

# VET STUDENT LOANS

## Frequently asked questions for students

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### Question 1 - What is a VET Student Loan?

The VET Student Loans program is the Commonwealth Government loan scheme for vocational education and training (VET). Under this program, **eligible students** studying in *approved* Diplomas or Advanced Diplomas can pay their tuition fees through a student loan. The loan is repaid via the Australian tax system when the minimum income threshold for repayment has been reached. There is a loan fee of 20% for full fee-paying students but there is no loan fee for eligible students in some NSW Government subsidised training places (Smart and Skilled).

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### Question 2 - Am I eligible?

To be eligible, you must either:

- be an Australian citizen, or
- a permanent humanitarian visa holder, who is usually resident in Australia, or
- a Pacific Engagement visa holder, who is usually resident in Australia (census dates after 1 February 2024)
- be a New Zealand citizen on Special Category Visa (SCV subclass 444) who grew up here (see FAQ 16)

**Holders of other permanent visas and temporary visas are NOT eligible for a VET Student Loan.**

You must also:

- have a tax file number or be applying for one (the personal details of your TFN with the ATO, must match the personal details you have provided to TAFE NSW, for example your name and date of birth)
  - have a Unique Student Identifier (USI) (see FAQ 4)
  - intend to undertake your course primarily in Australia
  - be assessed as academically suitable to undertake a high-level vocational qualification (see FAQ 5)
  - have not exceeded your lifetime Commonwealth student loan limit (see FAQ 10)
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### Question 3 - Is my course eligible?

The Commonwealth Government selects VET Student Loan eligible courses in line with industry needs and employment outcomes and approves providers to offer those courses with a VET Student Loan. The list of TAFE NSW Approved Courses can be found on the [TAFE NSW](#) website.

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### Question 4 - What is a USI?

A USI is a Unique Student Identifier. The Commonwealth Government requires all students who are studying in a nationally recognised training course to have a USI. If you already have one, please ensure you use the same USI when you enrol for any training. If you don't have a USI, you can go to <https://www.usi.gov.au/> to register before you apply to enrol. Alternatively, you can do this as part of your enrolment.

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### Question 5 - What is academic suitability?

All students wishing to apply for a VET Student Loan must be assessed for academic suitability to undertake a high level VET qualification. This is to ensure you have the skills and knowledge to succeed in your course. Academic assessment is in addition to any other entry requirements for your course, or any other additional selection criteria. Refer to the [VET Student Loans Student Entry procedure](#) on the TAFE NSW website. To be assessed as academically suitable, you must either:

- provide a copy of your senior secondary certificate of education (Australian Year 12 Certificate) that has been awarded by an Australian authority or agency, or an International Baccalaureate Diploma Programme (IB) Diploma **or**
- provide evidence of attainment of an Australian Qualification Framework qualification at Certificate IV level or above (or at a level in a framework that preceded the AQF that is equivalent to level IV or above in the AQF) that was delivered in English, or evidence of an approved [Australian Government](#) assessed overseas qualification. You may provide a Certificate or transcript from your previous provider or a transcript from the national [USI register](#) (for qualifications attained from 2015). If it is a TAFE NSW qualification, let us know where and when you studied, **or**
- undertake an approved literacy and numeracy assessment and be competent at Exit Level 3 or above in reading and numeracy. Your college will assist you through the process to undertake this assessment if required. There is no cost to you.

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### Question 6 - What is a CHESSN?

A CHESSN was allocated to all students as a primary student identifier when they first accessed a Commonwealth Loan prior to 2021. For new students (from 2021), the CHESSN has been replaced by the USI and will be the primary student identifier moving forward.

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### Question 7 - How will my course fees be charged?

Fees for courses eligible for VET Student Loans are charged by Units of Study (UoS). Your course will have a minimum of 3 Units of Study, with your payments spread across the duration of your course. Each Unit of Study has a census day, set at no less than 20% into the Unit of Study. You will be sent a **VET Student Loan Fee Notice** to your personal email address 14 days before each census day, indicating your fees and census days.

Your debt is incurred on the day after the census day. After a census day has passed, TAFE NSW will send you a **Commonwealth Assistance Notice (CAN)** for that Unit of Study. The CAN will provide you with information about your debt, including the loan fee if applicable. If you believe your CAN is incorrect, you should contact your college immediately.

For some courses, there may be a gap between the course fee and the loan that the Commonwealth Government will allow for your course (the loan cap), which you need to pay (see [TAFE NSW VET Student Loans Approved Course list](#)). We will let you know if there is a gap payment when you enquire, and also about other payment options that may be available.

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### Question 8 - How do I apply for a VET Student Loan?

A VET Student Loan is an agreement between you and the Commonwealth Government. You apply for a loan through the Commonwealth's *Electronic Commonwealth Assistance Form (eCAF)*.

If you have been accepted into your course, met all the loan eligibility and academic suitability requirements (including providing any required evidence) and wish to apply for a loan, we will advise the Commonwealth Government. They will send you an email with a passkey to access the eCAF system. You must complete the online application before the first census day of your course, otherwise you are not eligible for a loan for that Unit of Study and will need to pay. For more information visit the [Commonwealth Government](#) website.

Your loan application is separate to your enrolment with TAFE NSW. The Commonwealth Government requires that there is a two day cooling off period between when you first enrol with TAFE NSW and when you apply for a VET Student Loan. When you complete the eCAF process your enrolment can then be finalised.

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### Question 9 - Are there further requirements to maintain eligibility for my loan?

Yes, please refer to the [Commonwealth Government Student Obligations Factsheet](#) to ensure you understand your responsibilities to maintain your loan.

The Commonwealth will contact you two to three times per year (February, June or October) by email and ask you to complete a student survey to confirm that you are still studying and wish to continue to access a VET Student Loan. You must complete the survey to maintain your loan and confirm that you are a genuine student. Failure to comply with the request could result in the cancellation of your loan.

In addition, if you are not progressing through your course, TAFE NSW may also cancel your enrolment to ensure that you are not unnecessarily incurring a debt.

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### Question 10 - When do I repay my debt?

You repay your loan through the tax system when your income is **above the minimum repayment threshold**.

Repayment thresholds are adjusted each year to reflect changes in average weekly earnings. The minimum repayment income threshold for 2023-24 is \$51,550.

This means that once your income reaches the minimum threshold you will need to start repaying your loan through the Australian Tax Office. For more information regarding Commonwealth loan repayment thresholds, please visit the [StudyAssist](#) website.

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### Question 11 - Is there a limit to how much I can borrow?

From 1 January 2017, the Commonwealth Government has set a course loan cap for each course. The loan cap is the total amount the student can borrow for the course. Most students will not be affected by the course loan caps. If there is a gap between the course fee and the course loan cap, you will be advised when you enquire. Course loan caps are published with the [TAFE NSW VET Student Loans Approved Course list](#) on the TAFE NSW website.

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There is also a lifetime loan limit per student. This is the total amount you can incur in your lifetime under any Commonwealth HELP student loan scheme – whether it is Higher Education FEE-HELP, VET FEE-HELP or a VET Student Loan. It is indexed each year, in line with the Consumer Price Index (CPI). In 2024, the lifetime loan limit is \$121,844 for most students.

Students can check their HELP balance and loan obligations by logging into [myHELPbalance](#). You will need your Commonwealth Higher Education Student Support Number (CHESSN) to log in.

Please note, your HELP balance is renewable. Any compulsory or voluntary repayments starting from the 2019-20 income year will top up your HELP balance. These repayments will be applied to your HELP balance from 1 July 2020 onwards, after you have submitted your tax return to the ATO. Repayments can be re-borrowed in the future, up to the current HELP loan limit.

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### **Question 12 - Will taking out a loan impact my credit rating?**

A VET Student Loan is a personal debt obligation that can affect your credit rating. It may also have wage and tax repayment implications. You should seek independent financial advice before applying for a VET Student Loan.

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### **Question 13 - I have a student debt already, how do I confirm my total debt?**

Log into the [myHELPbalance](#) portal to check your *available* HELP balance. You will need your Commonwealth Higher Education Student Support Number (CHESSN) to log in.

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### **Question 14 - Is there an age limit for applying for a VET Student Loan?**

There are no age restrictions to apply for a VET Student Loan, though the intent is that your study will have a vocational outcome. That is, it will enable you to get a job or support your career progression.

Parental consent is required for students who are under 18 years old, unless you are receiving Youth Allowance (on the basis that you are independent). You must provide a copy of your Centrelink Income Statement noting your independent assessment. Otherwise, your parent or guardian must sign the Commonwealth's Parental Consent Form and return it to the College before you can apply for a loan. The form is available on the [Commonwealth Government](#) website or from your college.

Your parent or guardian will not be responsible for making loan repayments and it will not affect their credit rating. You will have to make the relevant repayments once your income reaches the minimum repayment threshold.

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### **Question 15 - Can I make an upfront payment?**

If you have future fees, you can make upfront payments directly to TAFE NSW. This will save you the 20% loan fee that is applied to any fee-for-service loans. There is no loan fee for students in State Government Subsidised places (Smart & Skilled). Ask at your college if you are unsure.

If all your census days have passed, you can make payments direct to the Australian Taxation Office (ATO).

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### **Question 16 - What are New Zealand Citizen Eligibility criteria?**

New Zealand citizens who hold a Special Category Visa (SCV Subclass 444) and meet the residency criteria are eligible to apply for a loan. The residency requirements are:

1. holds a special visa category, such as the New Zealand Special Category Visa (SCV)
2. has been usually resident in Australia for at least 10 years
3. was a dependent child when he or she was first usually resident in Australia
4. has been in Australia for periods totalling 8 years during the previous 10 years and
5. has been in Australia for periods totalling 18 months during the previous 2 years.

You will need to provide evidence to TAFE of your eligibility before requesting a loan.

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### **Question 17 - What if I study part time or online?**

It makes no difference. VET Student Loans are available for part time and online, as well as full time study.

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### **Question 18 - Am I eligible for a fee reduction for Credit Transfer or RPL for previous learning?**

If you have completed previous studies, please discuss this with a teacher before you enrol, as you could be eligible for reduced fees. You should also let us know as soon as possible, if you have experience in the area you are studying and think you may qualify for Recognition of Prior Learning (RPL) which means your study load is reduced and your fees may also be lower.

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**Question 19 - What if I finish earlier than anticipated, before all census days have passed?**

Our students quite often finish earlier than anticipated. It may be because they received large amounts of credit transfer, reducing the amount of study they need to complete, or some students in flexible courses are able to apply more time to their studies and progress more quickly.

If you are going to finish early, your college will contact you to discuss moving your census days forward so that all your course fees will become due in your new, shorter study period.

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**Question 20 - I'm receiving Centrelink benefits. Does this affect the amount of VET Student Loan assistance I can access?**

Centrelink benefits do not affect your eligibility or the amount of VET Student Loan assistance you can access.

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**Question 21 - What if I want to withdraw from my study?**

You must **withdraw in writing** by completing the [VET Student Loan Withdrawal & Deferral Application form](#), available from the TAFE NSW website or from your college. The loan amount you incur will depend on the timing of your withdrawal. There are no penalties if you withdraw on or before the census day. However, once a census day has passed, the loan amount for the unit of study is incurred.

In some special circumstances, you may apply to have your debt reversed by completing an [Application to re-credit a HELP balance form](#). The application must be submitted within 12 months of the census day of the Unit of Study/Part of a Course. Please talk to your college or visit the [TAFE NSW](#) website for more information.

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**Question 22 - What happens to my debt if I move overseas?**

From the 1 July 2017, any HELP debtors (students who have received a Commonwealth Government student loan) who move overseas are required to make compulsory HELP repayments. This also applies to any existing HELP debts. The first step is to notify the ATO before you travel, or within 7 days of leaving Australia, if you intend to move overseas for 183 days (around 6 months) or more in any 12-month period. For more information on how to register with the ATO, visit the [Study Assist](#) website.

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**Question 23 - Where can I find more information about VET Student Loans?**

Ask at your local college Customer Service Office or the [TAFE NSW](#) website. For general information, visit the [Commonwealth Government Department of Employment and Workplace Relations](#), [Study Assist](#) and the [Australian Taxation Office](#) websites.

***The information in this flyer is correct as of 17 January 2024***