



Australian Government



COMMONWEALTH  
**OMBUDSMAN**  
VET STUDENT LOANS

# VET

## STUDENT LOANS



## CODE OF PRACTICE

VOCATIONAL EDUCATION AND TRAINING (VET)

## Introduction

The Office of the Commonwealth Ombudsman (the Office) is an independent and impartial integrity agency with oversight of Commonwealth Government agencies and some private sector organisations.

We seek to ensure the actions of agencies are fair and reasonable through the assessment and investigation of complaints, the delivery of education and outreach activities, and encouraging good administration and best practice amongst the entities that we oversee.

The VET Student Loans (VSL) program commenced on 1 January 2017 and assists eligible students pay tuition fees for approved higher-level (diploma and above) vocational education and training (VET) courses, when studying at VSL approved course providers. The VSL program replaced the VET FEE-HELP (VFH) scheme.

All VSL approved providers are expected to comply with the VET Quality Framework and the VSL regulatory framework which include the:

- *VET Student Loans Act 2016 (VSL Act)*
- VET Student Loans Rules 2016 (VSL Rules)
- VET Student Loans (Courses and Loan Caps) Determination 2016
- VET Student Loans Manual for Providers
- VET Student Loans Compliance Strategy.

In 2017, the Office commenced its specialist role as the **VET Student Loans Ombudsman (VSLO)**. We investigate problems that students with a VSL have with their provider. The problems most frequently reported to us involve disputes over loan amounts, debts incurred when the student has withdrawn after a census date, and issues that have arisen due to a provider closing. We help by engaging with providers to resolve complaints or by referring matters to other bodies that are empowered to assist.

It is a function of the Office under s 20ZM (1)(c) of the *Ombudsman Act 1976*, to develop and promote, and to review from time to time, a Code of Practice (Code). The Code relates to the following:

- the provision of services to students by providers relating to their VSL
- the handling of complaints made by students to providers in relation to their VSL.

The purpose of the Code is to identify key complaint areas raised by students with a VSL debt and to share proven complaint resolution principles that can increase the ability of students and providers to successfully resolve disputes without the intervention of the VSLO. The Code is not a legislative instrument and while adopting the Code is voluntary, it is viewed by the VSLO as a tool to assist providers to meet their regulatory obligations and improve business practices.

The Code will be reviewed 18 months after it is released to ensure that it remains relevant and any new or emerging issues are considered.

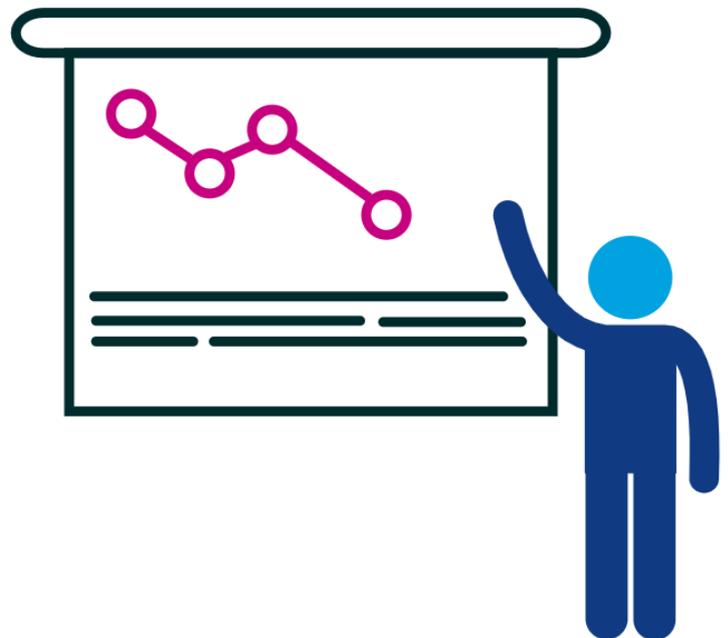


## Principles regarding the provision of services to students by providers in relation to their VET student loan

1. When marketing VSL approved courses and recruiting prospective students, providers will act ethically and be open and honest in their representations.
2. Before enrolment in a VSL approved course, and when applying for access to a VSL, providers will ensure both prospective and currently enrolled students are given accurate, complete, and timely information to enable them to make informed decisions.
3. So that only genuine students accrue VSL debts, providers will ensure students are academically suited for the course they are enrolling in and regularly monitor student progression.
4. In the event a student defers or withdraws or disengages from their course, providers will be clear and timely with their communication and fully inform students of the impact on their enrolment and their VSL.
5. In the event of course cancellation or provider closure, providers will act ethically and meet their responsibilities to students.

## Principles regarding the handling of complaints made by students to providers in relation to their VET student loan

6. To effectively handle complaints, providers should create a culture in which complaints are valued and staff are well trained and supported to manage them.
7. Providers will make sure their complaints and appeals processes are made known to students and are free and easily accessible.
8. Providers will take ownership of their complaints by acknowledging complaints promptly and providing timely responses.
9. Providers will make sure that complaint outcomes and decisions are clearly communicated to students, including their review rights.
10. Providers should have a proactive complaint handling system which is part of their business operations, to identify and address systemic issues.



**1. When marketing VSL approved courses and recruiting prospective students, providers will act ethically and be open and honest in their representations**

*Good Practice Guidelines*

- 1.1 Comply with sections 49 and 60–64 of the VSL Act and sections 135–143 of the VSL Rules.
- 1.2 Use statements that are accurate and not misleading.
- 1.3 Engage in marketing practices that do not involve high-pressure selling techniques.
- 1.4 Regularly monitor and review marketing and recruitment materials and practices.

**2. Before enrolment in a VSL approved course, and when applying for access to a VSL, providers will ensure both prospective and currently enrolled students are given accurate, complete, and timely information to enable them to make informed decisions**

*Good Practice Guidelines*

- 2.1 Comply with sections 48, 50(1), and 57 of the VSL Act and sections 84–85 and 98–100 of the VSL Rules.
- 2.2 Be open about how information will be provided: in writing by mail or email, over the phone, by directing students to the provider’s website or another appropriate source.
- 2.3 Make all reasonable efforts to ensure VSL information is visible and accessible to all students, including those who are vulnerable or require special assistance.
- 2.4 Inform students of all costs they may incur throughout the course, including tuition fees, loan fees, material fees and any other costs that may arise.
- 2.5 Make all reasonable efforts to ensure students are aware of their responsibilities, obligations, and rights concerning their VSL and that they understand what they are agreeing to.
- 2.6 Have fair, easily understandable policies and procedures relating to course enrolment, loan applications, fees and refunds.
- 2.7 Make all reasonable efforts to tailor communications to meet the needs of students who are vulnerable or require special assistance.
- 2.8 When determining the learning and support needs of individual students, provide accurate information to them about the resources and support services that will be provided to assist with those needs.
- 2.9 Be transparent about which parts of the course apply to each unit of study, where one to one mapping between units of competency and units of study is not adopted.
- 2.10 Make all reasonable efforts to seek relevant information from students that could impact their ability to pay their fees using VSL, such as having accessed VSL for the same course with another provider.

**3. So that only genuine students accrue VSL debts, providers will ensure students are academically suited for the course they are enrolling in and regularly monitor student progression**

*Good Practice Guidelines*

- 3.1 Comply with sections 12 and 48 of the VSL Act and section 80 of the VSL Rules.
- 3.2 Have fair, easily understandable policies and procedures relating to course entry and student progression.
- 3.3 Have additional entry requirements where the minimum academic requirements do not reflect the level of underpinning skills and knowledge required to undertake the course.
- 3.4 Regularly monitor whether students are reasonably engaged in their course, that they are participating and undertaking assessment activities, and if online that they are logging in at a frequency level that reflects genuine engagement.
- 3.5 Have enrolment and charging arrangements that ideally reflect the extent of the students' engagement with, and progression through, the course.

**4. In the event a student defers or withdraws or disengages from their course, providers will be clear and timely with their communication and fully inform students of the impact on their enrolment and their VSL**

*Good Practice Guidelines*

- 4.1 Comply with sections 48 and 68 of the VSL Act and sections 86 and 145–146 of the VSL Rules.
- 4.2 Have fair, easily understandable policies and procedures relating to student deferral, withdrawal, and re-crediting of VSL debts where special circumstances apply.
- 4.3 Provide transparent information to the student about their deferral, withdrawal or disengagement and the impact on their enrolment and their VSL debt.

## **5. In the event of course cancellation or provider closure, providers will act ethically and meet their responsibilities to students**

### *Good Practice Guidelines*

- 5.1 Comply with sections 48, 66B, 66C, 66D, 66F, 66G of the VSL Act, and sections 87 and 91 of the VSL Rules.
- 5.2 Have fair, clearly understandable policies and procedures relating to course cancellation and tuition protection.
- 5.3 Make reasonable efforts to inform all affected students about the course cancellation or provider closure.
- 5.4 Make available to each student an accurate and complete record of their progress towards each competency in their course of study.
- 5.5 Deal with or resolve any matter that arose during, or that relates to, the period when you were an approved VSL provider (applicable where you are no longer an approved provider, or you have closed and another responsible entity exists).

*Note: Providers who are exempt under section 66A(1)(b) of the VSL Act and section 45 of the VSL Rules are not required to comply with sections 66B, 66D of the VSL Act, and section 91 of the VSL Rules.*

## **6. To effectively handle complaints, providers should create a culture in which complaints are valued and staff are well trained and supported to manage them**

### *Good Practice Guidelines*

- 6.1 Have a senior manager with overall responsibility for managing complaints and communicating their value to the organisation.
- 6.2 Have staff at all levels understand and comply with complaints management policies and procedures.
- 6.3 Provide staff with appropriate guidance, training and support to handle complaints.
- 6.4 Direct students to the complaints process when they experience a problem or have an issue.
- 6.5 Monitor staff performance to ensure complaints are handled properly and appropriate remedies are provided.

## **7. Providers must make sure their complaints and appeals processes are made known to students and are free and easily accessible**

### *Good Practice Guidelines*

- 7.1 Comply with section 48 of the VSL Act and section 88 of the VSL Rules.
- 7.2 Have fair, easily understandable policies and procedures relating to complaints management.
- 7.3 Ensure information about how to make a complaint easily available to students.
- 7.4 Allow students to make a complaint in a variety of ways (telephone, email, webform, mail).
- 7.5 Remove barriers to making complaints, such as fear of repercussions.

## **8. Providers must take ownership of their complaints by acknowledging complaints promptly and providing timely responses**

### *Good Practice Guidelines*

- 8.1 Acknowledge complaints within two business days.
- 8.2 Advise complainants of expected timeframes.
- 8.3 Provide regular updates to the complainant where the complaint will take longer than usual to investigate or there is a delay.
- 8.4 Give complainants a contact number and, where possible, the name of a contact person they can speak to about their complaint.
- 8.5 Be alert to the needs of students who are vulnerable or require special assistance.
- 8.6 Assess complaints and assign them priority.
- 8.7 Resolve complaints as quickly as possible, preferably on the first contact if the complaint is straightforward.
- 8.8 Have regular internal reporting mechanisms so that unresolved complaints can be progressed or escalated to more senior staff, if necessary.
- 8.9 Professionally manage unreasonable complainant behaviour.

## **9. Providers must make sure that complaint outcomes and decisions are clearly communicated to students, including their review rights**

### *Good Practice Guidelines*

- 9.1 Make merit-based decisions that consider all available evidence.
- 9.2 Ensure complaints are considered with an open mind and without bias arising from any past issues with the student.
- 9.3 Provide detailed responses that include explanations for decisions and remedies, where appropriate.
- 9.4 Advise complainants of options for internal and external review if they remain dissatisfied with the decision made in relation to their complaint.

**10. Providers should have a proactive complaint handling system that is part of their business operations to identify and address systemic issues**

*Good Practice Guidelines*

- 10.1 Deal with complaints as part of core business, so that complaint handling is integrated with other business activities, including self-assurance processes, and all staff are involved.
- 10.2 Regularly analyse complaints to see what is going wrong and what can be improved.
- 10.3 Regularly review the complaint system to assess its effectiveness.
- 10.4 Review and update policies and procedures if they are not working effectively for the provider or its students.

## Tips for effective complaint resolution

### Providers

1. Acknowledge the complaint quickly.
2. Thank the complainant for raising their issue.
3. Ask the complainant questions to gather all the relevant details.
4. Determine what outcome the complainant is seeking.
5. Actively manage expectations about what can be achieved.
6. Remain calm and address 'unreasonable complainant behaviour' professionally.
7. Respond to the complainant within the published or agreed service timeframe or provide an update where this is not possible.
8. Resolve simple complaints quickly.
9. Provide complainants with a clear explanation and reasons for the decision made in relation to their complaint.
10. Document and monitor complaints to inform continuous improvement.

### Students

1. Raise your complaint with your provider in the first instance.
2. Understand the process for making a complaint with your provider.
3. Remain calm and cooperate with the person assisting you with your complaint.
4. Focus on the problem and identify the key issue(s) that you want to complain about. Be clear and concise.
5. Focus on the facts and include dates and other relevant information.
6. Include copies of relevant documents and correspondence.
7. Consider how you would like your complaint to be resolved. Be realistic and practical about your desired outcomes.
8. Give the provider time to respond to your complaint.
9. Follow-up with the provider if you do not receive a response within the published or agreed timeframe.
10. Keep records of your complaint including the provider's responses.

