



Submission to the Australian National Audit Office
for its audit of the administration of the age pension
24 January 2024

Overview

The Affiliation of Australian Women's Action Alliances (AAWAA) welcomes this invitation to provide input to the ANAO's forthcoming performance audit of the administration of the age pension. AAWAA is a peak body that represents women's action alliances based in each state and territory. We advocate for the protection and advancement of women and girls especially where we are vulnerable on the basis of our sex.

Women constitute a vulnerable category when it comes to the administration and provision of the age pension in Australia. The links between systemic economic and social disadvantage experienced by women over the course of our lifetimes underscores the need for administrative processes that are sensitive to the contexts and challenges faced by women needing to access the age pension. This submission focusses on the lived experience of women seeking financial security through this, one of the pillars of Australia's social support system for older Australians. Our inputs are based on what is commonly known and accepted in research relating to the female lifecourse as well as reports provided directly to us by individual women.

Women's context is the nation's challenge

Australia is a high-income country with historically well-developed social service systems. Nevertheless, challenges remain in a system designed around full-time, adult lifetime employment; these challenges can be seen in the factors that combine to leave women disproportionately dependent on public support in retirement in comparison to men. Chief among these are women's lower life-time earnings and more varied patterns of lifetime employment along with generally lower incomes; our disproportionate caregiving responsibilities (undergirded by cultural patterns of familial labour and family duties); and our more complex healthcare needs and longer lifespans.

Female recipients (or potential recipients) of the age pension therefore must navigate bureaucratically complex systems that often account poorly for women's life circumstances. Women living in poverty and those from lower educational backgrounds face additional challenges, including having less access to administrative assistance, skills, and knowledge about processes. But for all female recipients of the age pension, the daily stressors caused by financial insecurity impacts the time and energy available to figure out the administrative requirements, intricacies, and peculiarities of the age pension. This places an undue burden on women at a time in our lives when we become exposed to the possibility of needing welfare support in old age.

The result is that women experience specific and disproportionate effects – from administrative burdens to emotional tolls to financial strains. Below is a range of case studies that outline the experiences that women have reported to us when navigating the age pension’s administration systems.

Lessons from lived experiences: navigating system and systemic challenges

The central problem of the calculation of the means-tested care fee and its interaction with the age pension is demonstrated by June’s¹ experience:

Prolonged administrative saga due to care fee calculations

June and her husband were living separate, independent lives when his health began to decline. In 2006, they decided to move into a retirement village so she could assist him. June retained her full age pension under ‘single’ status, allowing her to maintain her financial independence and dignity. June has now been a part or full age pension recipient for over 20 years.

June encountered significant administrative difficulties with Services Australia following her husband’s move to residential care in 2020. Although she was separated from her husband, and while her life changes had previously been accommodated without issue, her experience with the calculation of the means-tested care fee became a protracted ordeal. Despite fulfilling initial requirements and submitting the necessary multi-page form detailing their combined income and assets, June faced repeated requests for the same information. This caused delays in subsidies being applied, which affected their ability to cover care fees. Numerous communications with Services Australia, including calls, visits, and letters, revealed poor coordination among staff, as each interaction appeared to address isolated aspects of her case rather than formulating a cohesive resolution. Errors persisted even in final adjustments – incorrect subsidy start dates and misdirected letters, for example – that took nearly two years to resolve fully.

Kaye, too, encountered problems with the administration of the age pension when it interacted with the death of her husband and her resulting changed circumstances:

Overpayment, repayment, financial hardship, and anxiety after husband’s death

After her husband’s death in late 2023, Kaye’s experience with Services Australia became deeply distressing. While Kaye initially received assurances of an increased pension due to her change in marital status to single, discrepancies arose regarding her receipt of part of her late husband’s superannuation. Kaye was informed, after several months, of a previously overlooked review of her pension file that revealed no proper records of her superannuation income. This oversight had resulted in an overpayment of \$13,500, which she was subsequently required to repay. Kaye was placed under considerable emotional and financial strain due to an unexpected debt – compounded by a subsequent \$700 fortnightly reduction in her part pension. She continues to await formal instructions for repayment. Delays in communication from Services Australia have left this issue unresolved.

¹ Names have been changed

Paula's challenges with the administration of the age pension were experienced at the point of initial application:

Challenges due to name changes and residency proofs

Paula has been on the age pension for a decade, but she faced a lengthy and complex process while applying for the aged pension. Having undergone multiple name changes and requiring proof of her time in Australia after years spent in the UK, she found the online application process unmanageable. Her efforts to progress the matter via phone calls yielded little success, and finally Paula had to make a three-hour round trip to a regional centre to meet with an official in person. These face-to-face interactions proved more effective, as staff demonstrated patience, humour, and system expertise. Despite the frustrations of navigating a cumbersome process, Paula describes her overall experience as positive, thanks to the helpfulness of in-person staff.

Failures in administration whether they be human or automated have significant consequences. Applicants can be expected to undertake significant labour simply to access legitimate welfare support, as demonstrated by Cynthia's experience:

Delays and lack of support during application process

When applying for the aged pension, Cynthia experienced significant delays, waiting six months for approval. Despite numerous interactions with Centrelink, Cynthia found staff unhelpful and ineffectual in resolving her case. It was only after repeated efforts, which included contacting her federal MP, that progress was made. Cynthia received a phone call from a Centrelink staff member admitting that they had forgotten to contact her sooner. In addition, during this prolonged process Cynthia was asked questions she found to be intrusive – how she had spent her savings, being one example – while awaiting approval.

Navigating the complexities of government systems can be a daunting task, particularly for older women who rely on accurate information to make critical life decisions. Gail's experience with Centrelink highlights the profound consequences of inconsistent advice, leaving her financially and emotionally strained during a pivotal transition in her life:

Conflicting advice, lasting consequences

Gail sold her family home in order to move into a granny flat within her relatives' home. She received conflicting and inconsistent advice from Centrelink throughout the entire process, which negatively impacted her age pension. The frustration lay in the fact that, at each consultation with a Centrelink advisor, there was certainty from the help desk but when the issue progressed further up the line a conflicting opinion was given. Gail's relative said that while they expected low-level errors to occur within large institutions, the very real impact of providing incorrect and inconsistent advice to women such as Gail – who are attempting to navigate her senior years – can have disastrous ramifications for their finances, health, and wellbeing.

Many age pension recipients have complex residency histories. Andrea's case shows that although she had an overall positive experience with her application she still encountered difficulties:

Difficulties assessing residency status

Andrea found the process of applying for her aged pension relatively straightforward but chose to visit the Centrelink office in a regional centre to address anticipated queries. The operator who assisted with her application encountered difficulties understanding Andrea's permanent residency status and sought help from another customer service officer. This confusion arose because Andrea was born in Germany within the British Army of the Rhine (B.A.O.R.), making her a British citizen, and had arrived in Australia before 1973, granting her automatic residency.

Applicants and recipients of the age pension are unlikely, of course, to encounter only one kind of problem in their interactions with Services Australia. Kelly's case shows how over the course of her engagement with the age pension she has had to deal with multiple issues multiple times:

Multiple challenges: Kelly's experience with delays, miscommunication, and documentation hurdles

Kelly has been eligible for and receiving the age pension for seven years. After purchasing a house using her self-managed superannuation fund (SMSF) last year, Kelly made an appointment in person with Centrelink. She brought all relevant documentation, including records of the completed super fund transfer to the home seller and the details of her new home ownership. During the appointment, the Centrelink staff member informed Kelly that additional documentation from her super fund would be required to confirm the information she had already provided. Kelly promptly obtained the requested additional information, which essentially repeated her previous submissions, and scheduled a second appointment at Centrelink. At this follow-up appointment, she met with a different staff member who informed her that the further documentation was not necessary. Fortunately, this final appointment was successful, with all issues resolved efficiently and no further contact required.

In the first five years of receiving the Age Pension, Kelly's superannuation agent routinely submitted the required annual statement of her super balance to Centrelink online. In the fourth year, her agent sent the statement as usual in December; however, over the Christmas period, Centrelink rejected the statement without notifying either Kelly or her agent. By the end of January, Kelly received a notification via MyGov informing her that her pension had been cancelled because the December super balance statement had not been received. With her super agent still on holiday, Kelly visited her local Centrelink office and requested an immediate appointment due to the urgent nature of the matter. She was told that she now needed to bring the annual super balance information to Centrelink in person. Kelly acted quickly, providing the necessary information as soon as her super agent returned from leave. Her pension payments resumed three months later with partial backdating, though not for the full amount owed.

Whenever Kelly chose to apply for the Age Pension online, provide further information online, or amend her details online, she found the most effective strategy was to visit a Centrelink office in person in order to use their public computers. These computers provided her with access to free printers and scanners, and Kelly benefited from the in-person assistance of Centrelink staff, who had expertise in navigating the complexities of the Centrelink computer system. From Kelly's observations, any and all interactions with Centrelink are most effective when conducted in person. Kelly says that Centrelink's

1300 numbers are rarely answered promptly, often requiring waits of 30 to 60 minutes or longer.

Other cases, however, may suggest that established familiarity with Services Australia's online systems can facilitate smoother interactions for clients. For Ros, the process of claiming the aged pension was relatively straightforward. Having already reached age 67 and possessing a MyGov reference number due to previous interactions with the system (related to her children's youth allowance), she encountered minimal challenges. The difficulty with this, however, is that it suggests that the system is designed around a series of normative presumptions and expectations about the type of person who will apply for an age pension and the experience they will bring to the application process.

System navigation issues and the need for face-to-face support

A recurring theme among pension applicants and recipients, as voiced by women in these case studies, is the difficulty of navigating Services Australia's online systems. It is clear that problems can occur with the access to the pension regardless of the years a recipient has spent as a pensioner, and it is also clear that automated access through online portals, as well as generalised assumptions, make exceptions and modifications difficult to navigate. For many, these systems are not intuitive, and difficulties are compounded by complex, 'non-standard' case details. Many women have found face-to-face support essential for resolving problems effectively – another major theme to emerge from our study.

This raises concerns regarding how further automation (through, for example, the use of AI) will impact 'non-standard' pension applicants and clients, namely, women. Personalised, individualised engagement that regards the whole person is not only ethical, it is more efficient; depersonalised, automated, burdensome systems are ultimately less efficient, less effective, and lose sight of the woman at the centre of the process.

Our case studies ultimately therefore point to common problems with the administration of the age pension:

- Inefficiency and lack of coordination within Services Australia, resulting in undue stress and a sense of administrative neglect for the client.
- Emotional and financial impact of administrative errors and the lack of timely, accurate information and support, especially for widowed female recipients.
- Inability to account for female applicants' typically complex life circumstances and convoluted case histories.
- Inadequacies in the support system for applicants and the bureaucratic barriers faced by women in financial need during the application process.

Understanding and addressing the challenges of women's eligibility for the age pension

Assessing women's eligibility for the age pension already poses unique challenges for Services Australia, as outlined above – but complicating the process are low superannuation balances, interrupted work histories, housing insecurity, and assets spread across different accounts. These factors make it harder to accurately assess women's financial circumstances and can result in under-reporting or misunderstanding of a woman's eligibility – both by the recipient herself or by the Services Australia representative(s) attempting to assess her application.

Providing tailored support services with a single, dedicated, properly trained, and properly resourced case officer would make the system more accessible and equitable for women with complex case histories. This would assist all women applying for the age pension, but would assist particularly those from disadvantaged backgrounds or from regional areas, who may lack the digital literacy to easily navigate Services Australia's online platforms, and/or who may also lack reliable and convenient access to those platforms. Expanding in-person support options – such as telephone assistance, outreach programs, or dedicated services for older women in rural areas – would address these barriers and improve equity in access. Services Australia must also retain sufficient in-office staff to address the needs of women who struggle with digital platforms or who need a single person who can listen and accurately channel inquiries to the correct place.

Ensuring fairness in women's ongoing eligibility for the age pension

Ongoing eligibility reviews are, of course, necessary for ensuring the integrity of the age pension in Australia, but these reviews must balance efficiency with the ethical and respectful treatment of recipients. Frequent reviews for low-risk recipients create unnecessary administrative burdens and stress, reducing overall efficiency. Women, especially those with fluctuating incomes or with caregiving responsibilities, may find these reviews disproportionately difficult and time-consuming. Income fluctuations or changes in asset levels – common among women who are, or who find themselves, single – can lead to overpayments or underpayments, causing financial and psychological distress.

The review process, which often requires recipients to provide extensive documentation, may be particularly burdensome for women on limited incomes, or who lack financial and/or digital literacy, or whose male partners may have controlled the couple's finances until now. Delays in reporting income changes can result in penalties or prolonged uncertainty and Services Australia could consider streamlining the review process for women, focusing on flexibility and reducing administrative burdens.

Providing financial literacy resources and guidance specifically aimed at women would help them navigate reviews and to manage their assets and income more accurately and would seem an obvious suggestion. But even better would be providing a small case management team that could develop a holistic understanding of a woman's situation. Such a team would include an eligibility assessment officer, an accountant who would correctly calculate a woman's financial situation, and an ongoing case manager who would assist the woman with her application and deal with any complications that might arise during her time on the age pension. Personalised approaches will improve the effectiveness, efficiency, and ethical delivery of the age pension to Australian women, saving time, money, and resources, and preserving the dignity of recipients as they attempt to access this vital social safety net.

Conclusion

The administration of the age pension must address the systemic disadvantage faced by Australian women across our life course. Whilst no mechanism for service delivery will ever be able to account for all possible permutations of circumstance, Services Australia has an opportunity, through this audit, to identify commonalities and complexities in women's lives as we age. We thank the ANAO for this invitation to comment, and we commend our concerns to your trust.