Australian Government

Tuition Protection Service

VSL Provider Default Obligations

Tuition protection obligations of VSL providers following a provider default

This document provides guidance intended to help VET Student Loans (VSL) providers understand and meet their tuition protection obligations following a provider default under the *VET Student Loans Act 2016*[1] (VSL Act) and the VET Student Loans Rules 2016[2] (VSL Rules). The information in this document is not exhaustive. The Tuition Protection Service (TPS) recommends providers refer to the VSL Act, the VSL Rules, and any other relevant legislation to ensure they comply with all requirements following a provider default.

Overview of VSL provider default obligations

A VSL provider must meet the following tuition protection obligations after a provider default:

(a) **within 24 hours**:

- (i) notify the VSL Tuition Protection Director of the circumstances of the default in writing
- (ii) notify all students affected by the default in writing

(b) **as soon as practicable**, update the provider's website to reflect that the course is no longer being provided and to give tuition protection information (i.e. the TPS website[3])

(c) **within 3 business days**, give the VSL Tuition Protection Director the information required under subsection 66C(3) of the VSL Act and section 47 of the VSL Rules

(d) **as soon as practicable and within any specified timeframe**, respond to any communication or notices received from the VSL Tuition Protection Director or a delegate of the Director.

These obligations are outlined in further detail below.

Early notification of potential provider default

Providers are strongly encouraged to notify the VSL Tuition Protection Director of any change of circumstances indicating that the provider may default as soon as possible. Examples of such circumstances include the appointment of an administrator or liquidator, teachers no longer arriving to teach study material to students, or any other significant operational disruption likely to affect the delivery of courses to VSL students.

Provider default

Under **section 66B** of the VSL Act, a VSL provider defaults in relation to a student if:

(a) the provider either:

- (i) fails to start providing a course, or a part of a course, to the student on the scheduled starting day

[1] www.legislation.gov.au/C2016A00098/latest/text

[2] www.legislation.gov.au/F2016L02030/latest/text

[3] www.tps.gov.au

(ii) ceases providing a course, or a part of a course, to the student after the course or part starts but before it is completed, and

(b) the student has not withdrawn before that day, and

(c) either:

(i) a VET student loan has been approved for the student for the course on or before that day

(ii) the student is an eligible student for the course and has a HELP balance of greater than zero on that day.

Notifying the VSL Tuition Protection Director of a provider default

Following a provider default, a VSL provider must notify the VSL Tuition Protection Director of the default in accordance with **section 66C** of the VSL Act and **section 47** of the VSL Rules. All information given to the VSL Tuition Protection Director under section 66C of the VSL Act must be given in a manner and form approved by the Director, in accordance with **section 49** of the VSL Rules.

Within 24 hours of the default occurring, the provider must notify the VSL Tuition Protection Director of the circumstances of the default in writing. A provider may notify the Director of a default by emailing support@tps.gov.au.

Within 3 business days of the default occurring, the provider must give a written notice to the VSL Tuition Protection Director specifying:

(a) the following information for each student in relation to whom the provider has defaulted:

(i) the student's full name and contact details

(ii) the course, or part(s) of the course, that the student was enrolled in at the time of the default

(iii) the amount of the tuition fees for each course, or part of the course, that the student was enrolled in at the time of the default

(iv) details about the payment of those tuition fees, including the amounts that are covered by a VET Student Loan

(v) whether the student was studying part-time or full-time

(vi) the mode of delivery of the original course

(vii) if the student did not study online, the location where the original course was primarily delivered

(viii) whether the student has withdrawn from the course or part of the course and the date of withdrawal

(ix) any part of the course for which the student has deferred study, the date of the deferral and the date the student is expected to re-commence study

(x) the completion status for each part of the course the student has enrolled in, including whether the student's status is ongoing, passed or failed, and

(b) the following information for each course the provider has defaulted in relation to a student:

(i) the name and code of each unit of competency, as it appears on the National Register, for each part of the course.

If requested in writing by the VSL Tuition Protection Director, the provider must provide the Director with one of the following for each affected student:

(a) a copy of a statement of attainment or other Australian Qualifications Framework (AQF) certification documentation issued by the provider or an authorised issuing organisation in accordance with the AQF for the parts of the course that the student has completed

(b) a copy of an authenticated VET transcript prepared by the Student Identifiers Registrar for the parts of the course that the student has completed.

Offence for failure to notify the VSL Tuition Protection Director

A provider's failure to comply with section 66C of the VSL Act is an offence of strict liability.

Notifying students of a provider default

Following a provider default, a VSL provider must notify the students affected by the default in accordance with **section 66D** of the VSL Act and **section 51** of the VSL Rules.

Within 24 hours of the default occurring, the provider must notify the students in relation to whom the provider has defaulted in writing. The notice must specify the following information:

(a) the name of the course, or part(s) of the course, the student was enrolled in at the time of the default

(b) the date of the default, and

(c) a website specified by the VSL Tuition Protection Director (i.e. the TPS website[4]) where the student can get further information about tuition protection.

The notice must be sent to each student's personal email address, or postal address, or by another method agreed to by the student.

Offence for failure to notify affected students

A provider's failure to comply with section 66D of the VSL Act is an offence of strict liability.

How the TPS supports students following a provider default

The VSL Tuition Protection Director is responsible for finding one or more suitable replacement courses for affected students. **Section 66E** of the VSL Act outlines the matters the Director must have regard to in determining the suitability of replacement courses.

If there are no suitable replacement courses available for a student, the student's HELP balance will be re-credited for the loan amount used to pay tuition fees for the affected part of their course, in accordance with **section 66H** of the VSL Act. The provider will be notified that the student's HELP balance will be re-credited, and that the provider will be required to pay that amount to the Commonwealth. **Within 28 days of receiving this notice**, the provider can make written submissions to the VSL Tuition Protection Director about the amount of the re-credit.

[4] www.tps.gov.au