during the course, to communicate their agreement that the Secretary continue to use the VET student loan to pay tuition fees for their enrolled course (as per subsection 98(2)(h) of the VET Student Loans Rules 2016).

Repayment of a VET student loan:

VET Student Loans will remain as a personal debt in the student's name until it is repaid to the Commonwealth Government via the Australian Taxation Office. The loan may, until it is repaid, reduce the after-tax wage or salary, and may reduce the student's borrowing capacity. Repaying the Government's loan is required when the income reaches the repayment threshold. The income threshold can be found at www.studyassist.gov.au. As with any loan, students may wish to seek independent financial advice before they take out a VET Student Loans.

Student Progression and Engagement:

From 1 July 2017, to continue to access a VET student loan, students must demonstrate to the Department of Education and Training that they are a genuine student, continuing with their studies. Ongoing access to a VET Student Loans is dependent upon students demonstrating they are still engaged in and progressing through their qualification.

To demonstrate engagement and to continue to receive a loan, students must complete the 'VET Student Loans - Confirming enrolment and continued course engagement and participation' form in the eCAF system at least twice each calendar year - around February, June and October - for the duration of their qualification.

The form asks if students intend to continue studying and accessing a VET student loan, and contains a short survey. This student engagement and progression requirement process is part of the increased protection for students accessing the VET Student Loans program.

Support:

If you have any questions or need additional information please visit the links below, or contact VET Student Loans Department of Education and Training HELP Student Enquiry line via email:

VETStudentLoans@education.gov.au or by phoning **1800 020 108**.

- [VET Student Loans](#)
- [Centrelink](#)
- [Australian Tax Office \(ATO\)](#)
- [My Skills](#) – Australia's training directory

Complaints:

A new VET Student Loans Ombudsman has been established, and from 1 July 2017 complaints about VET FEE-HELP debts and VET Student Loan debts will be handled by the new VET Student Loans Ombudsman. The VET Student Loans Ombudsman is part of the broader Commonwealth Ombudsman's office. The Ombudsman is separate from the Department and has its own legal powers to investigate and deal with complaints. More information about the Commonwealth Ombudsman is available at <https://www.ombudsman.gov.au/>

Please note, the Ombudsman will normally not commence an investigation of a complaint unless the student has first tried to resolve their complaint with their qualification provider. If the student has not done so, the Ombudsman will advise the student to raise their complaint with their provider in the first instance.

Please refer to our Complaints and Appeals Policy available on the SCEI website for more information regarding complaints and appeals.