

## **Student payments and OTEN**

### **Centrelink service delivery issues**

The Welfare Rights Centre has recently had several clients who were on student payments while studying at TAFE NSW through its distance education program called the Open Training and Education Network or OTEN.

Although a wide range of people study through OTEN, there are many vulnerable people who study in this way, including new migrants and “second chance” students who had trouble completing standard schooling.

Our clients had Centrelink debts because they were found not to have been full-time students within the meaning of social security law. When we represented these clients at the Social Security Appeals Tribunal (SSAT) the debts were waived because of special circumstances, but all these cases included major administrative errors by Centrelink.

These cases have common features which we think raise wider concerns about the administration of student payments for OTEN students. We have written this paper to raise some Centrelink service delivery issues. As this is a complex area, we would welcome the opportunity to discuss these issues and any response to them and to contribute to the development of appropriate solutions.

#### **OTEN and student payments**

To qualify for a student payment, a person generally needs to be in full-time study. In most cases, including university or face-to-face TAFE courses, this is a matter of meeting the educational institution’s definition of full-time study by enrolling in a sufficient number of courses and attending classes.

But OTEN is unique. As students enrolled in OTEN do not attend classes and may submit work at any time throughout the year, they do not fit easily into the definition of full-time student.

The Guide to Social Security Law does not provide any guidance on this, something we will raise with FaHCSIA. But in our experience, Centrelink decision-makers apply an approach that appears to be based on an Administrative Appeals Tribunal decision.<sup>1</sup>

The critical thing about this approach is that full-time status is assessed by completion of subjects or modules by the end of the year, where each subject or module is assigned a notional number of hours it represents. It is not assessed simply by the student spending a certain amount of time studying each week.

This is a complex approach and fundamentally different from the approach taken to standard face to face courses.

### **Service delivery issues**

In practice, we think the major service delivery issues are:

1. Lack of clear and accurate information to OTEN students about study and notification requirements, both in writing and face to face contact with Centrelink officers.
2. Confusion among Centrelink staff about the unique requirements for OTEN students.
3. Lack of clear records on an OTEN student's Centrelink file of the assessment of their study requirements, including number of courses or modules to be completed and the date by which this must be done to retain full time student status.

We think some important changes can be made in these areas by Centrelink.

### Clear written advice in grant letters

In almost all cases, our client are sent standard student payment grant letters about their notification obligations, telling them they need to notify Centrelink if the stop studying or their enrolment changes.

These letters are incomplete and misleading for OTEN students because they do not tell them how many subjects or modules they need to complete and by when. They should also warn them that if they do not complete the required modules, they may incur a debt.

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<sup>1</sup> Willmer [2009] AATA 22.

The letters should also tell OTEN students that if they are struggling with their studies, they may be better off switching to another payment such as newstart allowance, otherwise when they get to the end of the year they may incur a debt.

Some Centrelink officers do send letters which contain this kind of information and we have attached an example. We think that the current letters can be improved to provide clear and accurate information to these students.

#### Verbal advice from Centrelink officers

In many of our cases, Centrelink officers told our clients they need to do 20 hours per week or sometimes 15 hours per week of study. It is also common to tell students to go to TAFE to check if they are full-time.

This reflects default advice for TAFE students, but is misleading and inaccurate for OTEN students as it does not inform them of the time limits for completion of modules. It is unsurprising that this is a difficult area for Centrelink officers as there is no guidance in the Guide to Social Security Law on the unique requirements for OTEN students.

Referring students to TAFE is also common but inappropriate. TAFE cannot tell OTEN students whether they are full time for student payment purposes, only Centrelink is in a position to do this.

#### Claims and grant process

As letters are difficult for many of our clients to understand, we also recommend face to face meetings as a vital step in the claims and grant process when OTEN students can have the distinctive requirements which apply to them explained.

It is also an opportunity to inform these students that if they are struggling with their studies, they may need to reduce their study load or withdraw and switch to newstart allowance or another appropriate payment to avoid incurring a debt at the end of the year.

#### Centrelink records

There should be a clear record on a person's Centrelink file of the basis of the grant of a student payment to OTEN students, including modules enrolled in, notional module hours for each module and the time period in which those modules need to be completed.

This is important to the appeals process and to avoiding errors in, for example, continuing payment to students past the time for completion (as happened in the attached case).

We welcome the opportunity to discuss these proposals and hope a co-operative approach can be taken to the development of service delivery solutions in this area.

**Welfare Rights Centre**

**3 May 2013**

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2-14 Meredith Street BANKSTOWN NSW 2200  
Fax: (02) 92038495

Please quote: [REDACTED]  
Telephone: 13 2490

Dear [REDACTED]

I am writing with regards to your Austudy payments.

Our current records indicate that you are enrolled with OTEN-DE College of TAFE.

You enrolled with OTEN-DE College of TAFE on 6 February 2008. You enrolled into the Certificate III in Information Technology (Support). This course is approved by Centrelink for 40 weeks. You will be eligible for Austudy from 6 February 2008 to 12 November 2008. You will need to complete no less than 450 module hours by 12 November 2008.

Please note: You must submit work regularly to OTEN-DE College of TAFE. If you have not submitted sufficient work to OTEN-DE College of TAFE, this may result in an overpayment. It is your responsibility to check how many assignments you will need to complete with OTEN-DE College of TAFE.

If you have any queries about your study requirements please contact the Youth and Students line on 13 2490.

You are also required to contact Centrelink within 14 days to tell us about events or changes in circumstances affecting your payment. You must tell us if you: stop being a full-time student, leave a training course before it ends, vary your enrolment or if you are not submitting work on a regular basis.

This is a notice given under section 196 of the Social Security (Administration) Act 1999.

Yours sincerely

[REDACTED]  
Review Officer  
Centrelink

8 July 2008

\*\*\* END OF LETTER \*\*\*