

VET Student Loans

Statistical Update: 1 January to 30 June 2024

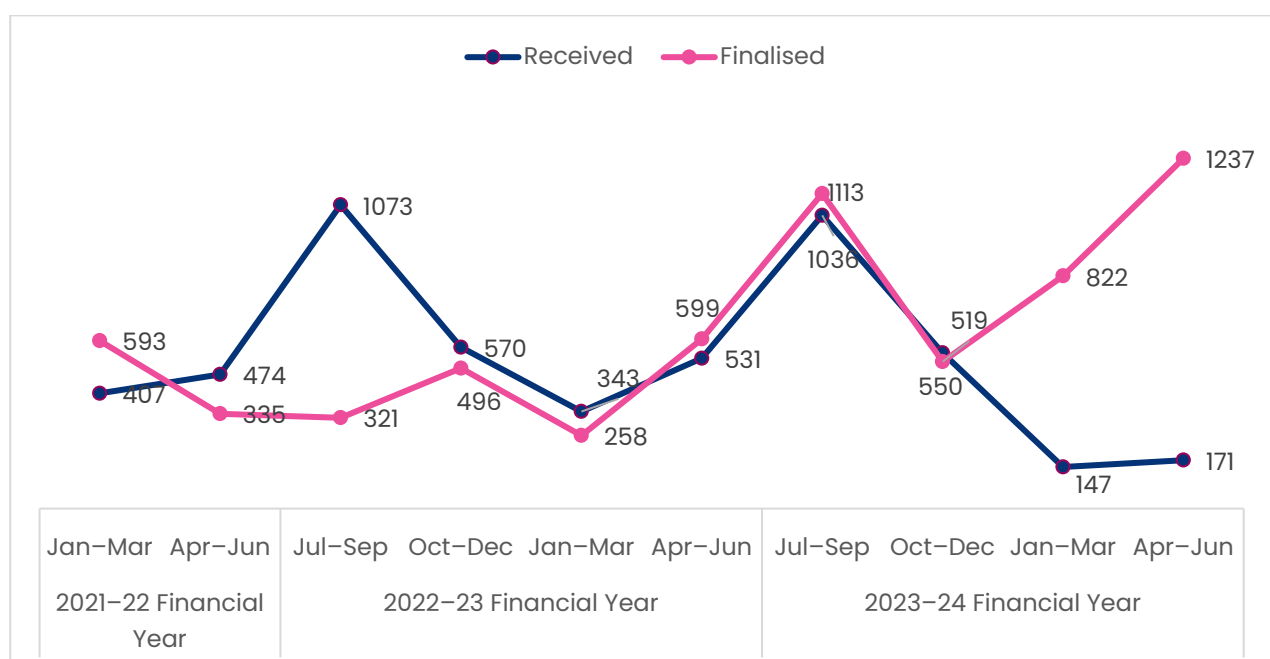
The Office of the Commonwealth Ombudsman's role as the VET Student Loans Ombudsman commenced on 1 July 2017. We consider complaints about the former VET FEE-HELP scheme (which ceased at the end of 2016) and the current VET Student Loans program (which commenced in 2017).

This update includes data for the period 1 January – 30 June 2024.

VET FEE-HELP

The Student Redress Measures closed to new complainants on 31 December 2023. Between 1 January – 30 June 2024, the VSLO closed 1,237 complaints about VET FEE-HELP debts.

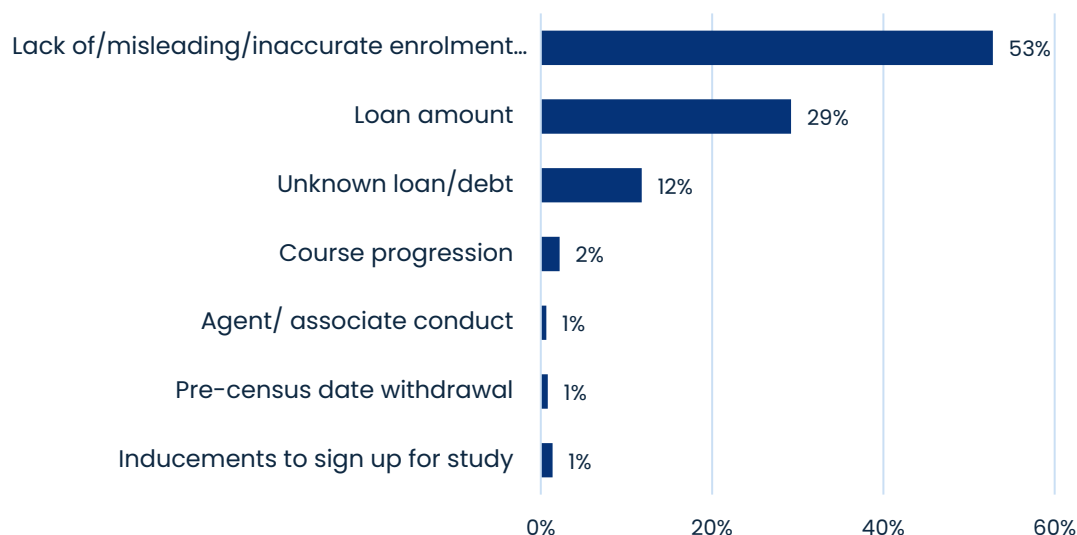
Figure 1: VET FEE-HELP complaints received and finalised, 1 January 2022 to 30 June 2024.



VET FEE-HELP complaint issues

Figure 2 shows the issues recorded in the VET FEE-HELP complaints we finalised during the 1 January to 30 June 2024 period. It also shows the frequency of issues raised (as a percentage of all issues in finalised complaints, noting a single complaint may include more than one issue).

Figure 2: Issues in VET FEE-HELP complaints finalised, 1 October 2023 to 30 June 2024



End of VET FEE-HELP Student Redress Measures

The [Student Redress Measures](#) closed to new complainants on 31 December 2023. The Office of the Commonwealth Ombudsman (the Office) continued to assess complaints received before that date for redress. We finalised all complaints received under the redress measures by 31 October 2024.

Between 1 January 2019 (when the Student Redress Measures commenced), and 30 June 2024, the Office recommended the re-credit of VET FEE-HELP debts to the value of \$227.61 million, comprising 14,730 complaints and 79,218 units of study.

Complaints about VET FEE-HELP made since the end of the Student Redress Measures

Between 1 January and 30 June 2024, the Office received 318 complaints about VET FEE-HELP debts. Of these, 147 were about unavailable providers. The remaining 171 were about providers that are still operating.

The Office refers complaints about unavailable providers to the Department of Employment and Workplace Relations. The department considers whether it may re-credit the complainant's debt. If not, the department may advise the complainant of their option to apply to the finance minister for potential waiver of their debt.

The Office can continue to consider VET FEE-HELP complaints about providers that are still operating. The figure below shows outcomes for the complaints the Office considered and closed between 1 January and 30 June 2024.

Figure 3: Outcomes for closed VET FEE-HELP complaints received 1 January to 30 June 2024 (education provider still operating)

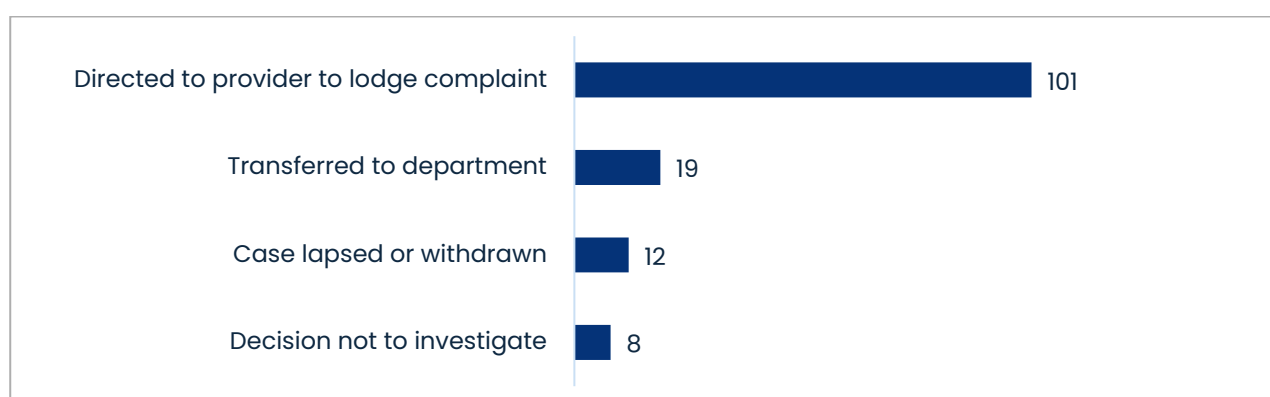
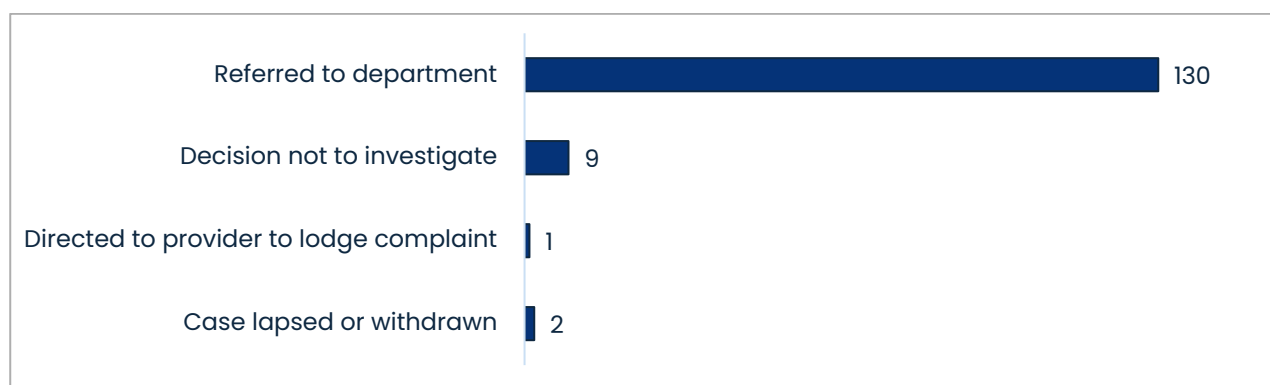


Figure 4 below outlines the outcomes for complaints about unavailable providers that we closed in the period.

In most cases, we referred the complainant to the department. In some cases, the complainant's debts had already been re-credited, or we had already shared a recommendation with the department about their debt. In one case, the complainant was asked to lodge a complaint with their provider first because we understood the provider was still operating at the time.

Figure 4: Outcomes for closed VET FEE-HELP complaints received 1 January to 30 June 2024 (education provider unavailable)



VET Student Loans

Between 1 January and 30 June 2024, the Office received 52 complaints about VET Student Loan debts, a decrease of 45 per cent compared to the same period last year (94). Figure 5 shows the number of complaints the Office received about VET Student Loan debts during each quarter since 1 July 2021.

The Office receives VET Student Loan complaints about operating providers as well as those that have stopped trading. Our approach to handling a complaint may vary according to the provider's trading status. If the provider is operating, the Office usually expects a complainant to complete their provider's complaints process before we consider the matter.

Figure 5: VET Student Loans complaints received per quarter, July 2021 to June 2024

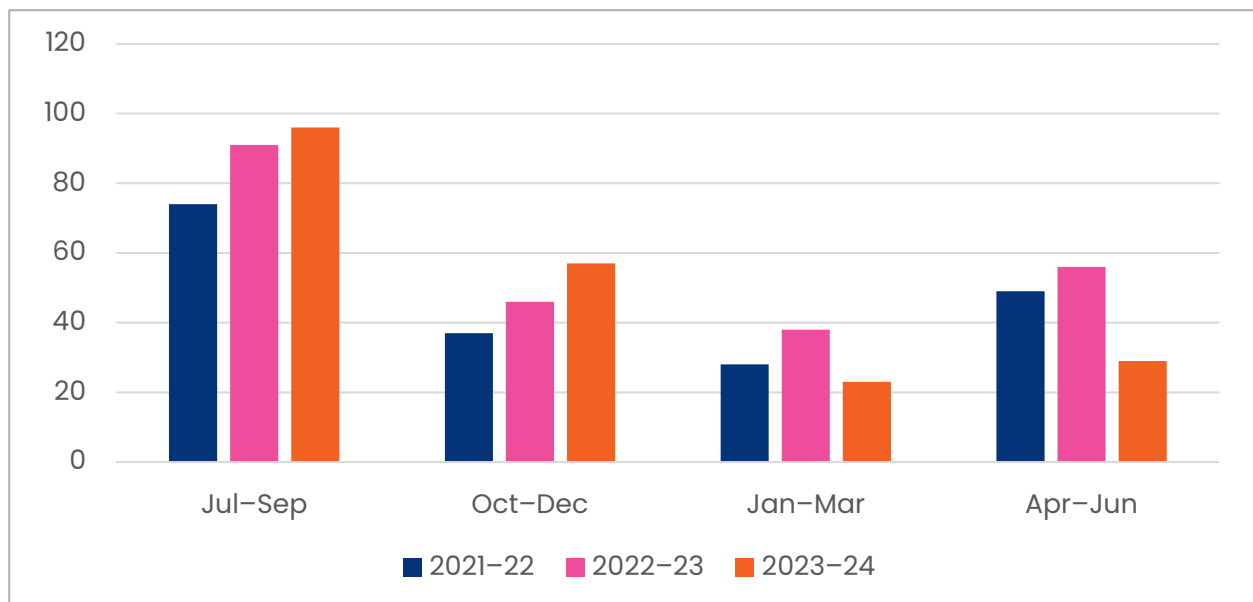
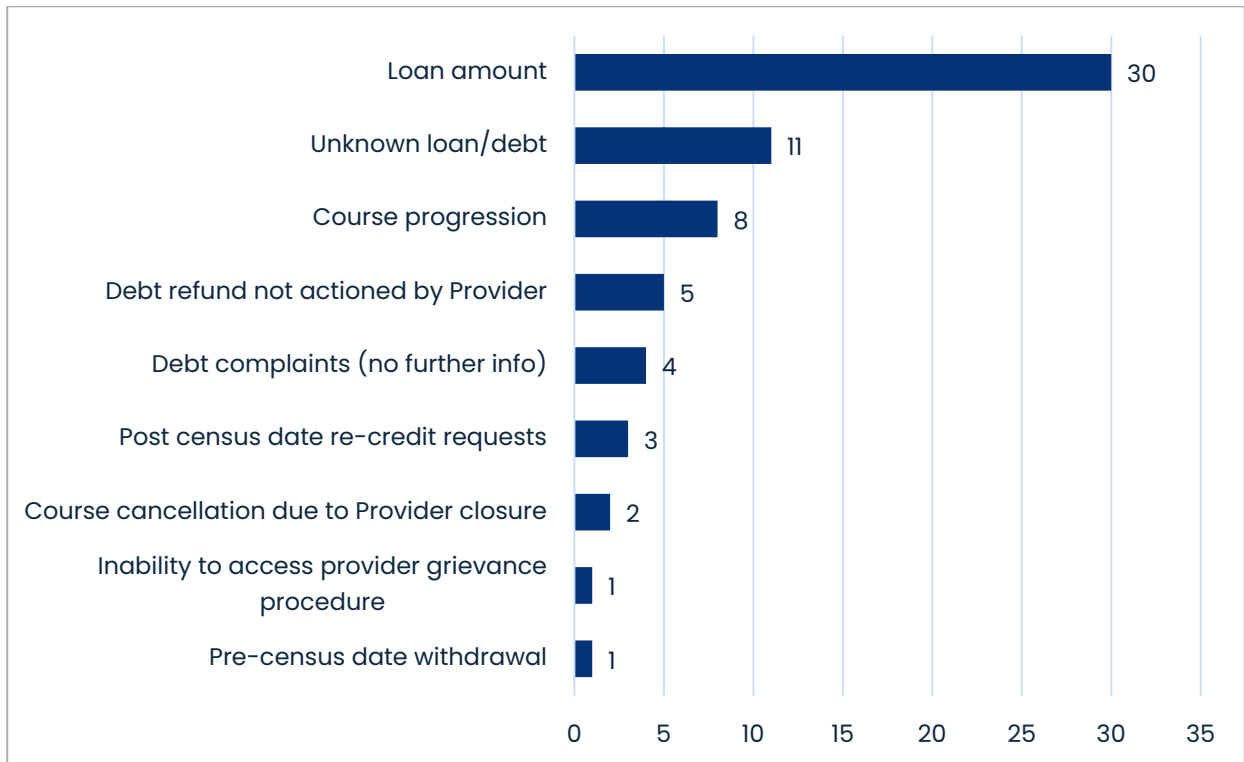


Figure 6 shows the issues recorded in the VET Student Loan complaints we finalised during the quarter, as well as their frequency (as a percentage of all issues in finalised complaints, noting a single complaint may raise more than one issue).

Figure 6: Issues in VET Student Loans complaints finalised, 1 January to 30 June 2024



Case study

Barbara* enrolled in a Diploma of Community Services and chose to pay with a VET Student Loan. During the enrolment process, Barbara supplied a background check which included a notification for a past incident. Her provider told her it would not be a problem.

Barbara completed theoretical studies and was ready to commence practical training with a community organisation. However, the provider's community organisation partner would not accept Barbara due to the notification in her background check. Her provider suspended her enrolment while they determined the next course of action.

Meanwhile, Barbara identified a potential placement with another community organisation. The provider approved the placement, which Barbara commenced.

At the placement, Barbara reported being physically mistreated by clients and poorly supported by her provider and the organisation. Seeing no option to complete her studies, she withdrew. She asked her provider for a re-credit of her loan, as she believes the provider should not have accepted her as a student.

Her provider refused her request, as she had been able to secure a placement and she had made the decision to withdraw.

Our assessment

During our investigation, we identified that after suspending Barbara's enrolment, her provider had cancelled Barbara's enrolment and decided to re-credit the whole amount of her debt. When Barbara found her own placement, this decision was reversed.

Barbara told us she only arranged that placement because she had already accrued a debt and felt compelled to try finishing her Diploma. If she had known the provider would re-credit her debt, she would not have tried to arrange her placement.

The provider believed it would have told Barbara, but could not find any records showing it had made Barbara aware of its decision to re-credit her debt.

Outcome

We noted the provider had previously acknowledged it should not have enrolled Barbara for the course. Then, by not communicating its decision to re-credit her debt, the provider had not permitted Barbara to make an informed decision about continuing her studies. We therefore advised the provider it would be appropriate to re-credit Barbara's debt.

The provider accepted and also confirmed they had made changes to:

- prevent enrolment of students who don't meet all entry requirements;
- ensure they advise re-enrolling students of potential impacts on their VET Student Loans; and
- implement an enhanced Customer Relationship Management system to ensure all communicate is recorded and clear.

*Student details have been changed to protect privacy

Annual Summary – 1 July 2023 to 30 June 2024

Between 1 July 2023 and 30 June 2024:

- We received 1,904 VET FEE-HELP complaints, a 23 per cent decrease compared to 2022–23 (2,472).
- We received 205 VET Student Loan complaints, an 11 per cent decrease compared to 2022–23 (231).
- We finalised 3,908 complaints about VET loan assistance (VET FEE-HELP and VET Student Loans).

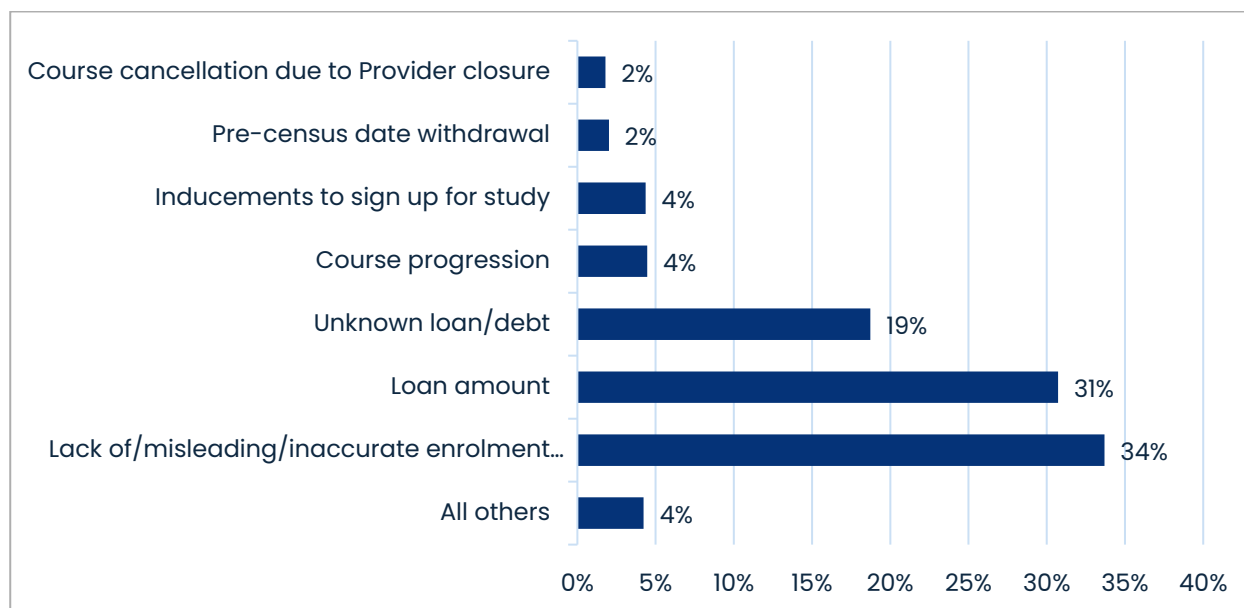
During the 2024–25 financial year, we are focusing on:

- Investigating complaints about VET FEE-HELP debts under normal VSLO powers (as the student redress measures are no longer available), where providers are still operating.
- Drawing potential systemic issues to government and industry attention.
- Continuing to improve our complaint handling processes.

Issues in complaints about VET Loan assistance

Figure 7 shows the issues raised in VET loan assistance complaints finalised during 2023–24, as a percentage of all complaint issues.

Figure 7: Issues in VET loan assistance complaints finalised 1 July 2023–30 June 2024



Data and glossary of terms

Refer to [*Data and Glossary summary: VET Student Loans Ombudsman quarterly updates*](#) for definitions of complaints, issues and other terms.

The data in this update covers the period 1 January 2024–30 June 2024. Our data is dynamic and may be updated if new information comes to light. For this reason, there may be minor differences in data when compared to what was reported in the last quarterly update. Previous quarterly updates are available on the Ombudsman's [website](#).

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