

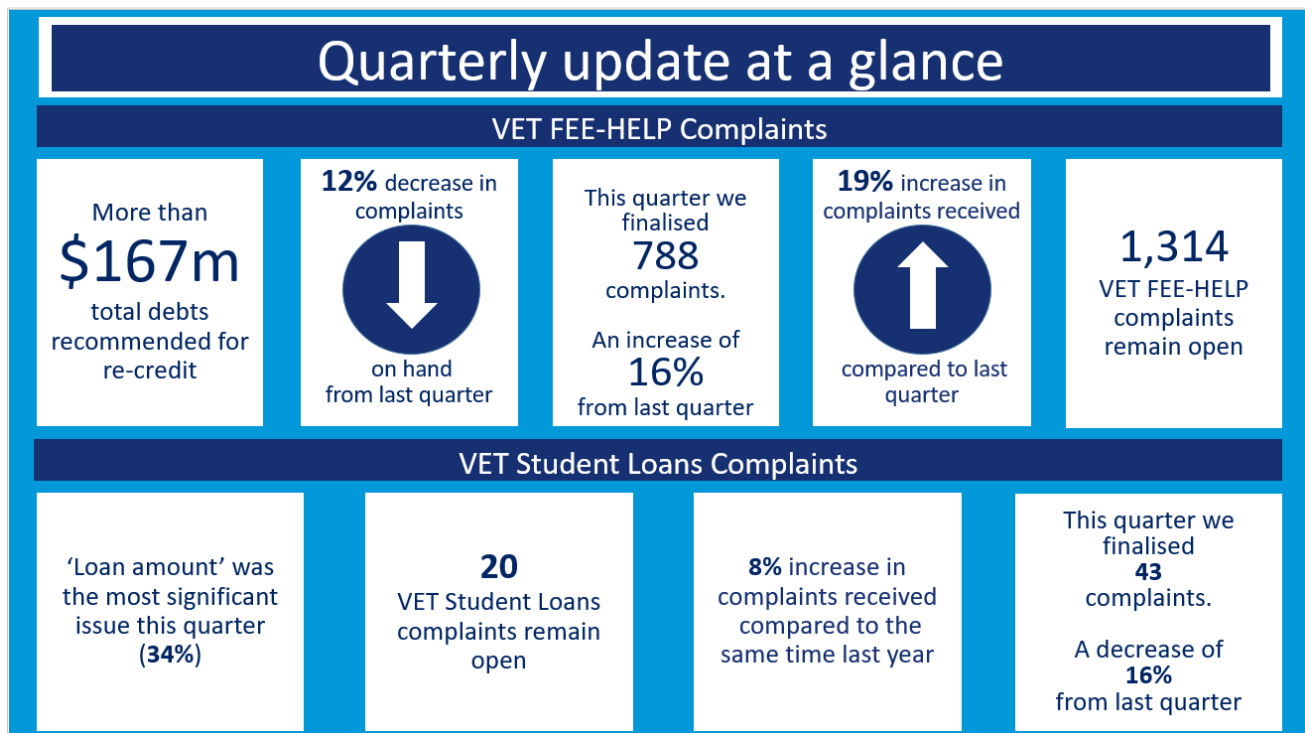
## Quarterly Update: 1 April–30 June 2021

### Executive Summary

The Office of the Commonwealth Ombudsman’s (the Office) role as the VET Student Loans Ombudsman commenced on 1 July 2017 and assesses complaints about the former VET FEE-HELP scheme and the current VET Student Loans program.

This update covers the quarter from 1 April to 30 June 2021 and:

- provides statistical data on complaints received, finalised and open about the VET FEE-HELP scheme and VET Student Loans program
- compares complaint data during the period to previous quarters’ complaints about the VET FEE-HELP scheme and VET Student Loans program
- includes provider statistics for VET FEE-HELP complaints.



## 2020–21 in focus

During 2020–21, we continued to deliver services to the public with minimal disruptions despite COVID-19. Specifically, we:

- Received 4,235 VET FEE-HELP complaints, a 48 per cent increase compared to 2019–20.
- Received 222 VET Student Loan complaints, 1 less than during 2019–20.
- Finalised more complaints (6,078) than we received (4,457).
- Significantly decreased our backlog of complaints, from 2,898 open on 1 July 2020 to 1,334 open on 30 June 2021. This represents a decrease of 54 per cent in the number of open complaints.
- Piloted online workshops in Better Practice Complaint Management. These workshops are part of our role to support education providers with their complaint handling governance and encourage students and education providers to resolve complaints directly.
- Developed and published a VET Student Loans Code of Practice (see page 12).
- Worked with the Department of Education, Skills and Employment (the department) to progress VET Student Loan complaints about providers that are no longer trading. These complaints are not subject to the VET FEE-HELP Student Redress Measures.
- Conducted outreach on digital and social media platforms to increase awareness of the VET FEE-HELP Student Redress Measures and the need for applications to be lodged with our Office by 31 December 2022. We will continue these awareness raising activities in 2021–22.

During 2021–22, we will focus on:

- continuing to improve our complaint handling processes
- delivering online and face-to-face workshops about complaint management to education providers in our jurisdiction
- promoting the VET Student Loans Code of Practice
- continuing outreach and developing resources to support VSL approved education providers
- supporting government agencies to develop legislation and policy affecting the VET sector.

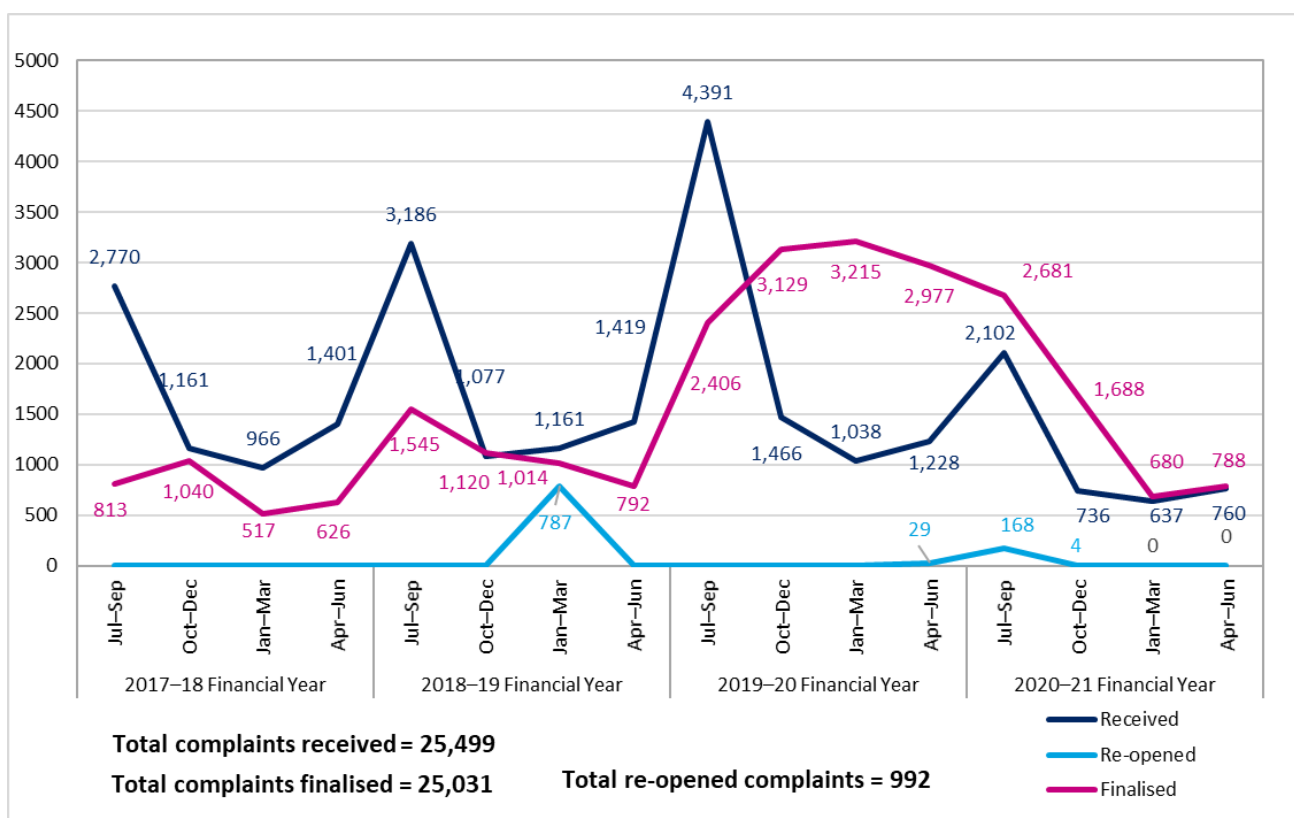
## Quarterly results–VET FEE-HELP complaints

### VET FEE-HELP complaints received and finalised

We received 760 VET FEE-HELP complaints between 1 April and 30 June 2021, a 19 per cent increase compared to the previous quarter (637). This increase was consistent with the cyclic nature of complaint numbers in the previous 3 years, as depicted in Figure 1 below. Increases in complaint numbers occur during the lead up to tax time, when people become aware they have a debt and, in some cases, must start paying it back as they reach the threshold. We received 468 fewer VET FEE-HELP complaints this quarter than during the same period last year – a 38 per cent decrease.

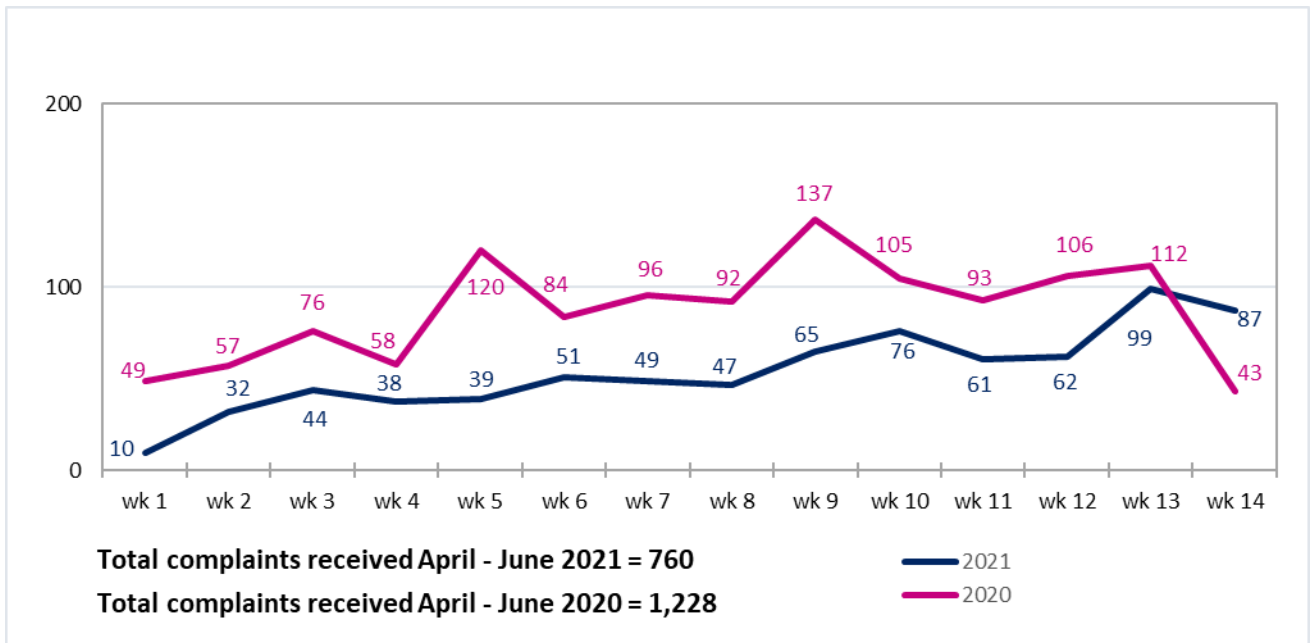
We finalised 788 complaints during 1 April to 30 June 2021, a 16 per cent increase compared to the number of complaints finalised during the previous quarter (680). As our current caseload includes complaints about providers which are still operating, the need to obtain information from the provider means that complaints can take longer to assess.

Figure 1: VET FEE-HELP complaints received, re-opened<sup>1</sup> and finalised, 1 July 2017–30 June 2021



<sup>1</sup> The Student Redress Measure commenced from 1 January 2019. In January 2019, April, September and October 2020, the Office revisited 992 closed complaints it identified were eligible for consideration under the VET FEE-HELP Student Redress Measures.

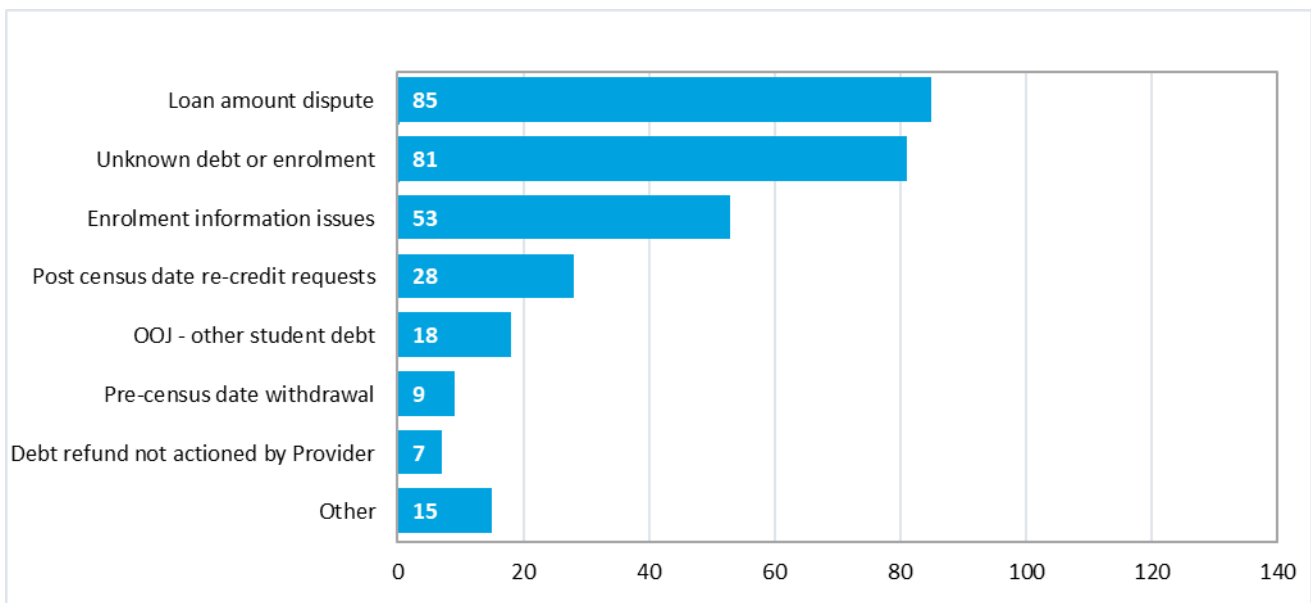
Figure 2—VET FEE-HELP complaints received weekly, 1 April–30 June 2020 and 1 April–30 June 2021



**VET FEE-HELP complaint issues**

Figure 3 below shows the issues identified in VET FEE-HELP complaints we received and assessed from 1 April to 30 June 2021. In the complaints we received that were assessed, we identified 296 issues.

Figure 3: Issues in VET FEE-HELP complaints received and assessed between 1 April and 30 June 2021



## Actions taken to finalise VET FEE-HELP complaints

As some complaints have multiple issues, we may take more than one action to resolve a complaint. Our Office finalises a complaint when:

- The department decides, based on our recommendation, to remove (or not remove) a VET FEE-HELP debt under the Student Redress Measures.
- We decide to not assess or investigate the issue further because:
  - the action taken was open to the provider
  - the complainant was referred to the tuition assurance operator to seek redress
  - the provider agreed to re-credit all or part of the student loan
  - the department removes all or part of the student loan because of a Secretary Initiated Action (SIA) under the Student Redress Measures.
- The issues can be directed to an external outcome pathway, either with the provider or another oversight agency, particularly where there is a reasonable prospect of the complainant securing a positive outcome.
- The complaint is withdrawn or is not within our jurisdiction to investigate.

Most VET FEE-HELP complaint finalisations are achieved through the Student Redress Measures, either because the department accepts our recommendation or includes the debt in a SIA.

Table 1 below includes data for the 845 issues identified in the 788 complaints we finalised between 1 April and 30 June 2021 and the actions we took to finalise the issues in those complaints. It shows the Office finalised 18.9 per cent of complaints on the grounds the complainant did not exhaust their provider's internal grievance process or internal review process (in cases where the provider was still available).

In most cases we consider providers are best placed to handle complaints in the first instance because:

- they have access to student information which may result in a timelier outcome
- they should be aware of students' academic progress and specific student circumstances
- to be a registered training organisation, they must have a complaints process and it is important this process is exhausted before we investigate.

If a complainant returns to our Office because they are dissatisfied with the outcome given by their provider, we register a new complaint for assessment.

During this quarter, there was a small increase in complaints finalised due to SIAs. We also anticipate an increase in finalisations in the next quarter due to a SIA approved for a large provider during the period.

Table 1: Actions taken on issues raised in complaints finalised between 1 April and 30 June 2021

Actions taken in relation to 845 issues raised within 788 complaints finalised	Total number of issues	% of finalised complaints
The Office finalised the complaint issue after the department accepted our recommendation under the redress measures.	496	57.7%
The Office finalised the complaint issue and identified the complaint was impacted in part or in full by the department's SIA, tuition assurance or other re-credits. <sup>2</sup>	67	7.2%
The complainant had not yet accessed the provider's complaint handling or grievance procedures in relation to the issue and, as a result, we decided not to investigate.	150	18.9%
The complainant could not be contacted, did not respond to requests for information or did not wish to pursue the issue in their complaint.	89	10.8%
The Office finalised the complaint issue when: <ul style="list-style-type: none"> <li>we referred it to a tuition assurance operator to seek redress</li> <li>a provider agreed to re-credit a complainant's student loan</li> <li>a provider provided an appropriate remedy</li> <li>an investigation would not lead to a different result</li> <li>an action was reasonably open to a provider to take.</li> </ul>	29	3.6%
The complaint issue could be better dealt with through an external avenue such as the department, the Administrative Appeals Tribunal (AAT) or the complainant was referred to an advice or advocacy body, and as a result we decided not to investigate.	14	1.8%
<b>Total</b>	<b>845</b>	<b>100%</b>

### VET FEE-HELP Student Redress Measures

Information about the Student Redress Measures can be found [here](#). As of 30 June 2021, and since the Student Redress Measures commenced on 1 January 2019, we had recommended the re-credit of VET FEE-HELP debts for 10,715 complaints, comprising 62,387 units of study. The total value of this debt was \$167.37 million, comprising \$139.60 million in tuition fees and \$27.77 million in loan fees.

In addition to these individual recommendations, we collaborated with the department to develop SIAs which, as of 30 June 2021, resulted in more than \$2.1 billion dollars being re-credited to students.

On 30 June 2021, we had 1,314 open VET FEE-HELP complaints. We reduced our complaints on hand by 12 per cent during the quarter, down from 1,485 open complaints on 31 March 2021.

<sup>2</sup> Any issues assigned to a complaint the VSLO identifies as impacted by a SIA or re-credited by DESE for other reasons are included in these figures. This includes where a complaint is partially re-credited by a SIA and the VSLO has gone on to make a recommendation for remaining units of study.

**VET FEE-HELP complaints by provider**

The graphs below outline, by provider, the VET FEE-HELP complaints we received during the quarter (Figure 4), the complaints finalised during the quarter (Figure 5) and the total number of complaints that remain open at the end of the quarter (Figure 6). Most complaints relate to providers who are no longer trading or are no longer a VET loan approved provider.

Figure 4: VET FEE-HELP complaints received between 1 April and 30 June 2021, by provider

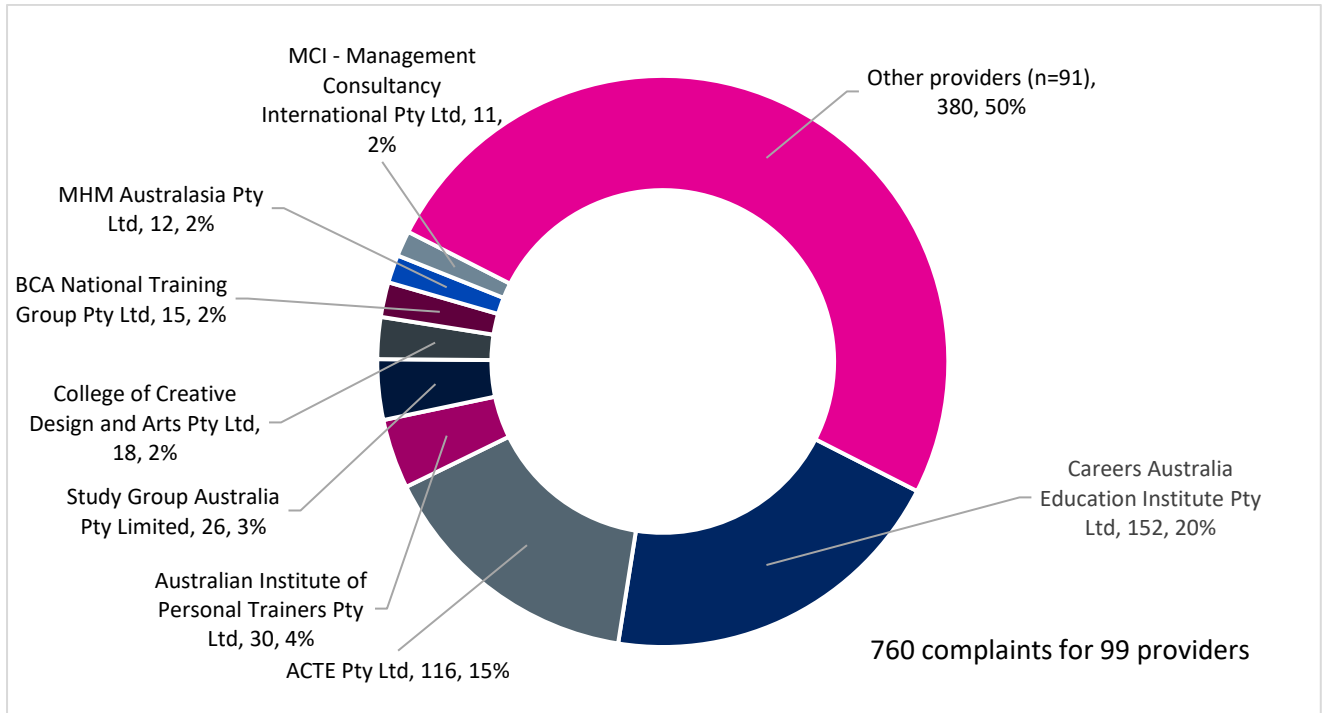


Figure 5: VET FEE-HELP complaints finalised between 1 April and 30 June 2021, by provider

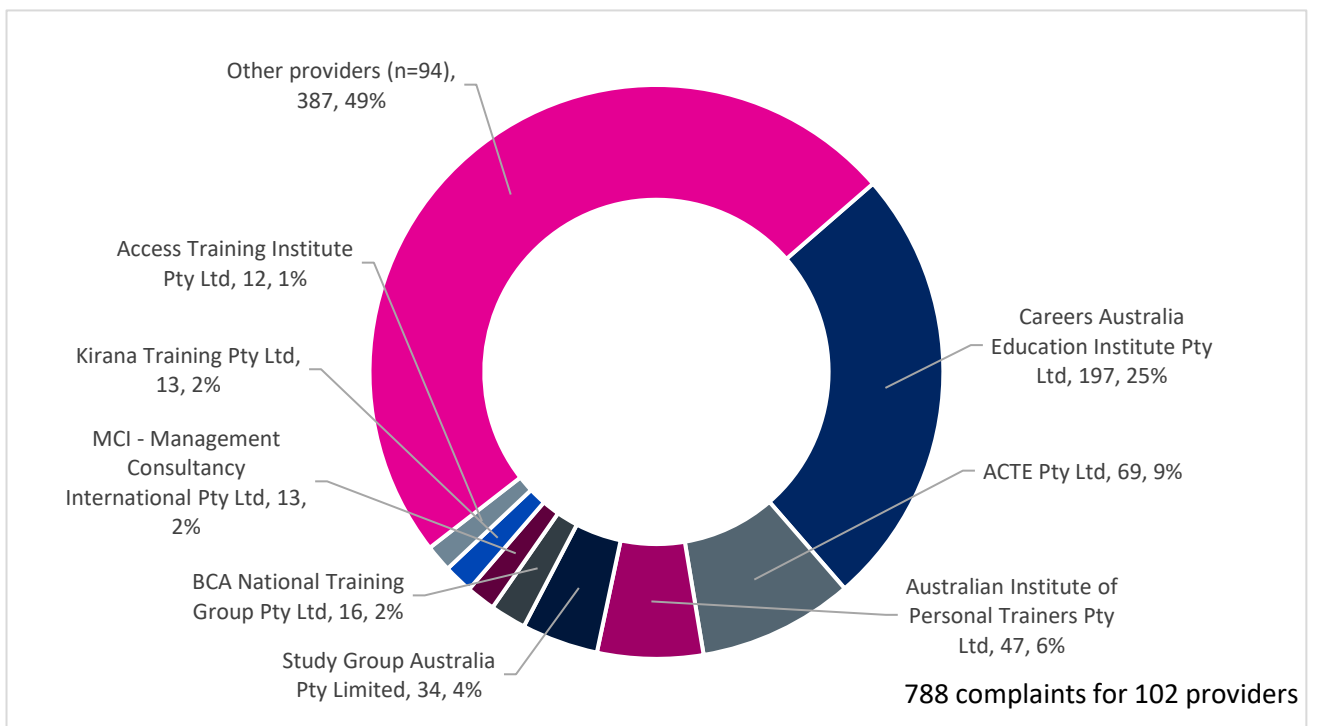
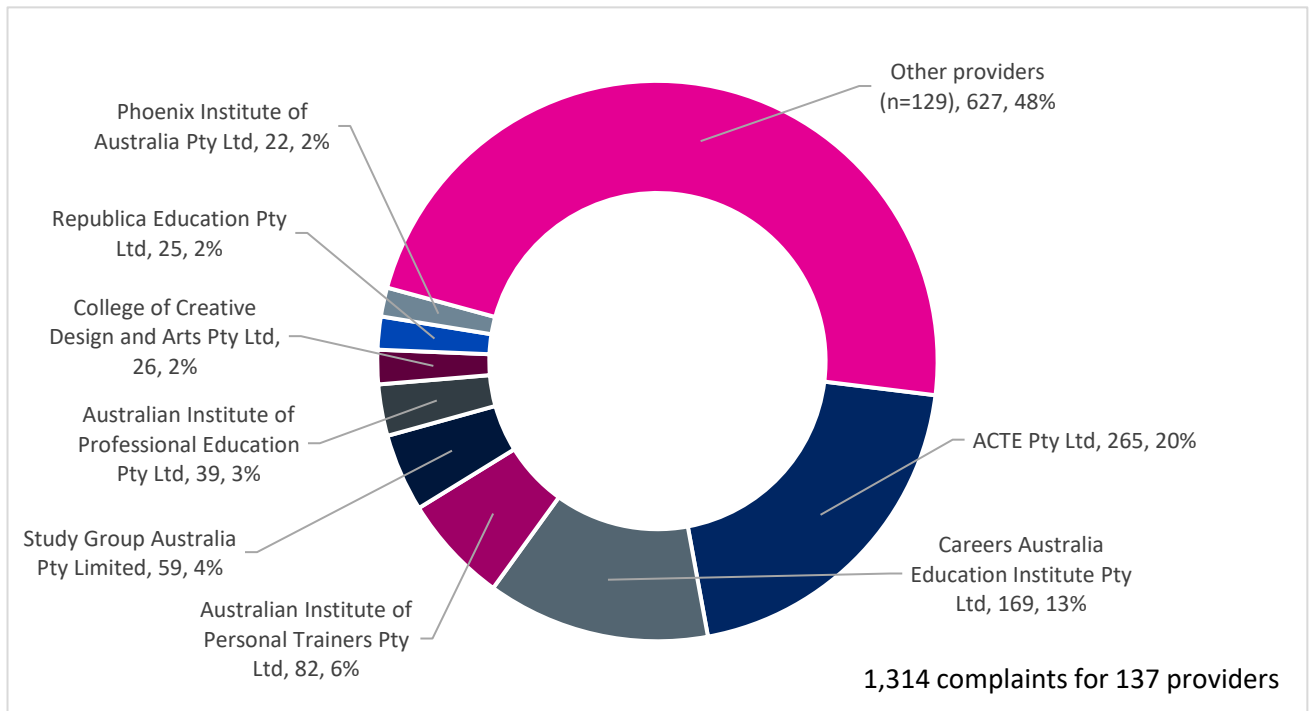


Figure 6: Total VET FEE-HELP complaints that remain open as of 30 June 2021, by provider





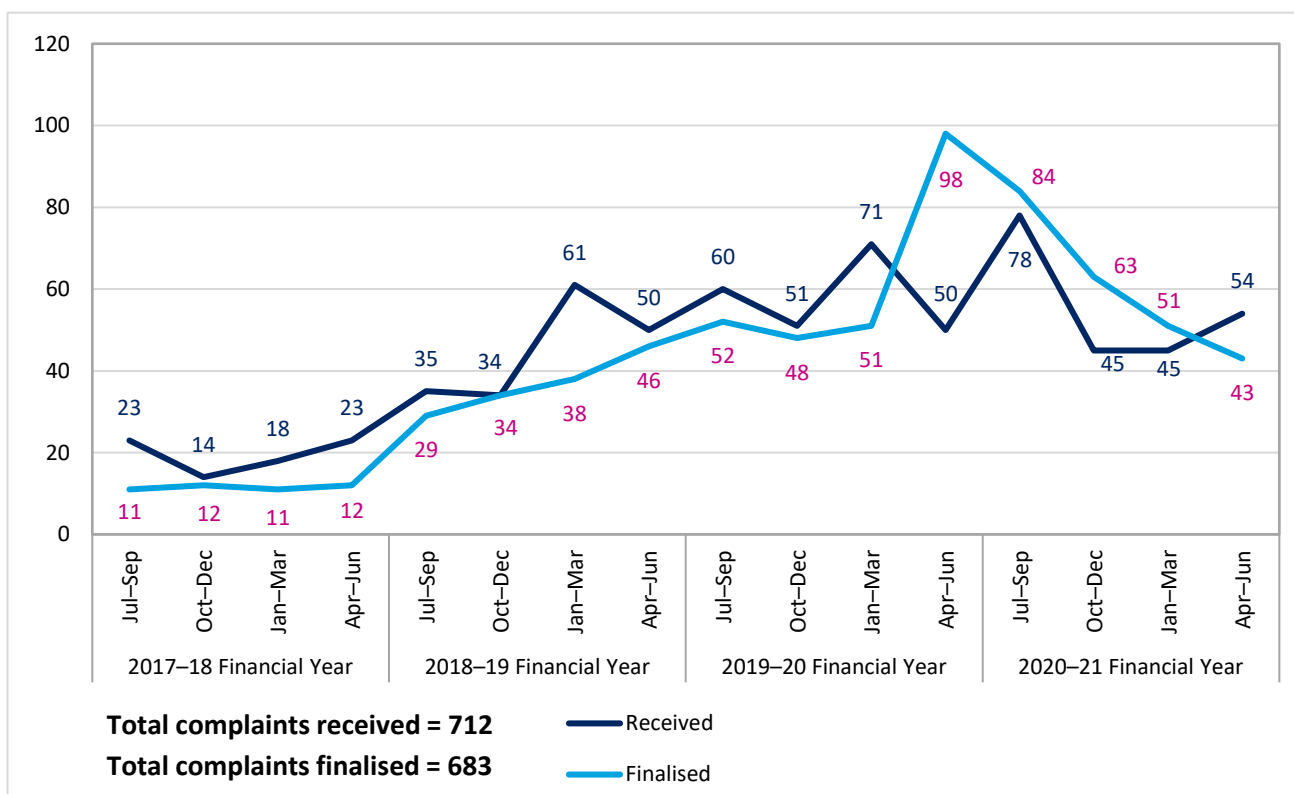
## Quarterly results – VET Student Loans program complaints

### VET Student Loans complaints received and finalised

From 1 April to 30 June 2021, we received 54 complaints relating to the VET Student Loans program. This compares with 50 complaints received during the same quarter in 2020. Figure 7 below shows the VET Student Loans complaints we received and finalised since the VET Student Loans Ombudsman function commenced on 1 July 2017.

Complaints to the Office about VET Student Loans approved providers include complaints about providers that are open and providers that stopped trading. Our approach to assessing and attempting to resolve complaints may vary according to the provider’s trading status.

Figure 7: VET Student Loans complaints received and finalised between 1 April and 30 June 2021



In this quarter we finalised 43 complaints. This is the first quarter out of the last 5 in which we finalised fewer complaints than we received. We will monitor this finalisation rate to ensure timely outcomes wherever possible.

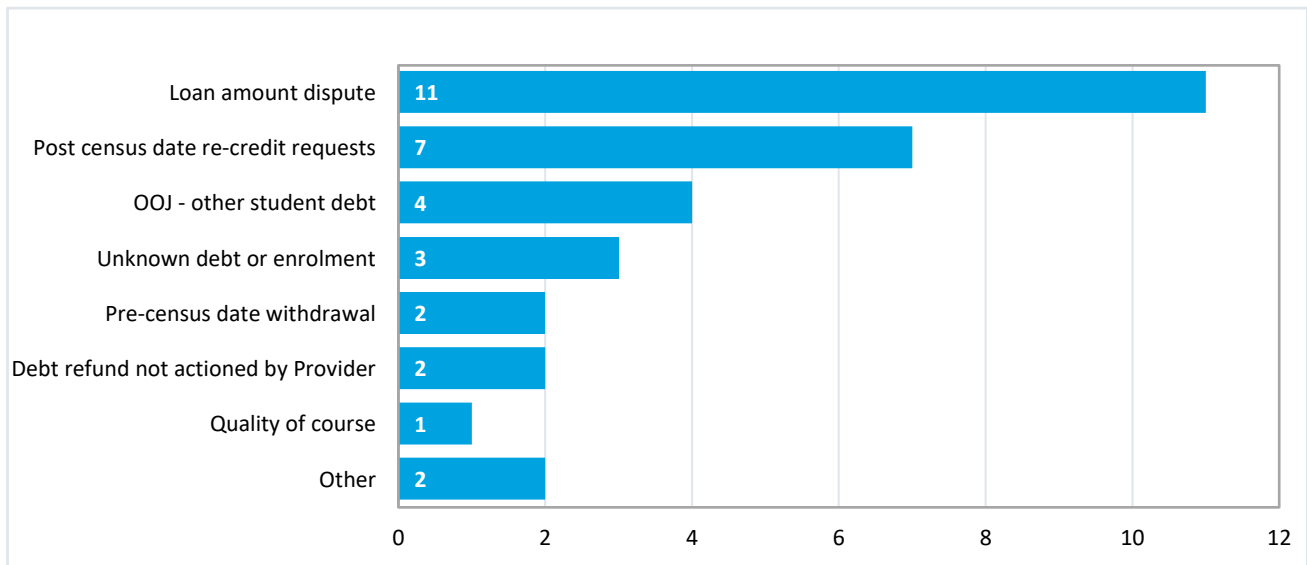
To date, we have not investigated many complaints about VET Student Loans providers who are still operating because, in most cases, the complainant has not yet accessed the provider’s complaint handling or grievance procedure.

### VET Student Loans complaint issues

Figure 8 on page 10 shows the issues identified in VET Student Loans complaints we received and assessed between 1 April and 30 June 2021. In the complaints we received that were assessed, we identified 32 issues.

The most common issues in complaints about the VET Student Loans program relate to loan amount disputes (34 per cent) and post census date re-credit requests (22 per cent).

Figure 8: Issues in VET Student Loans complaints received and assessed, 1 April–30 June 2021



### VET Student Loans preliminary inquiries

We may conduct preliminary inquiries under s 7A of the *Ombudsman Act 1976* to establish whether a complaint warrants investigation. This means we ask providers some simple questions to assist us to assess the student’s complaint.

As of 30 June 2021, the Office made 31 preliminary inquiries of providers. Table 2 provides the outcomes of those preliminary inquiries (25) for which we received a response.

If a provider does not respond to a preliminary inquiry, we use the available information to investigate or finalise the complaint.

Table 2: Preliminary inquiry outcomes as of 30 June 2021

Outcome of preliminary inquiry	Total
No investigation required following preliminary inquiry response. This was due to the provider confirming the student had not complained to them in the first instance or providing evidence that indicated our Office did not need to investigate.	19
Investigation was commenced following the response to our preliminary inquiries. This was due to the provider’s response confirming the student had already complained to it or we deemed the circumstances of the complaint warranted investigation.	6

### VET Student Loans complaint investigations

As of 30 June 2021, the Office sent 26 notices under s 8 of the *Ombudsman Act 1976* to providers or liquidators/administrators to notify them of our intention to investigate and ask questions about issues relevant to a complaint. As of 30 June 2021, we finalised 24 complaints following investigation, with 3 investigations resulting in full or partial re-credit of a student’s VET Student Loans debt. Two investigations remained open as of 30 June 2021.

### Actions taken to finalise VET Student Loans complaints

Table 3 below includes data for the actions we took to consider 45 issues in the 43 complaints we finalised between 1 April and 30 June 2021. It shows the Office finalised approximately 72 per cent of complaints because complainants had not exhausted their provider’s internal grievance or review process. We consider that providers are best placed to handle complaints in the first instance for the same reasons that apply to VET FEE-HELP complaints, as outlined on page 5 of this update.

If a complainant returns to our Office because they are dissatisfied with the outcome given by their provider, we register a new complaint for assessment.

Table 3: Actions taken in relation to the issues within complaints finalised between 1 April and 30 June 2021

Actions taken in relation to 45 issues raised within the 43 complaints finalised	Total number of issues	% of finalised complaints
The Office finalised the complaint issue when: <ul style="list-style-type: none"> <li>the issue of a complaint was referred to a tuition assurance operator to seek redress</li> <li>a provider agreed to re-credit a complainant’s student loan</li> <li>a provider provided an appropriate remedy</li> <li>an investigation would not lead to a different result</li> <li>an action was reasonably open to a provider to take.</li> </ul>	2	4.65%
The complainant could not be contacted, did not respond to requests for information or did not wish to pursue the issue of their complaint.	3	4.65%
The complainant had not yet accessed the provider’s complaint handling or grievance procedures in relation to the issue and as a result we decided not to investigate.	31	72.09%
After commencing an investigation or further assessment of a complaint, we decided that further investigation was not warranted, including if the provider had provided an appropriate remedy or the issue could be referred to the department for consideration for a re-credit.	5	9.30%
The issue of a complaint could be better dealt with by another oversight body and as a result we decided not to investigate.	4	9.30%
<b>Total</b>	<b>45</b>	<b>100%</b>

### VET Student Loans Disclosures

Under s 35A of the *Ombudsman Act 1976* if, ‘in the opinion of the Ombudsman, it is in the interests of any Department, prescribed authority or person, or is otherwise in the public interest,’ the Office can make a disclosure about a provider. In this quarter we made one disclosure to the Department of Education, Skills and Employment about a provider in relation to its request for approval as a VSL provider. We gave the provider an opportunity to comment on the disclosure before we made it.

### Case Study: Complaint about a closed provider

The Office received a complaint from a student about their provider not processing a special circumstances re-credit of their VET student loan (VSL) after the provider approved the re-credit.

In usual circumstances the Office would commence an investigation and contact the provider to request information and documents relating to the re-credit. However, in this case the provider had closed so we were not able to seek information and investigate.

In these circumstances the Office is still able to assist students to seek a resolution to their complaint. We can assess the available evidence, form a view on whether the debt should be re-credited and share this view with the department under s 35A of the *Ombudsman Act 1976*. Under s 71 of the *VET Student Loans Act 2016*, the Secretary has the power to re-credit VSL debts where the provider engaged in unacceptable conduct or where a provider's failure to comply with legislative provisions under the Act and the failure has adversely affected a student.

In this case the student provided documents to the Office, including correspondence about the special circumstances re-credit request. When assessing the complaint, we found there was sufficient evidence the provider did not meet their obligations under s 68(4) of the *VET Student Loans Act 2016* by not re-crediting the amount of the VET student loan that was used to pay tuition fees for the course, despite the provider approving the debt be re-credited. This error adversely affected the student as they still had a VSL debt with the Commonwealth Government.

We referred the complaint to the department and outlined our view that the Secretary should consider the debt for re-credit.

### VET Student Loans Code of Practice

On 30 June 2021, the Office published its VET Student Loans Code of Practice (the Code). This is a voluntary code for education providers who are permitted to offer VET Student Loans (VSL) for approved courses.

The Code is designed to give education providers best practice guidelines to resolve complaints before they reach our Office. The Code contains 10 principles that target issues we commonly identify in complaints about VSL and education providers. It includes good practice guidelines to assist education providers to apply each principle, as well as useful tips to help both education providers and students resolve complaints.

The Office designed and developed the Code in consultation with a range of stakeholders, including education providers, peak bodies, government agencies and students.

As the Code is voluntary, we invited providers to register as signatories. We publish and regularly update the list of signatories on our website.

Further information and a copy of the Code is available [here](#).

## Data and glossary of terms

This update provides data for the period 1 July 2017 to 30 June 2021. Our data is dynamic and may be updated as new information comes to light. For this reason, there may be minor differences in data when compared to what was reported in annual reports, previous quarterly updates or our other publications. Previous quarterly updates are available on our [website](#).

An explanation of the data presented in this update and a glossary of terms can also be found on our [website](#).

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More information is available at <https://vet.ombudsman.gov.au/how-we-can-help>