

Quarterly Update: 1 April to 30 June 2022

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

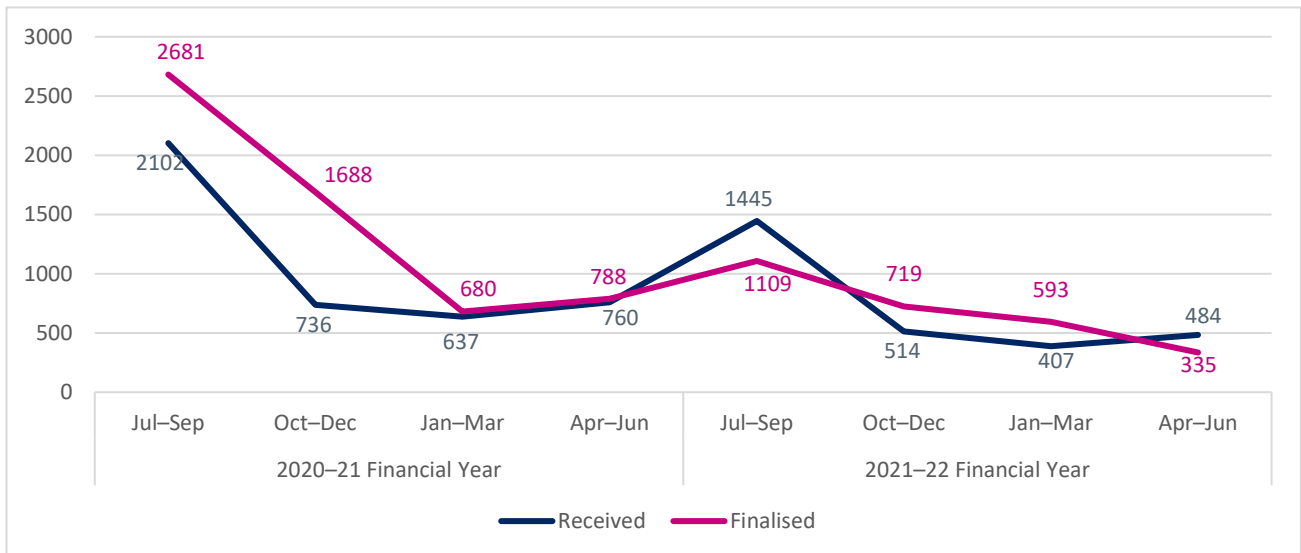
VET FEE-HELP

Between 1 April and 30 June 2022, the Office received 484 VET FEE-HELP complaints. This was a 36 per cent decrease compared to the same period last year (760 complaints). This is in line with the gradual decline in complaint numbers we have experienced since the peak around the start of the Student Redress Measures on 1 January 2019. We expect this trend to continue given that most people who are aware that they incurred inappropriate VET FEE-HELP debts have probably already contacted our Office.

During this quarter, we finalised 335 complaints, which was a 57.5 per cent decrease compared to the 788 complaints we finalised in the same period last year. The current caseload includes a high proportion of complaints (43 per cent) about providers who are still operating, which means they are more complex and take longer to finalise.

On 30 June 2022, the Office had 1,542 open VET FEE-HELP complaints, a 17 per cent increase compared to 1,316 open complaints on 31 March 2022. The Office is progressing assessments to finalise these outstanding VET FEE-HELP complaints by 30 June 2023.

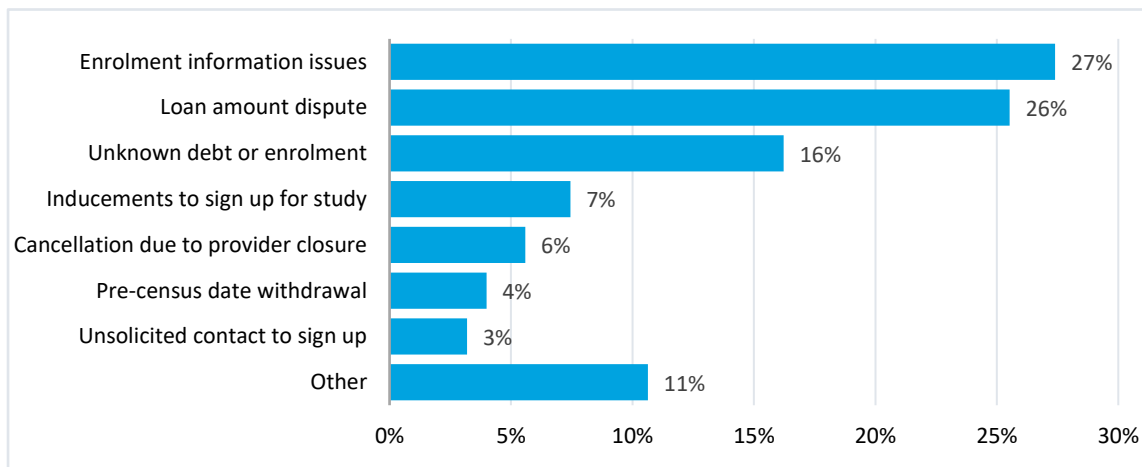
Figure 1: VET FEE-HELP complaints received and finalised



VET FEE-HELP complaint issues

Figure 2 shows the type and percentage of all issues we identified in the VET FEE-HELP complaints finalised during the quarter.

Figure 2: Issues in VET FEE-HELP complaints finalised during 1 April–30 June 2022



The [Student Redress Measures](#) (SRMs) will close to new complainants from 1 January 2023, which means that people who have an inappropriate VFH debt have until 31 December 2022 to make a complaint with the Office and have it assessed under the Student Redress Measures. A person's awareness of their VET FEE-HELP debt often relies on them interacting with the tax system or being required to start paying their debt when their income increases.

Public awareness of the need for individuals to check their VET FEE-HELP debt status before 31 December 2022 continues to be a key part of discussions between the Office and the Department of Employment and Workplace Relations (DEWR). Efforts to raise awareness include social media campaigns, outreach to financial counselling professionals and charitable organisations, signage at Services Australia offices and on various consumer and fair trading information sites. Since the SRMs commenced on 1 January 2019 (as of 30 June 2022), the Office has recommended the re-credit of VET FEE-HELP debts for 11,571 complaints, comprising 65,407 units of study. The total value was \$180.85 million, comprising \$150.87 million in tuition fees and \$29.98 million in loan fees.

Case Study 1

This case study highlights issues where for a provider used a third party to recruit students.

Frank enquired about studying an online Advanced Diploma of Naturopathy with a provider and was offered a free laptop to enrol. Frank claimed he looked at the student portal but did not start the course, as he found it very confusing and difficult to navigate. He decided the course was not right for him and emailed the provider within the 2-week cooling off period withdraw his enrolment. Frank did not hear from the provider again and was surprised to find out he had a VET FEE-HELP debt sometime later.

As the provider was still operating, the Office contacted the provider to request information. The provider had no records of correspondence with Frank prior to enrolment, stating the enrolment was handled by a third-party employee. They provided an unsigned enrolment form as evidence to the Office.

The Office formed a view that it was reasonably likely that Frank had been provided a benefit to induce him to enrol and apply for VET FEE-HELP assistance, and that he had not been properly informed as required under the VET Guidelines.

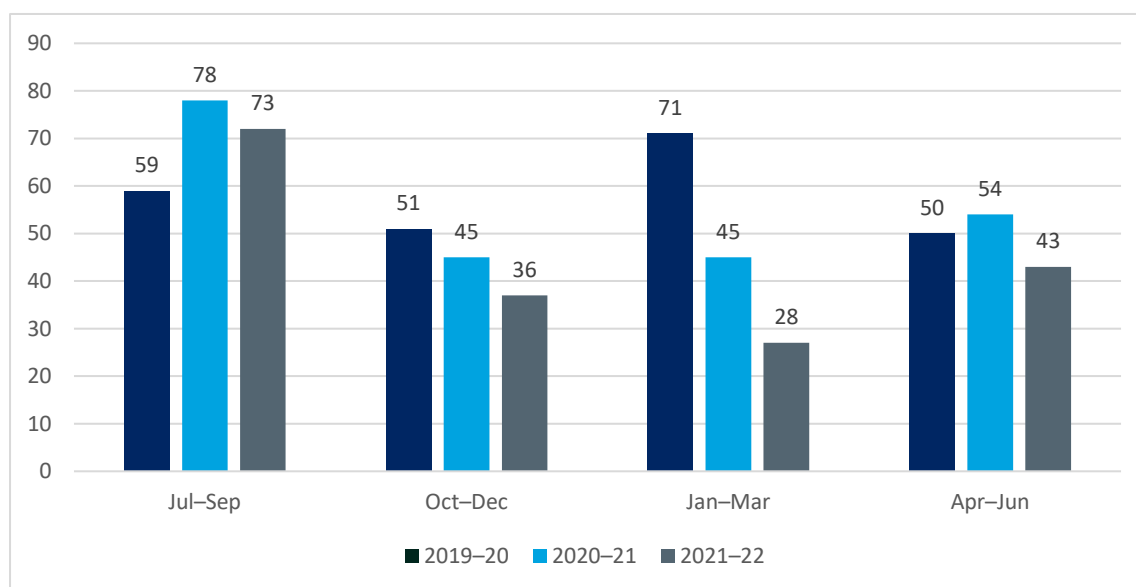
The Office made a recommendation to DEWR that Frank's VET FEE-HELP debt be re-credited, which it accepted.

VET Student Loans

Between 1 April and 30 June 2022, the Office received 43 complaints about VET Student Loans approved course providers. This was a 20 per cent decrease compared to the same period last year, when we received 54 complaints. **Figure 3** shows the number of complaints the Office received about VET Student Loans providers during each quarter since 1 April 2019.

Complaints to the Office include complaints about operating providers and those that have stopped trading. Our approach to handling complaints may vary according to the provider’s trading status. If the provider is operating, usually the complainant will need to complete the complaints process with their provider before the Office will assess the complaint.

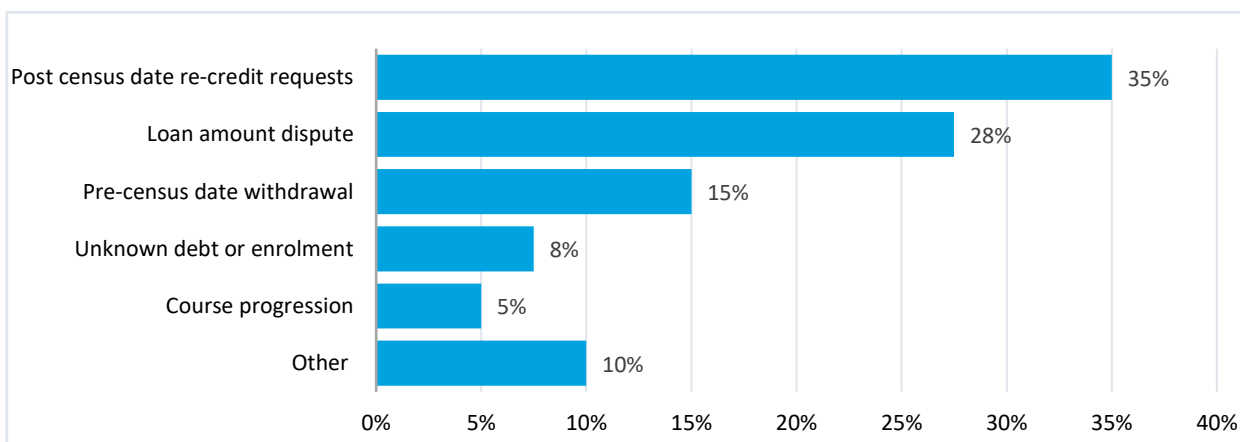
Figure 3: VET Student Loans complaints received



VET Student Loans complaint issues

Figure 4 shows the issues identified in the VET Student Loans complaints the Office finalised during the quarter.

Figure 4: Issues in VET Student Loans complaints finalised during 1 April–30 June 2022



Case Study 2

This case study highlights the limits of the Office's role in assessing complaints. It outlines the review pathways that may be available when the Office determines that there are insufficient grounds for a student's VET Student Loan to be re-credited.

Melinda completed her Diploma of Beauty Therapy (the Diploma) in 2018, after which her provider closed. Melinda was not satisfied with the training she had received. She wanted to re-study the Diploma with another provider and was advised by the other provider she could approach the Office to seek a re-credit of the debt with the previous provider.

Melinda told the Office:

- the provider's training facilities were being renovated, the temporary arrangements were cramped and run down, and the renovations were not completed during her course
- the study experience was substandard, barely touching on many of the units listed in the Diploma
- a student salon was not available, and no work experience was offered to get hands-on experience
- she was not able to secure work in the industry
- she wanted the loan revoked so she could re-enrol in the Diploma with the new provider.

Our assessment focused on whether the provider acted in accordance with the *VET Student Loans Act 2016* (the Act) and *VET Student Loans Rules 2016* (the Rules).

After considering the available information our Office formed the view that there was insufficient evidence of a breach of the Act or the Rules.

We explained to Melinda that the Australian Skills Quality Authority (ASQA) regulates the quality of training providers and VET courses. It appeared that Melinda's completed Diploma was considered valid by ASQA, and it was beyond the scope of our Office to comment on the quality of the qualification. There also was no evidence provided for the Office to establish a link between the actions of the provider and Melinda's inability to achieve employment outcomes.

We advised Melinda that our Office would not be referring her complaint to DEWR who have the authority to re-credit VET Student Loan debts, however she was still able to apply to DEWR directly. Section 72 of the Act and section 149 of the Rules allow students to apply to the Secretary of DEWR to seek a re-credit of a VET Student Loan.

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 quarterly data in this update covers the period 1 April to 30 June 2022. 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](#).

Summary: 1 July 2021 to 30 June 2022

Between 1 July 2021 and 30 June 2022, the Office of the Commonwealth Ombudsman (the Office) continued to deliver services to the public. Specifically:

- we received 2,850 VET FEE-HELP complaints, a 32 per cent decrease compared to 2020–21.
- we received 180 VET Student Loan complaints, a 19 per cent decrease compared to 2020–21.
- we finalised 2,905 VET Loan assistance (VET FEE-HELP scheme and VET Student Loans) complaints.
- our backlog of complaints increased, from 1,334 open on 30 June 2021 to 1,602 open on 30 June 2022. This represents an increase of 20 per cent in the number of open complaints. The increase in the backlog is in part due to resourcing, and the Office's decision to cease referring complainants back to providers which has reduced the number of complaints that can be finalised upon receipt.
- we commenced online delivery of our Better Practice Complaint Management workshops. These workshops are part of our role supporting education providers with their complaint handling governance and encouraging education providers to resolve student complaints directly.
- 85 VET Student Loan approved course providers registered as signatories to our VET Student Loans Code of Practice. See list of providers on our website, [here](#).
- we worked with the DEWR to reach outcomes on VET Student Loan complaints about providers that are no longer trading. These complaints are not subject to the VET FEE-HELP Student Redress Measures (SRMs).
- we conducted outreach on digital and social media platforms to increase awareness of the VET FEE-HELP SRMs and the need for applications to be lodged with the Office by 31 December 2022.

During the 2022–23 financial year, we will focus on:

- assessing the VET FEE-HELP complaints in our backlog and any new complaints received up until 31 December 2022
- continuing to improve our complaint-handling processes
- delivering online and face-to-face workshops about complaint management to education providers in our jurisdiction
- reviewing the VET Student Loans Code of Practice
- continuing outreach and developing resources to support VSL approved education providers.

VET Loan assistance complaints issues

Figure 5 and Figure 6 show the type and percentage of all issues we identified in VET Loan Assistance complaints finalised during 2021-22.

Figure 5: Issues in VET FEE-HELP complaints finalised during 1 July 2021–30 June 2022

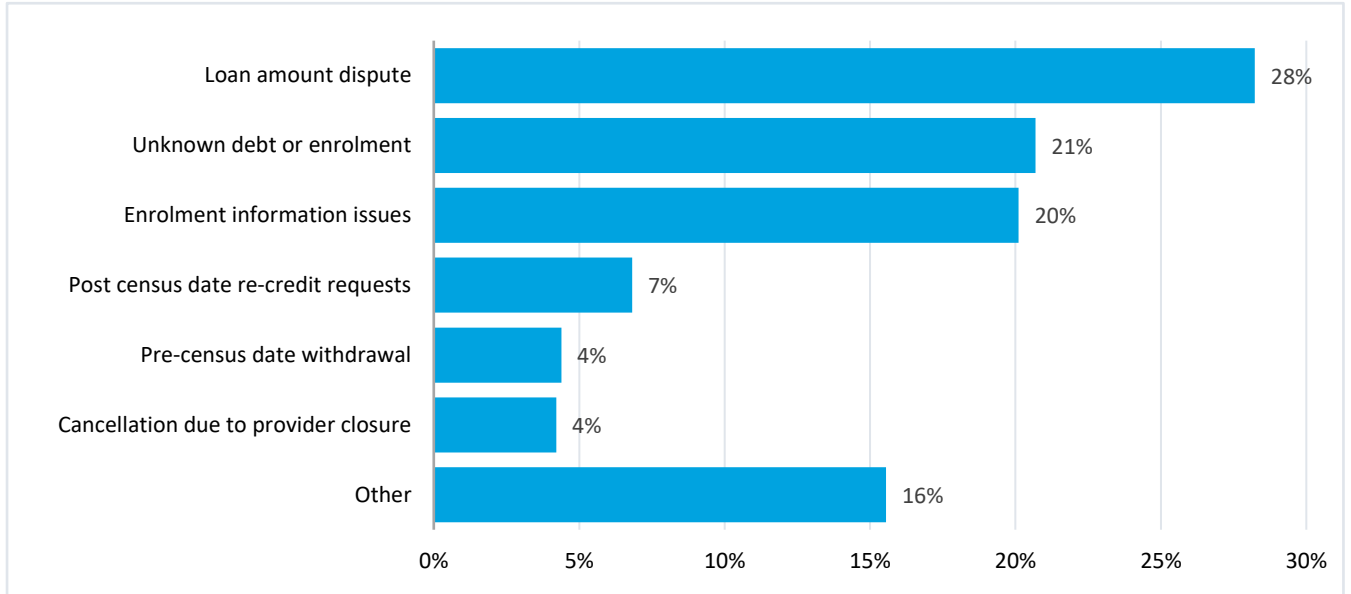
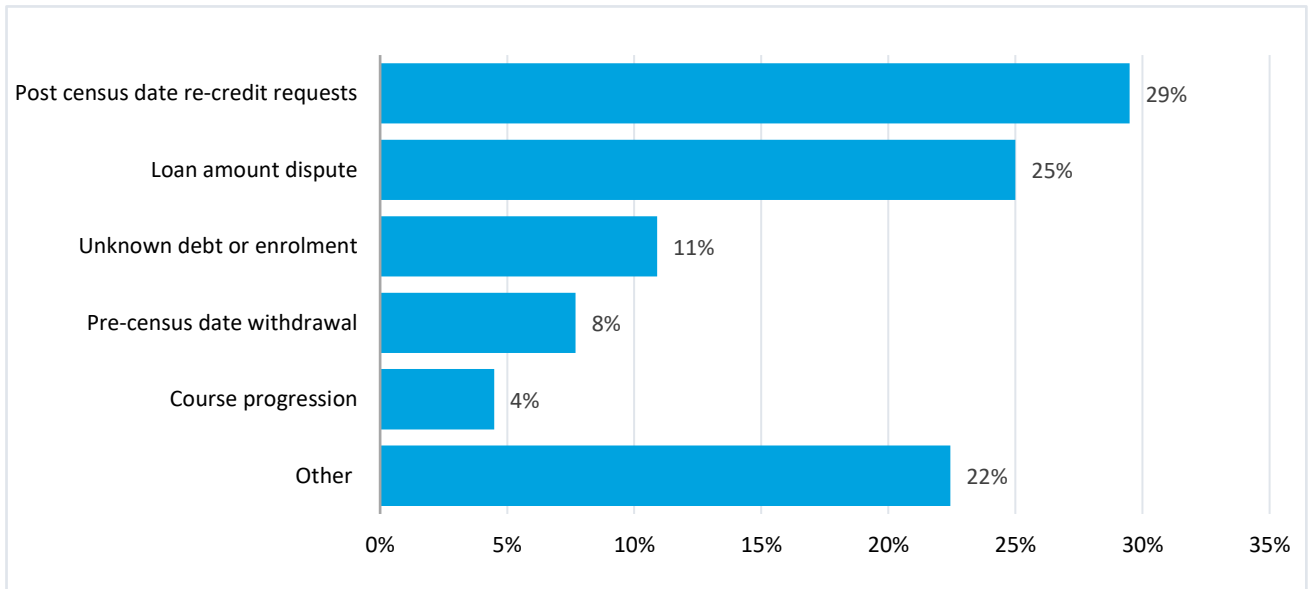


Figure 6: Issues in VET Student Loans complaints finalised during 1 July 2021–30 June 2022



Actions taken to finalise complaints

As some complaints have multiple issues, we may take more than one action to resolve a complaint.

The Office finalises a complaint when:

- DEWR decides, based on our recommendation, to remove (or not remove) a VET FEE-HELP debt under the SRMs.
- 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.
- we decide to not assess or investigate the issue further because:
 - the action or decision was open to the provider
 - a provider supplied an appropriate remedy
 - an investigation would not lead to a different result
 - 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
 - DEWR removed all or part of the student loan because of a Secretary Initiated Action (SIA) under the SRMs.
- 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.

VET FEE-HELP Complaint Outcomes

Most VET FEE-HELP complaint finalisations are achieved through the SRMs, either because DEWR accepts our recommendation or re-credits the debt in a SIA.

Table 1 below includes data for the 2,919 issues identified in the 2,756 complaints we finalised during the 2021–22 financial year and the actions we took to finalise the issues in those complaints.

Table 1: Actions taken on issues raised in VET FEE-HELP complaints finalised from 1 July 2021 to 30 June 2022

Actions taken in relation to 2,919 issues raised within the 2,756 complaints finalised	Total number of issues	% of finalised complaints
After commencing an investigation or further assessment of a complaint, we decided that further investigation was not warranted – including where the Office finalised the complaint issue after DEWR accepted our recommendation under the redress measures – DEWR removed all or part of the student loan because of a Secretary Initiated Action (SIA), or the provider had provided an appropriate remedy.	1247	42.7%
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.	711	24.3%
The Office finalised an issue when: <ul style="list-style-type: none"> we referred it to a tuition assurance operator to seek redress a provider agreed to re-credit a complainant’s student loan a provider supplied an appropriate remedy an investigation would not lead to a different result an action was reasonably open to a provider to take DEWR removed all or part of the student loan because of a SIA. 	663	22.7%
The complainant could not be contacted, did not respond to requests for information or did not wish to pursue the issue in their complaint.	270	9.3%
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.	28	1.0%
Total	2,919	100%

VET Student Loan Complaint Outcomes

Table 2 below includes data for the actions we took to consider 156 issues in the 149 complaints we finalised during the 2021–22 financial year. It shows the Office finalised approximately 56 per cent of complaints because complainants had not exhausted their provider’s internal grievance or review process.

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.

Table 2: Actions taken on issues raised in VSL complaints finalised between 1 July 2021 and 30 June 2022

Actions taken in relation to 156 issues raised within the 149 complaints finalised	Total number of issues	% of finalised complaints
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.	88	56.4%
The complainant could not be contacted, did not respond to requests for information or did not wish to pursue their complaint issue.	33	21.1%
The Office finalised an issue when: <ul style="list-style-type: none"> we referred it to a tuition assurance operator to seek redress a provider agreed to re-credit a complainant's student loan a provider supplied an appropriate remedy an investigation would not lead to a different result we determined the provider's decision was reasonable in all the circumstances. 	18	11.5%
The issue of a complaint could be better dealt with by another oversight body and as a result we decided not to investigate.	15	9.6%
After commencing an investigation or further assessment of a complaint, we decided that further investigation was not warranted, including where the provider had provided an appropriate remedy or the issue could be referred to DEWR for consideration for a re-credit.	2	1.3%
Total	156	100%

Data and glossary of terms

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