

Quarterly Update: 1 July to 30 September 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.

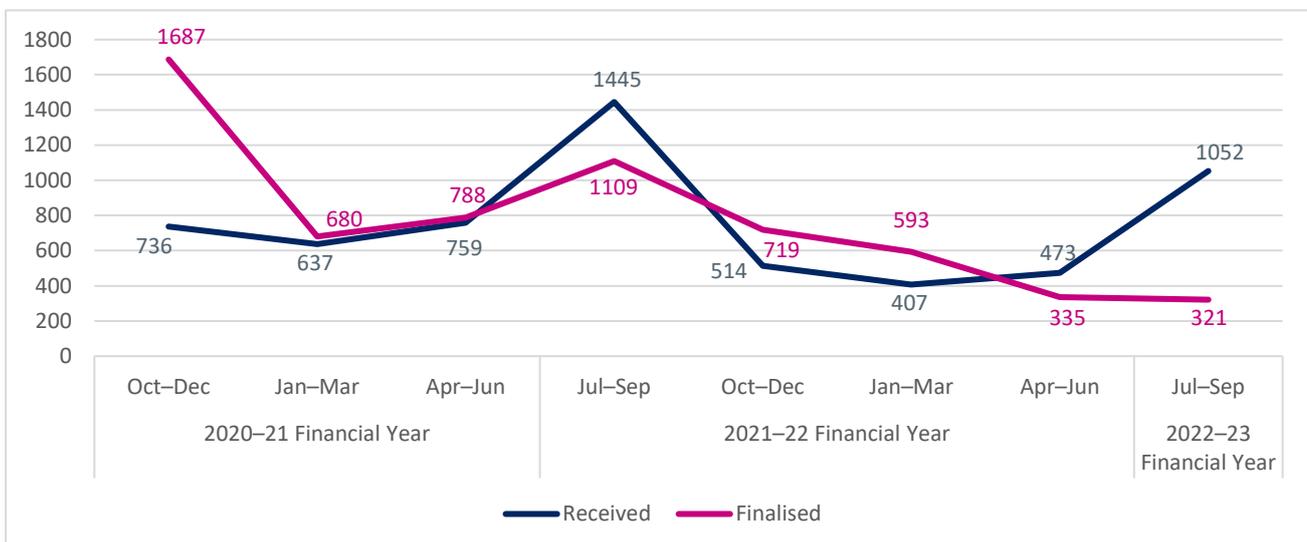
VET FEE-HELP

Between 1 July and 30 September 2022, the Office received 1,052 VET FEE-HELP complaints. This was a 27 per cent decrease compared to the same period last year (1,445 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 the Office.

During this quarter, we finalised 321 complaints, which was a 71 per cent decrease compared to the 1109 complaints we finalised in the same period last year. The current caseload includes a high proportion of complaints (47 per cent) about providers who are still operating, these types of complaints are more complex and take longer to finalise.

On 30 September 2022, the Office had 2,182 open VET FEE-HELP complaints, a 41 per cent increase compared to 1,542 open complaints on 30 June 2022. The Office is progressing assessments to finalise these outstanding VET FEE-HELP complaints by 30 June 2023.

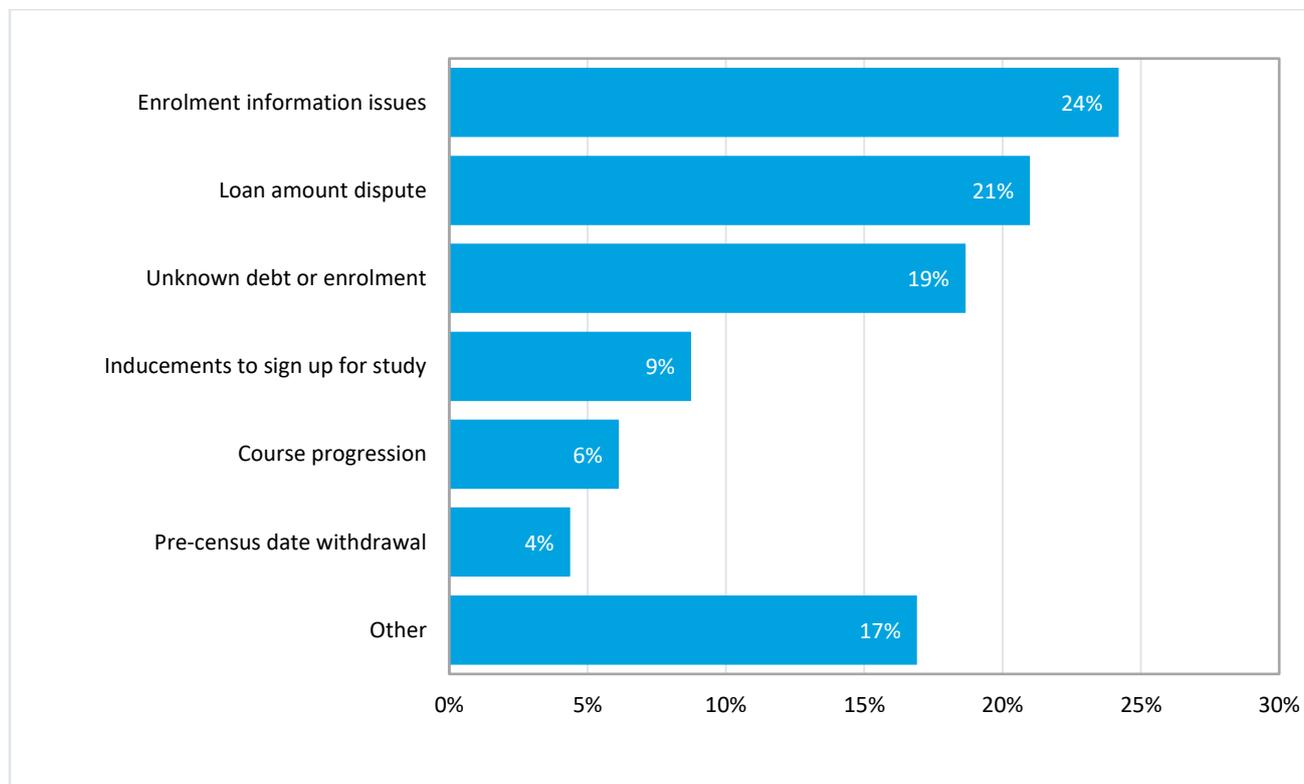
Figure 1: VET FEE-HELP complaints received and finalised



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 July–30 September 2022



VET FEE-HELP Student Redress Measures ending 31 December 2023*

The [Student Redress Measures](#) (SRMs) will now 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'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 2023 has been 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 September 2022), the Office has recommended the re-credit of VET FEE-HELP debts for 11,838 complaints, comprising 66,303 units of study. The total value was \$184.69 million, comprising \$154.07 million in tuition fees and \$30.62 million in loan fees.

* The information contained in this Quarterly Update is for the period 1 July – 30 September. The Office notes on 9 November 2022 the Minister for Skills and Training, the Hon Brendan O'Connor MP announced the Australian Government will extend the VET FEE-HELP Student Redress scheme for 12 months (until 31 December 2023)

Case Study

This case study highlights issues with third party arrangements for the delivery of training services which include student recruitment.

Binita enquired about studying courses with Provider-A, who was delivering the training on behalf of another provider, Provider-B.

Binita told the Office Provider-A asked for her driver's licence, passport, and tax file number; however, she did not complete an enrolment form and did not apply for a VET FEE-HELP loan assistance. She said she only attended a few classes which she was led to believe were a 'trial' and stopped attending after that, deciding the course was not suitable for her.

Later, Binita discovered she had a VET FEE-HELP debt when doing her tax return.

As Binita incurred the debt with Provider-B, the Office contacted it to request information to assist in its assessment of the complaint, including a copy of Binita's enrolment documents and any records of her engagement in studies.

Provider-B did not have a signed enrolment form for Binita, and the VET-FEE HELP application form had an email address recorded on it which was not hers. Voice recordings supported Binita's claim that the email address Provider-B had on file for her was incorrect.

The available evidence suggested Binita did not receive VET FEE-HELP notices and other correspondence which would have alerted her to the fact that she was accruing a VET FEE-HELP and that she may have been misled by Provider-A about enrolling in the course.

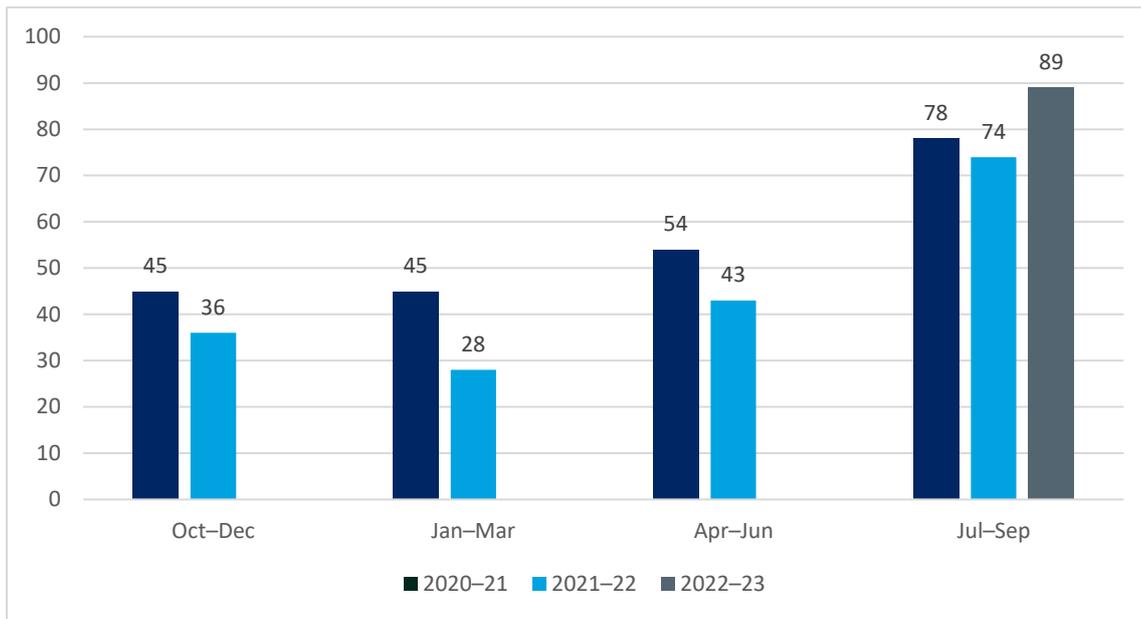
The Office considered it was reasonably likely that Provider-A engaged in inappropriate conduct. Provider-B accepted the Office's view and agreed to re-credit Binita's VET FEE-HELP debt.

VET Student Loans

Between 1 July and 30 September 2022, the Office received 89 complaints about VET Student Loans approved course providers. This was a 20 per cent increase compared to the same period last year, when we received 74 complaints. Figure 3 shows the number of complaints the Office received about VET Student Loans providers during each quarter since 1 July 2020.

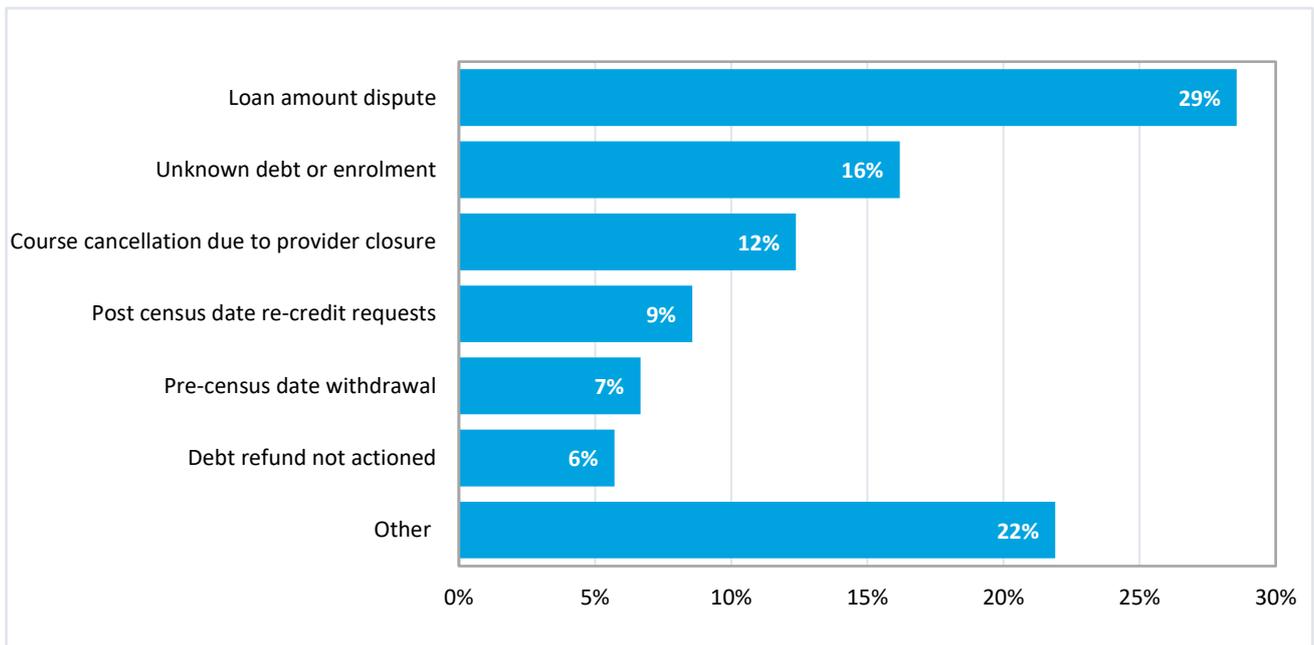
Complaints to the Office include complaints about operating providers and those that have stopped trading. Our approach to handling complaints may vary according to the provider's trading status. If the provider is operating, usually the complainant will need to complete the complaints process with their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

Figure 3: VET Student Loans complaints received



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 July–30 September 2022



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. Further information is available on DEWR’s website, [here](#).

Information for providers – Designing an effective complaint handling system

Every organisation should choose a complaint handling model that is best suited to the work they do, the structure and size of their business and the needs of their users.

Whether you are designing a new complaint handling system, or reviewing your existing system to improve processes, here are some design principles to bear in mind:

- ✓ Your system should be user-centred, easy to access and simple to use
- ✓ Your system should support early resolution of complaints
- ✓ Your system should help you integrate complaint-handling into your overall corporate structure
- ✓ Clear processes should support your complaint handling staff
- ✓ Staff should have the right skills and be appropriately trained to handle complaints
- ✓ The system should have robust quality assurance and review processes and be adequately resourced.

Further information and tips on effective complaint handling for providers can be found in our [Better Practice Complaint Handling Guide](#).

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 July to 30 September 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](#).