

Quarterly Update: 1 January 2023 – 31 March 2023

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.

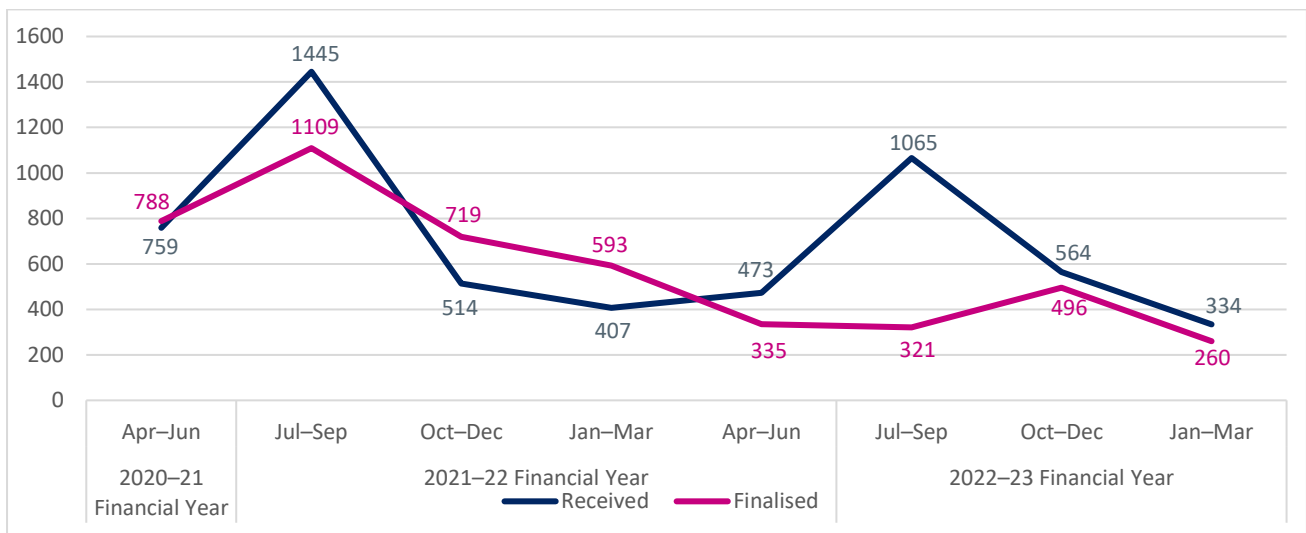
VET FEE-HELP

Between 1 January 2023 and 31 March 2023, the Office received 334 VET FEE-HELP complaints. This was 18 per cent lower than the same period last year (407 complaints).

During this quarter, we finalised 260 complaints, which was a 56 per cent decrease compared to the 593 complaints we finalised in the same period last year. The current caseload includes a high proportion of complaints about providers who are still operating (49 per cent). These types of complaints are more complex and take longer to finalise.

On 31 March 2023, the Office had 2,396 open VET FEE-HELP complaints, a 71 per cent increase compared to 1,404 open complaints on 31 March 2022. The Office is progressing assessments to finalise these outstanding VET FEE-HELP complaints by 30 June 2024.

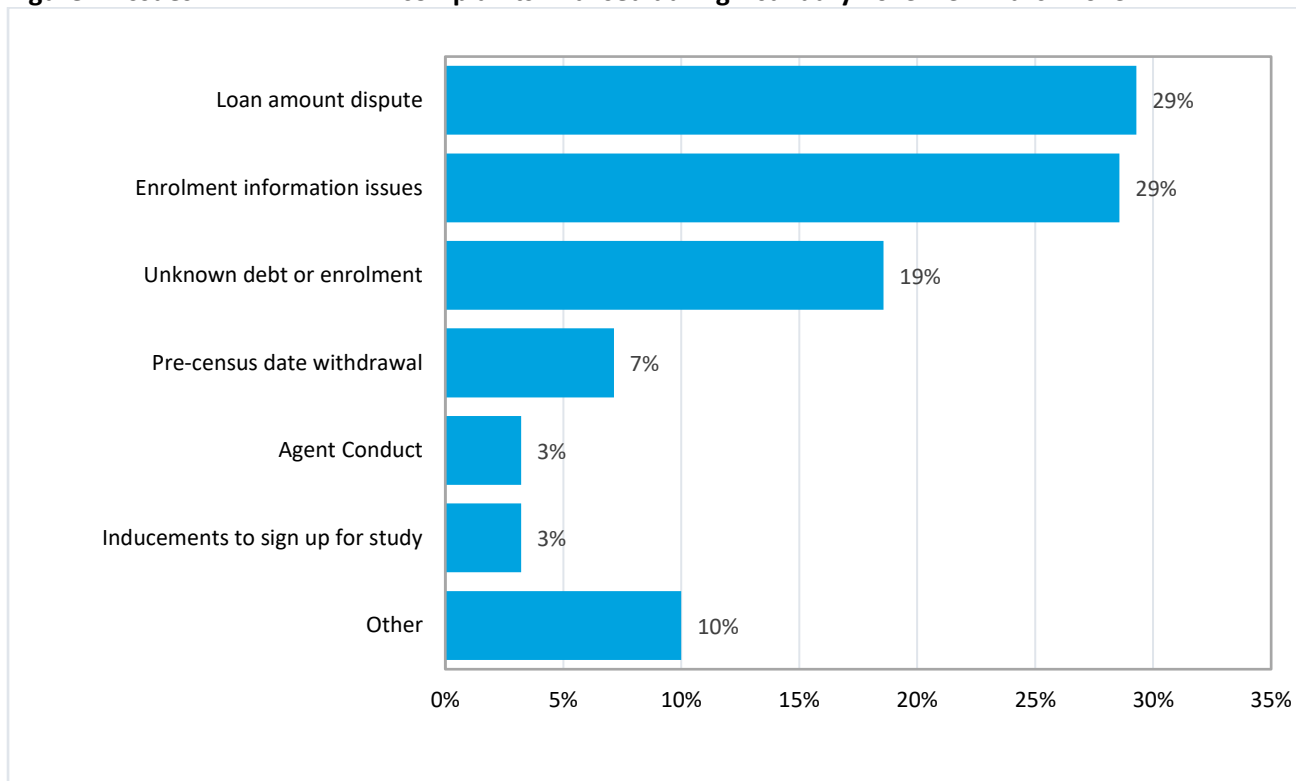
Figure 1: VET FEE-HELP complaints received and finalised



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 January 2023 – 31 March 2023



VET FEE-HELP Student Redress Measures ending 31 December 2023

The [Student Redress Measures](#) will close to new complainants from 1 January 2024, which means that people who have an inappropriate VFH debt have until 31 December 2023 to make a complaint with the Office and have it assessed under the Student Redress Measures.

A person may not be aware of their VET FEE-HELP debt until they interact with the tax system or start paying their debt after an increase in income.

A key part of discussions between the Office and DEWR has been raising public awareness of the need for individuals to check their VET FEE-HELP debt status before the Student Redress Measures expire. This is done through social media campaigns, outreach to financial counsellors and charitable organisations, signage at Services Australia offices and messaging on various consumer and fair-trading information sites.

Since the Student Redress Measures commenced on 1 January 2019 (as of 31 March 2023), the Office has recommended the re-credit of VET FEE-HELP debts for 12,281 complaints, comprising 67,765 units of study. The total value was \$190.97 million.

VET Student Loans

Between 1 January and 31 March 2023, the Office received 34 complaints about VET Student Loans approved course providers. This compares to 28 complaints we received in the same period last year. Figure 3 shows the number of complaints the Office received about VET Student Loans providers during each quarter since 1 July 2020.

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

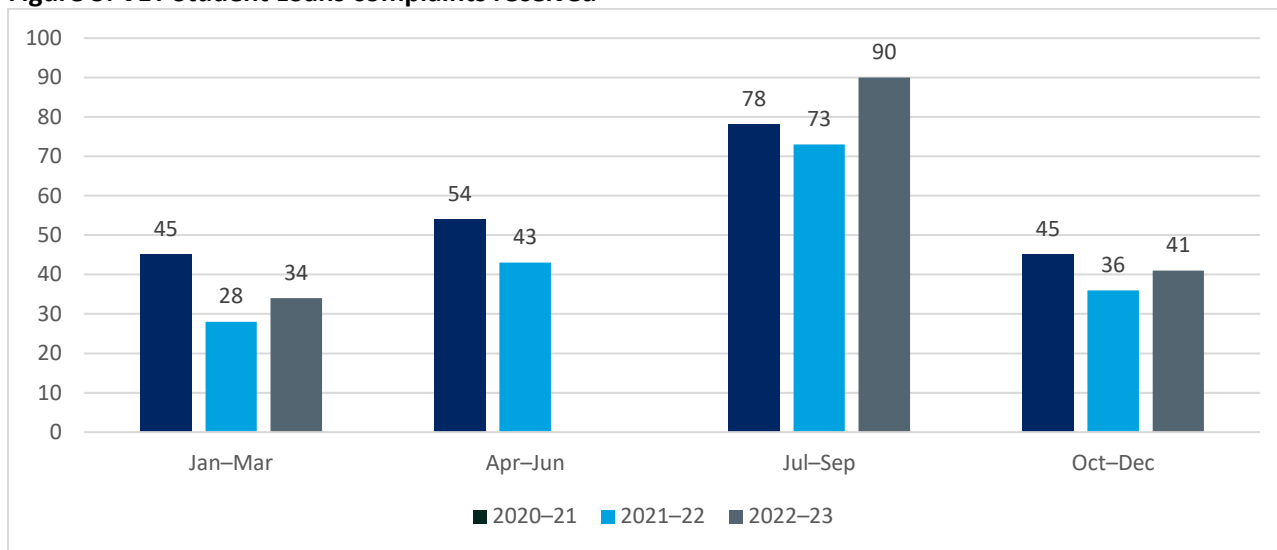
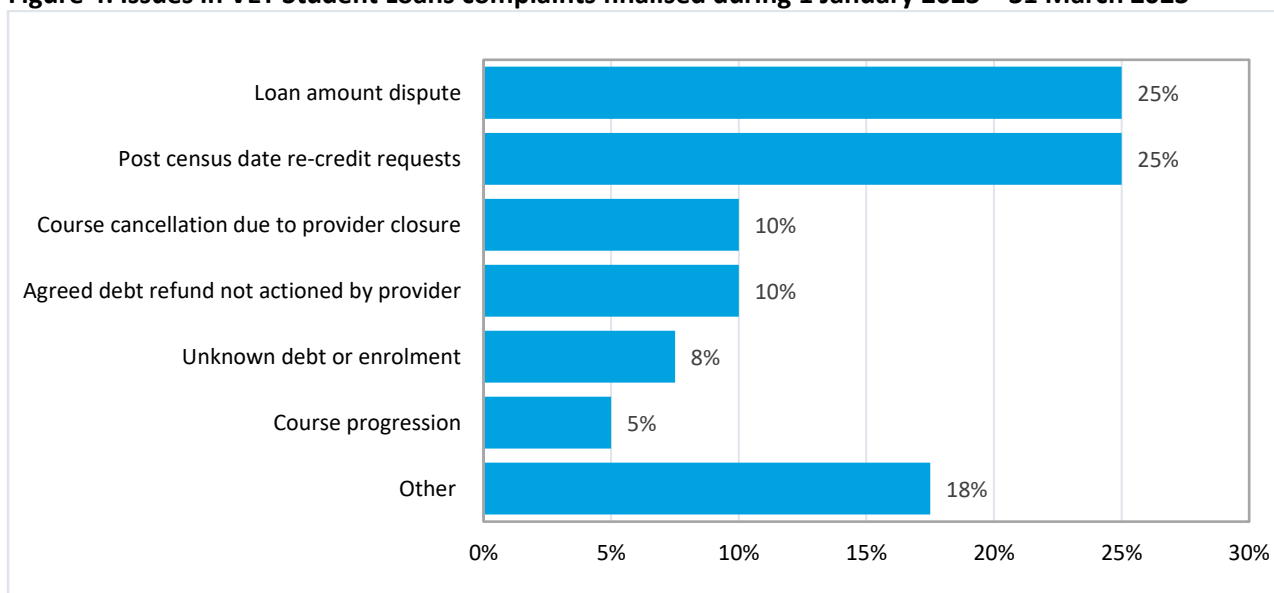


Figure 4 shows the issues identified in the VET Student Loans complaints the Office finalised during the quarter.

Figure 4: Issues in VET Student Loans complaints finalised during 1 January 2023 – 31 March 2023¹



¹ Total adds up to 101% due to rounding of individual percentages

Historic VET Loan Assistance records appearing on Australian Tax Office (ATO) records

In August 2022, a DEWR IT system update resulted in some historical VET FEE-HELP and VET Student Loans records appearing on student's ATO records. All impacted students were contacted by DEWR in September 2022, and again in November 2022. Further information is available on DEWR's website, [here](#).

Case Study

Jenny was enrolled in a Diploma course using a VSL. During term 2 Jenny informed her provider that she was suffering from a medical condition, was struggling to keep up with the course material and wanted to withdraw as a result. The provider offered to transfer Jenny to a Certificate III level course, to allow her to continue studying, and reduce the workload Jenny was experiencing. Jenny accepted this offer. The provider advised Jenny that she would receive Recognition of Prior Learning for any completed units of competency from her Diploma and that she would incur the VSL debt for the period of her Diploma studies. After commencing the Certificate III, Jenny was unhappy with her experience and withdrew.

After some time, Jenny decided to recommence her studies with another provider, and discovered she had incurred a VSL debt. She did not think she had a debt as she had not completed her earlier studies. When Jenny complained to her original provider, the provider advised that she had incurred a VSL debt for her first and second terms as she had passed those census dates before withdrawing.

Jenny was not satisfied with the provider's decision and complained to the Office. Jenny informed the Office that she was not able to successfully complete the course or understand what the census date meant due to her medical condition.

Our assessment:

Our assessment focused on whether the provider had followed the VSL Rules 2016 and the VSL Act 2016 and applied its policy correctly in relation to Jenny meeting the criteria of a genuine student and the academic eligibility requirements.

We also considered:

- the information provided by Jenny and the provider
- the *VET Student Loans Act* (VSL Act 2016)
- the *VET Student Loans Rules* (VSL Rules 2016), and
- her provider's documented policies and procedures.

Conclusion:

The Office viewed that:

- Jenny's provider had confirmed her eligibility and academic suitability to undertake the Diploma with a VSL,
- Jenny had been able to successfully complete her studies and comply with all requirements, policies and procedures in term one, so was likely to be a genuine student, and
- Jenny's provider had given her adequate information about her VSL and the consequences of not withdrawing before a census date.

After considering all the information, the Office determined it was open to the provider to decide not to re-credit Jenny's VSL debt.

However, the Office notes that some VSL students complaining to the Office claim to not have understood the concept or effect of census dates. VSL approved education providers may wish to give more information to VSL students to ensure their understanding, for example by raising upcoming census dates in lessons or other forums where students can ask questions if they don't understand.

Information for providers

VSL Code of Practice:

The Office has published a [code of practice](#) for VSL approved providers, setting out best practice guidelines to resolve complaints before they reach our Office. Over 80 VSL approved providers have signed up to the Code.

Self-assessment tool

To assist signatories, the Office has published a tool to guide a self-assessment against the principles in the Code and identify areas for improvement. You may find the tool useful and can access it here: [Self-Assessment Tool](#).

Logo for signatories

The Office also has a logo that signatories may use in online and printed materials related to VET Student Loans, bearing in mind the marketing rules in the VSL Rules.



For any information about the VET Student Loans Code of Practice, including requests for logo files, please email VSL.Codeofpractice@ombudsman.gov.au

If you are a signatory to the Code and would like access to the logo files, please specify your preferred format. We have the logo available in Adobe Illustrator, PNG, JPEG and formats for Apple Mac OSX.

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 January 2023 – 30 March 2023. 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](#).