

Australian National Audit Office
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EJA submission to ANOA Audit of Age Pension Administration

About Economic Justice Australia

1. Economic Justice Australia (EJA) is the peak organisation for community legal centres providing specialist advice to people on their social security issues and rights. Our members across Australia have provided people with free and independent information, advice, education and representation in the area of social security for over 40 years.
2. EJA provides expert advice to government on social security reform to make it more effective and accessible. Our law and policy reform work:
 - strengthens the effectiveness and integrity of our social security system
 - educates the community
 - improves people's lives by reducing poverty and inequality.

Overview

3. EJA recognises that administration of the Age Pension system is complex, noting its scale (current recipients total more than 2.5 million) and the diversity of claimant/recipients' circumstances, which often require some complexity of eligibility and rate assessment.
4. While many people of Age Pension age (67 years and older) are fit, healthy and have full capacity to engage with Services Australia, delivery of Age Pension is complicated by a range of factors common among persons of Age Pension age. This includes progressive loss of physical mobility over time, some anxiety from the need to rely on savings (given limited capacity to earn income from employment), lack of digital capacity (which increases against age in demographic data), and in some cases, cognitive decline. Age Pension claimants also frequently have more assets and/or more complex financial arrangements than claimants for other payments.
5. EJA welcomes the opportunity make a submission to the Australian National Audit Office regarding oversight and administration of Age Pension.
6. This submission draws from the experience of EJA member centre staff and other community services providers interviewed during recent research to identify barriers to women's social

security access in regional, rural, remote and very remote Australia. Case studies are from EJA member centres, while quotes are from member centres and other community services providers.

7. EJA member centres and community services providers regularly work with clients who are unable to access their social security entitlements, or who have unknowingly accrued overpayments because they have not understood their eligibility requirements, reporting obligations or entitlements.
8. Efficiencies can be gained by ensuring Services Australia's systems are fit for purpose so that communication and assessment processes work smoothly and efficiently, without need for multiple contacts between a claimant and Services Australia to achieve a single aim, actions to remedy errors unknowingly made by claimants, or administrative review.
9. Many attempts to generate system 'efficiencies' implemented over the last two decades have resulted in a loss of system capacity. That includes reduced staffing and reduced staff training, resulting in a lack of well-trained staff and experienced staff to engage with claimant/recipients to efficiently deliver the Age Pension system. Here, the issue of staff retention is critical.
10. Digitisation of services without large-scale uplifts has resulted in an IT system that stores enormous quantities of information but can be difficult for staff to use. Staff do not always correctly note or upload information, or access correct information to relay to recipients. The system is also unable to routinely communicate information effectively to claimant/recipients in written correspondence.
11. MyGov and associated technologies have increased efficiencies for Services Australia and for many recipients, but for many older Australians, digital services do not function as a substitute for person-to-person servicing.

Summary of recommendations

1. That Services Australia increase personal support to people requiring assistance to complete an Age Pension claim.
2. That Services Australia simplify the Age Pension claim process, including review of claim and associated forms, drawing on input from stakeholders and people with lived experience of Age Pension claim processes or potential new claimants.
3. That Services Australia increase promotion of the assisted claim process so that people unable to complete forms know to request assistance.
4. That Services Australia increase investment in training and long-term retention of staff to ensure enough experienced staff to undertake complex claim assessments.
5. That Services Australia introduce specialist Age Pension customer service officers who have received nuanced training on issues relevant to older customers to better provide support to this cohort, including to help them understand reporting obligations and reporting changes in circumstances.

6. That Services Australia increase promotion, provision and evaluation of the effectiveness of digital coaching, including identifying where customers should not be referred into digital systems.
7. That Services Australia increase call centre staffing to enable shorter call wait times.
8. That Services Australia pilot systems to enable phone appointments, ideally where customers can speak with staff who are experts in relevant subject matter.
9. That Services Australia staff stop referring clients in Service Centres to computers without having a conversation to establish digital capacity. This includes Services Australia ensuring that either appropriate staffing is available to assist to navigate digital systems; or that referral to face-to-face assistance is available to complete claims.
10. That Services Australia introduce an onsite system confirming receipt of documents, with concurrent checking and notification about outstanding documents.
11. That Services Australia work to bring debt letters up to lawful standard.
12. That Services Australia, as an interim measure, investigate the possibility of attaching a separate document to debt letters, which sets out the reasons for the person's debt and the circumstances leading to it.
13. That the Government provide Services Australia with funds to re-develop its IT system so it is fit for purpose, enabling correspondence with social security recipients that explains their social security entitlement, and in particular the reasons they have accrued an alleged debt.
14. That Services Australia review current triggers for automated customer correspondence and institute safeguards on the sending of multiple letters in a short period of time, or the sending of incorrect letters.
15. That Services Australia include options for customers to communicate via postal services where that is the most convenient or efficient means of communication.
16. That Services Australia review policy and guidelines informing 'separated under one roof' decisions, ensuring the law is administered with due regard to the range of factors influencing older people to remain within the same premises as an ex-partner.
17. That Services Australia review systems and take action to minimise technology-facilitated abuse whereby funds are stolen from the intended recipient.
18. That Services Australia and Department of Social Services investigate means to recover funds lost through technology-facilitated abuse, family violence or elder abuse, and how to reimburse the intended recipient for funds lost.
19. That Centrelink staff, wherever possible, speak directly to persons of Age Pension age who are entering into arrangements with others concerning their social security payments.
20. That Services Australia monitor engagement with Age Pension management services to ensure they are providing services in an accessible and useful way, alerting customers where they have area for concern and taking action to prevent abuse where possible.
21. That Services Australia review policy and guidelines relating to payment cancellation in the case of non-response to correspondence, particularly where the person is on Age Pension or Disability Support Pension; is using a Pension Management Service; and/or there is no evidence to suggest the person lacks entitlement to their payment.

Need to provide equitable service to diverse Age Pension recipients

1. Age Pension claimants/recipients comprise a diverse cohort living in diverse circumstances.
2. The age of recipients spans almost four decades; that data also indicating the likelihood of the health, mobility and economic security of individual recipients changing over time.

Table 1: Age of Age Pension recipients, September 2024

Age	66-69 years	70-74 years	75-79 years	80-84 years	85-89 years	90 & over years	Total
Number of recipients	349,480	693,320	659,265	467,615	293,045	163,645	2,626,370

3. Most Age Pension recipients had been receiving payment for some time, noting that at September 2024, more than 1.3 million had been receiving Age Pension for more than ten years. Almost two million recipients had been in receipt of Age Pension for five years or more. This requires engagement with Services Australia over a lengthy period, which in some cases spans decades.
4. It also requires a system that is flexible enough to respond to people's changing needs over time, including shifting capacity to engage with Services Australia, and changing income and assets.
5. Age Pension recipients are diverse in terms of economic security, including people with significant assets and income who have worked until Age Pension age, and those who do not own their home or have other assets, superannuation or savings.
6. While many recipients receive income from investments, more than 90,670 Age Pension recipients continued to receive income from work, with 81,810 of those having income at or above the income-free area at September 2024.¹
7. Per income and assets testing, almost two thirds of recipients receive full-rate Age Pension (67.2 per cent), while one third receive a part pension (32.1 per cent).²

¹ [Expanded DSS Benefit and Payment Recipient Demographics - September 2024](#)

² [Expanded DSS Benefit and Payment Recipient Demographics - September 2024](#)

Complexity of Age Pension eligibility: Claims and reporting obligations

The Age Pension claim process is too complex for many people to manage

8. Age Pension claim forms have been designed to elicit information informing eligibility and rate of payment, however the current claim process is too complex for many people to manage.
9. Age Pension claims can be particularly complicated given people may have complex income and asset arrangements, developed over many decades.
10. EJA member clients describe the claim process as Centrelink giving them 'a mountain of forms'. For people who are not adept at navigating administrative systems, the process can be daunting. For many others, the sheer scale of information required is overwhelming.
11. People also struggle to understand what is being asked, particularly claimants with limited education, literacy or English, and those with impaired cognitive function as the result of illness, disability or substance abuse.
12. Many people, including those that fit none of the above criteria, are unable to complete claim and supplementary forms without seeking assistance from others.
13. EJA member centres regularly receive requests for assistance to complete forms but are usually unable to provide assistance, given limited funding has determined that casework guidelines prioritise assistance at the point of appeal/administrative review. Where possible, members refer people to other service providers, noting there is often no clear option for referral.
14. EJA members' experience is consistent with the findings of a 2018 report, [The Centrelink Experience](#). Through open-ended questions that did not include a specific question about seeking assistance, 82 per cent of respondents raised they had sought assistance when completing their Age Pension claim. This included assistance from general Centrelink staff, FIS Officers, financial advisors/planners, or family and friends. Given information on this issue was not specifically sought, it is likely the rate of people seeking assistance is higher.
15. It is worth noting that assistance with Age Pension claims has generated a commercial industry. Advertising on one company's website leverages community fears about the Age Pension claim process to recruit customers, describing their service as relieving the burden of:
 - "100s of complicated questions and confusing forms
 - Multiple visits to a Centrelink office
 - Long queues and wait times"³
16. Their fee to complete an Age Pension claim form starts at \$335 for single people and \$455 for couples with simple financial arrangements. People without more complex financial arrangements can pay almost \$1000.

³ [Retirement Essentials website](#)

17. Age Pension is a payment with income and assets provisions restricting payment to people of modest means. Consequently, it is extremely problematic that Services Australia's limited capacity has resulted in the Government effectively outsourcing the Age Pension claim process to the private sector for individuals who are unable to manage it themselves.
18. With or without assistance, claimants frequently do not understand why particular questions are asked and fail to provide information relevant to eligibility or rate as a result of misinterpretation.

If it's an Age Pension form, make it relevant to people who applying for an Age Pension and make the questions fairly intuitive so that, 'Oh, I know why that's being asked. I know the relevance of that and I can answer that'.

19. Claim forms are often accessed online, which poses problems for those with limited digital capacity (see below). People also struggle with system design issues.

If I answer the first question incorrectly, none of the rest of the questions come up. So, I'll just carry on more narrowly to the end and then send it away and I'll get declined.

I mean it is a bit like technology got ahead of itself and they were like, we're going to automate everything and whatever, but what we actually need is either ... have people or have smarter technology that if you answer one question, it's thinking before it asks you the next question ... so it starts to fit as a pathway.

20. While EJA member centres are aware that 'assisted claims' processes are available on request, whereby Services Australia staff assist people to complete forms, that service is not widely known.
21. Significant inefficiencies result from Services Australia staff relying on information that is not accurate, requiring time-consuming and costly remedial action that also harms the Age Pension recipient.

- **Recommendation 1:** That Services Australia increase personal support to people requiring assistance to complete an Age Pension claim.
- **Recommendation 2:** That Services Australia simplify the Age Pension claim process, including review of claim and associated forms, drawing on input from stakeholders and people with lived experience of Age Pension claim processes or potential new claimants.
- **Recommendation 3:** That Services Australia increase promotion of the assisted claim process so that people unable to complete forms know to request assistance.

Current SA staffing is not adequate to manage the Age Pension claim process

22. In the first nine months of the 2023-24 financial year, SA processed more than 350,000 claims for Age Pension,⁴ with processing taking an average of 49 days (seven weeks). Although that was a marked improvement on the previous year, Age Pension was an outlier among income support payments (other than DSP) which were processed much faster.
23. SA's Key Performance Measure sets a goal of 80 per cent or more of claims being processed within 49 days of claim lodgement. While EJA does not have access to data relating to that measure, it seems likely the processing average of 49 days does not reflect the KPM.
24. In 2024, SA onboarded 3000 additional staff "trained to accelerate claims processing times and improve access for customers".⁵ While EJA commends the addition of those urgently needed staff, it is unclear whether their recruitment will make a sizable difference to Age Pension claim processing, noting Age Pension claims have not been the focus of their work.
25. It is important to note that many claims are considered complex or very complex, requiring referral to complex assessment specialists. These staff are highly skilled in complex claim assessment, applying understanding gained over time. Investment in training and long-term retention of SA staff is critical here. This includes staff having time for accurate decision-making and avoiding errors that must be remedied down the track.

→ **Recommendation 4:** That Services Australia increase investment in training and long-term retention of staff to ensure enough experienced staff to undertake complex claim assessments.

People are not adequately supported to understand and fulfill their reporting obligations

26. EJA members regularly see Age Pension recipients experiencing problems with their social security entitlement because they do not understand the ongoing obligations associated with their payment, and struggle to engage with Services Australia to ensure all details remain accurate and up-to-date.
27. It is not uncommon for a person on Age Pension to lose their spouse or a parent, which frequently involves transfer of assets and changes to income. When loss of a spouse occurs, the person will be considered single and income and assets testing will change. Debts arise when, during a traumatic time, a person fails to understand reporting obligations as they relate to asset changes following the death of a loved one.

⁴ [SA Annual Report 2023-24](#)

⁵ [SA Annual Report 2023-24](#)

Case study – Martin

Martin, an elderly man in his 70s, faced an unexpected financial crisis due to lack of clear information about his Age Pension reporting obligations. Despite managing multiple complex medical conditions- paranoid schizophrenia, hoarding disorder, gambling addiction and depression – Martin had successfully maintained his regular reporting obligations and relied on his fortnightly Age Pension payments for stability.

When Martin’s mother died, he notified Services Australia of her death, but was unaware of his obligation to also tell them that he would inherit her home. Critically, during this interaction, Service Australia staff did not ask necessary follow-up questions or provide information that would have helped Martin understand the need to report this significant change in assets.

Sale of the inherited property was significantly delayed for several years due to its dilapidated condition and complications from Martin’s hoarding disorder. Throughout this extended period, Martin continued to receive his full Age Pension. By the time the property was finally sold and Services Australia became aware of the situation, Martin has unknowingly accumulated an overpayment exceeding \$50,000. The discovery of this substantial debt caused Martin severe emotional distress.

An EJA member centre represented Martin to seek a waiver of the debt, which was ultimately successful. However, the process required intensive support given Martin’s vulnerabilities, and proved resource-intensive for both the EJA member centre and Services Australia.

Martin now says he would have preferred to forgo his Age Pension payment during the inheritance period rather than face the overwhelming anxiety and stress of such a significant debt. This situation could have been avoided entirely had Martin received clearer information and appropriate support when reporting his mother’s death to Services Australia.

28. EJA recommends the introduction of specialist Age Pension customer service officers who have received nuanced training on issues frequently encountered by older customers to better provide support and ensure Age Pension recipients understand their reporting obligations. Their engagement could be triggered any time a person on Age Pension reports the death of a spouse, parent, adult child or other person where transfer of assets is a possibility.
29. While Financial Information Service (FIS) Officers sometimes fulfil this role, and are held in high regard, in many instances FIS Officer engagement does not occur. Ideally, specialist Age Pension customer service officers would work closely with FIS Officers.

- **Recommendation 5:** That Services Australia introduce specialist Age Pension customer service officers who have received nuanced training on issues relevant to older customers to better provide support to this cohort, including to help them understand reporting obligations and reporting changes in circumstances.

Digital Services

30. Services Australia has streamlined access to social security payments for people who are able to use digital technology. When designed and implemented effectively, these systems are convenient for many, also extending critical services to those who might otherwise be excluded. This is particularly relevant for older people who do not live near a Service Centre, or who are experiencing health or other issues that make travel and standing in a queue difficult.
31. EJA recognises that digital access can produce efficiencies for government, including Services Australia, allowing resources to be reallocated where they are most needed.

Lack of digital inclusion

32. The Australian Digital Inclusion Index shows digital inclusion remains closely linked to age, with the gap between younger and older Australians widening in terms of digital ability.
33. Despite gains in overall capacity between 2021 and 2023, people aged 65–74 record a score that is 12 points below the national average, while those over 75 record a score 25 points below.
34. For people aged 75 or older, disparities are considerable, with 'digital ability' 42 points below the national average, and 'access' 18 points below the national average).⁶
35. Almost 10 per cent of the Australian population remain highly excluded from digital systems, with people 75 years of age and over significantly over-represented.
36. Despite this authoritative data clearly revealing high rates of digital exclusion among older people (data which is backed up by community perception), Services Australia has been steadily reducing alternatives to online services such as paper forms, client-initiated postal communications and face-to-face servicing without enough regard to the experience of older Australians.

Lack of affordability

37. Social security payments are low, with poverty exacerbating the digital divide. This includes being unable to access a phone plan, internet plan or pay-as-you go data, especially as they compete with other essential expenses such as rent, food and transportation.

We have lots and lots [of clients], particularly elderly clients, in our region who can't access a computer. I don't know how many clients [who], when I need

⁶ [Australian Digital Inclusion Index](#)

them to send me a document, they will have to go to the local library to access that.

38. In some locations, particularly regional, rural and remote areas, access is either not possible or prohibitively expensive.

People don't have enough money to be paying for rent, inflated food prices, transportation and a digital device with a data plan that is sufficient to always be able to be connected to the sites [like myGov and Centrelink online] to manage their money that way.

There [are] so many outstations [in the Northern Territory] that have got no connection whatsoever unless they can afford to pay \$200 a month to get Starlink set up and a lot of those don't have access to that either.

39. The Australian Digital Inclusion Index shows many Australians continue to experience digital affordability stress, meaning they would need to pay more than five per cent of household income to maintain quality, reliable connectivity. Groups particularly affected include people over the age of 75 (65 per cent), and people living in public housing (64 per cent), who would likely qualify for Age Pension if of Age Pension age.
40. For many older people who do not routinely use digital systems, spending on hardware or connection makes little sense if only to be used to engage with government services, particularly if they lack digital literacy and capacity to do so.

Lack of digital ability

41. EJA member centres regularly assist older people whose social security problems stem from lack of digital capacity. That is not particularly surprising given Services Australia's reliance on digital systems, and the limited digital ability of the vast majority of Australians aged 65 or older.

42. 2023 Digital Ability Scores show digital ability decreases across age cohorts:

▫ 18 to 35 years	83 per cent
▫ 35 to 44 years	77 per cent
▫ 45 to 54 years	69 per cent
▫ 55 to 64 years	55 per cent
▫ 65 to 74 years	42 per cent
▫ 75+ years	23 per cent ⁷

43. Further, our members describe 'countless examples' of older clients who have been forced by Centrelink staff to sign up for MyGov, and then do not understand they are no longer receiving letters except online, which they cannot access.

My elderly clients, who have limited English literacy and no IT skills, had their Age Pension cut off as the result of their failure to respond to letters sent to

⁷ [Australian Digital Inclusion Index](#)

their myGov account. They were off payment for a long time. This expectation of engaging with myGov is an issue for many elderly clients from CALD backgrounds.

44. On some occasions, people have established multiple MyGov accounts linked to different email addresses because they simply cannot remember what happened last time they signed up, and staff have not been able to recognise or troubleshoot the problem.
45. On other occasions, it is the system's reliance on digital records that is causing issues for people on Age Pension.

Case study - Joan

Joan has worked since leaving school, making her way up the ladder in the printing industry. When she reached Age Pension age, Joan went into 'semi-retirement', claiming Age Pension while continuing to work part-time. She is also caring for her husband who is terminally ill, but has continued working to make sure she can 'look after him well' and purchase 'some treats' now and then.

Both Joan and her husband have been receiving the full-rate of Age Pension given their modest assets and savings. They have always been up front with Centrelink about Joan's job and her income. Centrelink has relied on the single touch payroll system, wherein Joan's employer 'pushes a button' to ensure an accurate record of her wages is forwarded to both the ATO and Services Australia. Joan 'isn't good with technology', so has been relieved that the automated system has been forwarding her income details.

About a month ago, Joan was contacted by someone at Centrelink telling her that something had gone wrong regarding her pay, and that she should have been on a part-pension since her Age Pension payments began. They asked her to bring her pay slips for the last three years into the office. Joan explained she wasn't sure how and didn't have a printer, so they told her to come into a Centrelink office and they would assist her.

Joan went into the office where, after some assistance, she spent hours printing her pay slips. When she eventually went to the front desk to hand them to the officer, she was told to get to the back of the line and wait her turn.

Joan has sought assistance from an EJA member, where her caseworker has struggled to get to the bottom of what has occurred despite seeking the assistance of senior and experienced staff. The current theory is that the single touch payroll system may have failed to accurately record Joan's wages (which are paid weekly) for each reporting period, but her case is still being investigated.

Joan has now visited her Centrelink office multiple times to receive 'help' managing her reporting obligations. Each time, she has spent significant amounts of time there, but she still cannot use MyGov or other electronic systems

effectively and remains in the dark about what went wrong with her Age Pension. She has never been allocated a caseworker or a specific person in the office to assist her through this traumatising process, which now includes the likelihood of having to repay more than \$30,000.

The whole experience has been extremely distressing for Joan, particularly while dealing with the grief associated with her husband's terminal illness.

Joan is now contemplating quitting her job. Despite enjoying the work, the distraction it brings from her husband's condition, and the income it generates, she says that given the stress it has caused, 'It's not worth it.'

46. While Joan's case study suggests there may be systems issues relating to Single Touch Payroll, it is included here to make the point that Joan neither understood the system, nor had any means of checking what was being reported because she could not check her entitlements or reporting through digital systems.
47. In 2021, Services Australia introduced one-on-one 'digital coaching' to help people set up and use online services, particularly to set up an email account, open a myGov account, and set up the myGov app. Digital coaching services can also include step-by-step assistance for people to learn how to use Centrelink's online services.
48. Coaching is by appointment and can be delivered by phone, face-to face in a Centrelink office, or off-site (on some occasions) by Services Australia staff conducting outreach, noting face-to-face digital coaching has been the primary mode of delivery.
49. Services Australia data⁸ shows that more than 382,000 people had booked and completed a digital coaching session by the end of November 2024.
 - 2021 58,043
 - 2022 133,462
 - 2023 106,866
 - 2024 (to 30 Nov) 83,849
50. Approximately 80,000 people aged 61 to 70 years accessed digital coaching, comprising the largest cohort across all ages. Almost 40,000 people aged 71 to 80 years, and almost 10,000 people aged 81 to 90 years also accessed digital coaching. A few people aged over 90 also attended coaching sessions in 2024.
51. It is unclear why more people aren't accessing digital coaching, noting 382,220 is a large number of people but a very small percentage of the enormous number of people who receive Centrelink payments or a health care card (8.5 million in 2023-24¹⁵).
52. Given service providers regularly encounter people whose social security problems stem from lack of digital capacity, EJA suggests there is minimal awareness of the availability of digital coaching, with greater community promotion and proactive referral by Centrelink staff required.
53. Importantly, other aspects of digital coaching are less well-known, including whether:

⁸ Provided to EJA by Services Australia, and shared with permission of Services Australia
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- all requests were by individuals or some people agreed to digital coaching because they were not given an option to engage with Services Australia without it.
- digital coaching enables people to access digital services effectively, retaining information so they can use digital services whenever necessary.
- people found the experience useful, satisfactory, etc.

→ **Recommendation 6:** That Services Australia increase promotion, provision and evaluation of the effectiveness of digital coaching, including identifying where customers should not be referred into non-digital support.

Telephone-based systems

54. Lengthy call wait-times, hang-ups and the dropping out of calls from Services Australia's telephone system is well-documented. These issues result in frustration and distrust of government services, while also acting as a barrier to people claiming payments, meeting appeal time limits and fulfilling their legal reporting obligations.
55. People report enormous frustration at the extended time spent on hold, often without resolution. Those assertions are backed up by EJA member centre client experience and the input of community workers with whom we engaged for the 4R Women's Project.
56. Having visited Services Australia's telephone command centre, EJA is aware of the considerable efforts SA staff have undertaken to design systems to better manage call wait times given existing resources. Clearly, this is an area that requires additional resources, and in particular staffing.
57. Phone access can be vital for Age Pension recipients, noting many lack digital literacy and barriers to face-to-face services, including issues of mobility and distance.
58. It is vital the Older Australians line is adequately resourced to ensure calls are answered in a timely manner by staff who have enough training to answer the callers' query, including managing the multiple-screen-based system for storing client information. EJA supports expenditure to bolster staffing of Services Australia's call centres.
59. EJA is also aware Services Australia is trialing use of appointments for call-backs; a proposal that could be a game changer in terms of efficiency and customer satisfaction. Streamlining systems of contact with Services Australia will make reporting more timely, which in turn will save resources recovering overpayments.

→ **Recommendation 7:** That Services Australia increase call centre staffing to enable shorter call wait times.

→ **Recommendation 8:** That Services Australia pilot systems to enable phone appointments, ideally where customers can speak with staff who are experts in relevant subject matter.

Face-to-face servicing

- 60. The movement of human resources away from face-to-face servicing, while efficient for some, is creating significant barriers for those who do not have digital or phone options, particularly older people in vulnerable situations.
- 61. People are very frustrated when they visit a Service Centre only to be directed to use a 'self-service' computer terminal or telephone in a public waiting area.
- 62. Often, they have made considerable effort to get to the Service Centre and arrive with the expectation of human interaction and support. People typically find the experience disappointing, frustrating and sometimes distressing, because they believe they need to interact with a person to explain and resolve their issue.
- 63. For many Age Pension claimants/recipients, visiting a Service Centre includes managing poor health, restricted mobility, and/or frailty.
- 64. Service providers interviewed for EJA's 4R Women's Project expressed clear frustration that Service Centre staff would not just sit with them and/or their clients to address their queries. Referral to self-service computers denies the reality that many of those who make the effort to visit a Service Centre do so because they lack the capacity to digitally engage.
- 65. When people do not own their own computer, Services Australia staff may refer them to off-site computers. In many parts of Australia, it is not uncommon to see people attempting to complete interactions with Services Australia, without assistance, at their local library.

→ **Recommendation 9:** That Services Australia staff stop referring clients in Service Centres to computers without having a conversation to establish digital capacity. This includes Services Australia ensuring that either appropriate staffing is available to assist the person to navigate digital systems; or that referral to face-to-face assistance is available to complete claims.

- 66. EJA member centre clients also report their frustration that when they provide documents to Service Centre staff, for example an Age Pension claim or request for administrative review, they leave without evidence they have done so. Unfortunately, it is not uncommon for documents to go astray.
- 67. People should be given a receipt listing the documents they have provided, with the Customer Service Officer checking and advising them if there are documents outstanding during that point of contact.

→ **Recommendation 10:** That Services Australia introduce an onsite system confirming receipt of documents, with concurrent checking and notification about outstanding documents.

- 68. Design of the Centrelink office is critical, noting people are particularly concerned about lack of privacy.

Where I live, [Centrelink] is in the same office with Medicare ... So, you take a ticket and then you go and sit down with everyone for whatever they're there for and then it's all open. It's not even private. I saw a couple of people I knew, and I could hear what they were saying.

69. People with hearing or language difficulties can be harshly affected by a lack of private spaces. Where the environment is noisy or security screens are used, communication can be challenging if not impossible.

[When you ask for some privacy] they don't care. They see no issue with that. And now with your COVID screens, that's just made it even harder. And I've watched elderly ladies who come in and they're just trying to sort something out about change their address or something like that and they can't hear and the person then just starts yelling through the screen at them and it's like, are you [serious]? Have a little bit of respect for a human being. Yeah, I just think there's a lot to be done.

70. It is not uncommon for older people to experience poor outcomes after interacting with frontline staff, including staff providing unclear information and different staff providing conflicting information.
71. Many service providers interviewed for EJA's 4R Women's Project framed engagement with Service Centre staff as tiring and designed to make people give up. The consequences of negative interactions include people becoming frustrated, which can have a significant effect on mental health and exacerbate existing vulnerabilities.
72. Centrelink does have systems in place to support people who cannot engage effectively with junior front-line staff. This includes referral to a social worker, noting they are uniquely equipped to work with clients with complex needs to access correct payments, avoid debts and access appeal processes.
73. EJA welcomed the 2024 announcement that Services Australia would be recruiting 50 additional social workers in the 2024-25 year, consistent with recommendation 13.4 of the Robodebt Royal Commission to provide 'increased social worker support (for both recipients and staff), and better referral processes to enable this support'.

Written correspondence

74. EJA has been actively engaging with Services Australia for some time, working to improve the quality of Services Australia's written communications, and appreciates the continued consultation and ongoing improvements that are being made.

Debt letters

75. For a number of years, EJA has been providing input to Services Australia regarding the poor quality of debt letters. During that time, Services Australia staff have made considerable efforts to improve debt letters, however, most continue to include too little information to ensure a person can understand whether or not they have a debt. Debt

letters remain an issue of considerable concern and frustration for our member centre lawyers.

76. EJA's main ask is that letters notifying a person of a debt include enough information for the person to understand the reason for the alleged debt, including whether the information relied upon is accurate and whether they have previously notified SA of a change in circumstances that is not reflected.
77. Instead, our members report it is common for people to seek assistance without understanding what caused their debt, including attributing it to an incorrect cause. Despite the social security expertise of our member centre lawyers, they also regularly have to guess at the circumstances that may have led to a debt.
78. Common approaches to address this issue for clients include undertaking a Freedom of Information request to find more information about the debt and reason for raising it, or proceeding with an appeal to an Authorised Review Officer on the basis this will compel Services Australia to provide a written explanation of the debt.
79. Both processes are timely and require engagement of specialised Centrelink staff. If debt letters instead provided adequate explanation, neither of these approaches would be needed for information gathering and would be reserved for their intended purposes.
80. Where a person receives a notice of a debt, they should reasonably be able to understand why they have a debt without the need to call Services Australia for clarification. They should also be able to take the letter to a social security expert, support person, friend or family member, and reasonably expect that person to be able to understand from the letter why the debt has come about.
81. EJA is also concerned about the legality of current debt letters. EJA has previously advised DSS and SA of preliminary legal advice received in March 2024, and more specific legal advice obtained in August 2024, indicating many debt letters do not satisfy section 1229 of the *Social Security Act* (and relevant sections in related Acts).
82. Section 1229 of the *Social Security Act* sets out requirements for giving notice of a debt. Amongst other things, notices of debts must include the *reason* the debt was incurred, and an *explanation* of the circumstances that led to the debt. These requirements are mandatory and without discretion as to whether the statutorily required information is included.
83. Advice we have obtained indicates that currently many debt letters do not provide sufficient explanation of the circumstances that led to a debt; they do not help the recipient understand what has happened and why they have been overpaid. Further, many of the debt notices rely on umbrella or 'catch all' phrases – such as 'due to your circumstances' or 'your family circumstances' – which provide no real information to the person about their own specific circumstances.
84. EJA's view is that compliance with this provision requires the letters to include a genuine explanation which reasonably conveys the following:
 - Why the person has the debt
 - The information used in determining there is a debt
 - The information used in determining the amount of the debt

- Any relevant information the person could use to question the correctness of the debt
 - Any relevant information the person could use to seek a waiver of the debt
85. EJA's legal advice indicates non-compliance with this provision could render the letters legally ineffective, and could amount to a denial of procedural fairness. As above, the failure to include sufficient information prevents a person from understanding the debt. If a person is not provided information about the reason for the debt, that limits their ability to argue against its accuracy or to challenge their obligation to repay it. This is both significant and material.
86. There is legal authority for the fact this kind of error would render the letters void and of no effect. In *Prygodicz v Commonwealth of Australia (No 2)*,⁴ otherwise known as the Robodebt settlement decision, Justice Murphy expressly said he could not "see much force in the Commonwealth's contention that the *Social Security Act* indicates a legislative intent that a notice issued for the purpose of s 1229(1) of the *Social Security Act* will have legal effect even if the notice was issued ultra vires and unlawfully".⁵
87. The need to provide recipients with procedural fairness when raising debts is of paramount importance for government agencies, not least because of their obligations as model litigants. We raise the issue of procedural fairness here not just in the interests of our member centres' clients, but also in the interests of the Agency. A court or tribunal finding debt letters to be non-compliant and void is likely to call into question the legitimacy and recoverability of a vast number of Centrelink debts, both past and current. It is vital these letters are issued in compliance with the legislation.
88. EJA understands there are major IT systems constraints currently limiting changes to templates, resulting in limited space available on letter templates (and myGov screens), limited capacity to draw detailed information from the many different 'locations' where it is electronically stored, and limited capacity to include free text to personalise letters.
89. EJA's legal advice confirms our previously expressed position that the limits of a computer system are not a valid reason for debt notices failing to comply with express statutory obligations. Put simply, our advice is that a court would not find that to be a compelling argument.
90. EJA seeks Services Australia's urgent attention to provide a system whereby a genuine explanation of the recipient's circumstances leading to the debt is included in debt notices, ensuring compliance with all other legislative requirements.

- **Recommendation 11:** That Services Australia work to bring debt letters up to lawful standard.
- **Recommendation 12:** That Services Australia, as an interim measure, investigate the possibility of attaching a separate document to debt letters, which sets out the reasons for the person's debt and the circumstances leading to it.
- **Recommendation 13:** That the Government provide Services Australia with funds to re-develop its IT system so it is fit for purpose, enabling correspondence with social security

recipients that explains their social security entitlement, and in particular the reasons they have accrued an alleged debt.

Automated correspondence

91. EJA members continue to see clients who have received automated correspondence that is incorrect or misleading. Usually, such correspondence results from changes recorded in the person's record on Services Australia's IT system, which then triggers sending of a letter. This could be changes to income and assets, member of a couple status, or something else affecting their qualification or rate of payment.
92. Often a problem arises where multiple letters are triggered in a short period of time, perhaps due to multiple changes being made in sequence, or in an attempt to correct errors or resolve another issue. Multiple letters with conflicting information are then received by the person, often within days of each other (or on the same day given post timelines).
93. This creates confusion at best, and leads to issues with a person's payment at worst, particularly where the person has relied on the wrong letter. Consequences range from unnecessary time spent by customer service agents attempting to resolve the issue to engagement with the appeals system, which are time-consuming and expensive.

→ **Recommendation 14:** That Services Australia review current triggers for automated customer correspondence and institute safeguards on the sending of multiple letters in a short period of time, or the sending of incorrect letters.

Sending correspondence to Centrelink

94. EJA members continue to see Age Pension clients who have provided updates about income and assets by post. They receive no acknowledgement of receipt. In some instances, correspondence is not recorded or actioned – leading to debts at a later date. The reasons for inaction are unclear, whether the mail has gone to a wrong address or has not been received but not uploaded onto the IT system.
95. Community workers report clients' frustration that Services Australia no longer provides a clear postal address where correspondence can be sent. This issue is particularly important in remote and very remote areas where other means of access are unavailable.
96. This is a pressing issue for many older Australians who prefer to send documents by post than by any other method, noting electronic methods may be unavailable to them.

→ **Recommendation 15:** That Services Australia include options for customers to communicate via postal services where that is the most convenient or efficient means of communication.

Need for policy expertise, e.g. Separated under one Roof

97. As noted above, assessment of social security claims, ongoing eligibility and rate often requires a sophisticated understanding of relevant criteria, both financial and other.
98. A discretionary issue EJA members see quite often relates to member of a couple assessments for people claiming or receiving Age Pension.
99. Whether or not a person is a member of a couple determines their social security entitlement in two ways. Firstly, a single person can receive a higher fortnightly payment than a person who is a member of a couple because single rate of payment is more than half couple rate, based on the premise it is cheaper to live as a couple than as a single person. Secondly, if a person is a member of a couple, the income and assets of a person's partner will be taken into account and may reduce the person's rate of payment, including to a point where they are not entitled to any payment at all.
100. Section 4 of the *Social Security Act* outlines factors to be considered when determining whether a person is a member of a couple, noting consideration must be given to the following five factors:
 - the financial aspects of the relationship
 - the nature of the household
 - the social aspects of the relationship
 - any sexual relationship between the people
 - the nature of the people's commitment to each otherThese criteria do not operate as a checklist or balancing test as all relevant factors must be considered when a determination is being made.
101. EJA members regularly see Age Pension clients who have separated from their partner but remain in the same home, noting the Australian Institute of Family Studies reports that 'grey divorce' is on the rise, with couples separating after lengthy marriages or de facto relationships.
102. The *Social Security Guide* provides that a person may be considered 'separated under one roof' if there has been a genuine breakdown in a relationship, resulting in one or more parties having no intention to reconcile. The five factors listed above are used to establish whether separation has, in fact, occurred.
103. There are many factors that may result in a couple choosing to remain living together despite having separated. The *Social Security Guide* contemplates things such as the presence of family violence, cultural factors, and financial factors such as whether selling or divesting joint assets would be unduly burdensome. But overall, where the two people remain living together it can be difficult to prove the relationship has ended, especially in the absence of abuse.
104. Additionally, even where Age Pension recipients are accepted as living together after separation, this is often considered a temporary situation by Services Australia. Our member centres report that Services Australia undertakes periodic reviews of such arrangements, and may reverse the decision if a person has not changed residence.

105. 'Separated under one roof' assessments include an element of subjectivity given diverse arrangements within relationships. Assessment regarding people on Age Pension would benefit from decision-makers understanding factors influencing decisions by older people (for example, proximity to ongoing medical care), as well as social factors (such as the current housing affordability crisis).

Case study - Ron

Ron and his wife separated more than a decade ago. Despite being divorced, they remained in the same home because neither of them could secure alternative accommodation.

Ron and his ex-wife came to an arrangement. He 'signed over' the house to her on the condition that he could remain there until his death, although they did not have any formal documentation establishing the arrangement.

Renting close to his GP and other health providers would not have been affordable if he moved, even if he were able to secure the single rate of Age Pension. Ron had explained the situation to Centrelink on more than one occasion, asking to be treated as separated under one roof, yet he remained on the partnered rate of Age Pension for more than a decade.

Ron was managing a number of serious health conditions, but things really took a turn for the worse when Centrelink required his ex-wife's pay slips. She refused to provide them given they had been separated for more than a decade and she considered Ron's financial arrangements had nothing to do with her. Ron's Age Pension was cancelled.

Ron appealed the decision to a Services Australia Authorised Review Officer and lost. He then appealed to the Administrative Appeals Tribunal (now the Administrative Review Tribunal), where staff realised he was in dire straits - relying on his adult daughter for financial support while also facing homelessness. They referred him to an EJA member for specialist social security advice.

The EJA member casework invested significant effort into assisting Ron to gather evidence, also drafting a submission to the Tribunal arguing that Ron should be considered single for social security purposes and that his payment should be restored. They represented Ron at the hearing offering in-depth and continuous support throughout the process.

Ron was successful. He is now being paid the single rate of Age Pension and has been awarded a significant amount in back-pay, alleviating his financial distress.

- **Recommendation 16:** That Services Australia review policy and guidelines informing 'separated under one roof' decisions, ensuring the law is administered with due regard to the range of factors influencing older people to remain within the same premises as an ex-partner.

Abuse of Age Pension recipients

Elder Abuse

106. Centrelink should be a primary site for the detection and prevention of elder abuse, especially financial abuse given the significant portion of older Australians receiving Age Pension, and capacity of Centrelink staff to interact with customers regarding their financial and other arrangements.
107. EJA notes Services Australia has a webpage regarding 'Elder Safety' but suggests more could be done to train frontline staff about how to identify, engage with, and refer customers who may be experiencing elder abuse. EJA is unaware of a Services Australia policy or procedures specifically informing staff capacity to recognise and address elder abuse, but suggests such foundational guidance would be a pre-requisite to effective customers assistance and payment administration.
108. Training to identify and address elder abuse, including referrals, may be particularly relevant where Services Australia becomes aware of arrangements being made around 'gifting' or other transfer of assets, and entry into aged care. Training would need to occur for frontline staff and specialist officers dealing with complicated financial arrangements, such as complex assessment and FIS officers.
109. The outsourcing of social security administration into people's homes via technology has opened new avenues for family and domestic violence and elder abuse.
110. Technology-facilitated abuse in the context of Services Australia online systems is alarmingly prevalent. A particularly insidious practice involves abusers exploiting access to family members' or partners' myGov accounts to take out advance payments (colloquially known as 'Centrelink loans') in their name and without their consent.

We see a lot of people's Centrelink loans being taken out in people's names using myGov. It happens a lot, the financial abuse, it is a huge problem, and the tech-facilitated abuse, and Centrelink seems oblivious to it.

111. When a person's funds are paid into another person's account through such deception, there is no system whereby Services Australia can pay the equivalent sum into the person's account, even when the facts are clear. That leaves people in dire financial straits.
- **Recommendation 17:** That Services Australia review systems and take action to minimise technology-facilitated abuse whereby funds are stolen from the intended recipient.
- **Recommendation 18:** That Services Australia and Department of Social Services investigate means to recover funds lost through technology-facilitated abuse, assisted family violence or elder abuse, and how to reimburse the intended recipient for funds lost.

Nominees

112. Social security law allows a recipient to formally nominate another person to act as their nominee, allowing the nominee to enquire, update, receive information and/or act on the Centrelink recipient's behalf in relation to their social security payments. Nominee arrangements are invaluable for many who are not able to manage engagement with Centrelink, but can sometimes be used to perpetrate financial abuse.
113. EJA members assist clients where their nominee has changed payment details and arrangements, diverting the client's Centrelink payment into their own bank account, which has left the client unable to afford even basic necessities and/or facing eviction.
114. EJA is also aware of cases where a person has been left with a debt as the result of nominee arrangements, when misreporting has occurred without any attention to cause the person harm.

Case study - Rina

Rina's husband Mal worked while she looked after their children and the family home until Mal was seriously injured in an accident. When it became clear that Mal's injuries precluded any return to work, he claimed Disability Support Pension (DSP), and Rina claimed Carer Payment as Mal required constant care as a result of his physical disability.

Ron continued to manage their finances as he had always done, which now included acting as Rina's nominee with Centrelink. Some 10 years later, both Rina and Mal qualified for Age Pension, which they were both paid at the couple rate until Mal's death.

After decades of delegating finances to Mal, Rina had a very low level of financial literacy and almost no experience of interaction with Centrelink, but realised she would now have to manage her Age Pension arrangements with Centrelink. That's when she realised something was wrong. Mal had not reported to Centrelink a second property that he had owned. Centrelink raised debts against both Rina and her late husband, pursuing Rina for both. The debt covered the period during which they were paid DSP, Carer Payment and Age Pension.

Rina says there was never any financial abuse or coercive control but could not understand why the nominee process allowed her husband to assume full control of the reporting of her affairs, with no checking or oversight from Centrelink as to whether she, as the person receiving the benefits, was being told the correct information by the nominee or whether the nominee arrangement was even appropriate in the first place.

115. Payment nominee applications are able to be completed online via the 'myGov' website, in person at a Centrelink service centre, or by post or fax. On approval of a payment nominee application, Centrelink sends letters to the principal and nominee confirming the nominee appointment. This may not be enough to safeguard a principal against coercion or fraud, especially where the payment nominee applicant is also the person's correspondence nominee.
 116. EJA seeks the attention of both the Department of Social Security and Services Australia to identify areas of policy and procedural reform to require additional checkpoints to ensure nominee arrangements are being used only in the best interests of the recipient.
 117. An example of a possible checkpoint would be requiring confirmation from the social security recipient when a nominee endeavours to make significant changes to a recipient's payment, such as specifying a new bank account or Centrepay arrangements.
- **Recommendation 19:** That Centrelink staff, wherever possible, speak directly to persons of Age Pension age who are entering into arrangements with others concerning their social security payments.

Professional Nominees

118. As well as more traditional nominee arrangements where a family member or friend assists a person to manage their social security reporting obligations and other contact with Centrelink, there are commercial businesses which provide such services for a fee. EJA notes the viability of these services suggests there is much work to be done in making the Age Pension system more accessible and easier to understand.
 119. Unfortunately, some commercial services take financial advantage of older people wishing to claim/retain Age Pension, or fail to undertake their service efficiently, leaving a claimant/recipient worse off due to the services not being as expert as they claim.
 120. In the case of the latter, EJA member centres report such services do not always do what they say they will. In some cases, a service becomes a person's nominee then fails to action correspondence, leading to payment suspensions, cancellations, and other issues. Importantly, in many cases the person remains entitled to payment throughout the relevant period, and the correspondence not actioned was a simple request to update details. Had the person or service responded in a timely manner (or at all), the person's payment would have continued uninterrupted.
- **Recommendation 20:** That Services Australia monitor engagement with Age Pension management services to ensure they are providing services in an accessible and useful way, alerting customers where they have area for concern and taking action to prevent abuse where possible.
- **Recommendation 21:** That Services Australia review policy and guidelines relating to payment cancellation in the case of non-response to correspondence, particularly where the person is on Age Pension or Disability Support Pension; is using a Pension

Management Service; and/or there is no evidence to suggest the person lacks entitlement to their payment

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