

# Government funding of VET

## FACT SHEET

### VET Student Loans

The VET Student Loans program provides loan support to eligible students studying higher level VET qualifications (diploma and above). Loan amounts are capped and available for courses that address industry needs. Loans are income-contingent, with students repaying their loans through the Australian taxation system. For further information refer to the Australian Government Department of Education, Skills and Employment, VET Student Loans Statistics at <https://www.employment.gov.au/vet-student-loans>.

#### Reporting loan amounts

VET Student Loan amounts (including loans provided under the grandfathered VET FEE-HELP program) are reported separately from other funding in the *Government funding of VET 2019* publication.

The reported value of VET Student Loans activity excludes estimated loan expenses and state and territory contributions, and any upfront payments made by the student. Full-fee paying students are those students who may borrow up to the full amount of their training where the cost of their course is not subsidised by government. State-subsidised students are those students who may borrow part tuition costs, as part of their training costs have been subsidised by their state or territory training authority.

Loan values are presented by the state/territory that subsidised the training (for subsidised students) or by the borrowing student's home address (for full-fee paying students).

#### Transfers for VET Student Loans

States and territories contribute 50% of the cost of a loan debt not expected to be repaid (DNER) generated by state-subsidised students using the VET Student Loans or grandfathered VET FEE-HELP program. The DNER rate is an actuary calculation based on the full amount of outstanding loans.

The reported figure in the *Government funding of VET 2019* publication is the amount states and territories transferred to the Commonwealth in the 2019 calendar year.