



Australian Government

**Department of Families, Housing,
Community Services and Indigenous Affairs**

Mr James Catchpole
Committee Secretary
Joint Standing Committee on Treaties
Parliament House
Canberra ACT 2600

Dear Mr Catchpole

Social Security Agreements – Implementation information

I refer to the Committee hearing of 12 September 2011 concerning the tabling of the treaty for the proposed Agreement between Australia and the Republic of Hungary on Social Security.

At the hearing, the Acting Chair, Senator Birmingham, asked for:

“a briefing to the committee about the challenges that the department and government have faced in implementing, in particular, the agreement with Greece, but also any similar agreements, especially with the European countries, and some of that data you alluded to regarding numbers of applications received. Perhaps you could provide some detail about the timeliness of its handling and what lessons the department has learned that it will be applying in regard to future agreements to try to ensure a more seamless conduct and handling of such applications.”

Our most recently implemented agreements are with the Finland, Poland, the former Yugoslav Republic of Macedonia and the Czech Republic, and these started on 1 July 2009, 1 October 2010, 1 April 2011 and 1 July 2011 respectively. Attached is a table which summarises claim numbers for each of these and Greece.

The main challenge faced in the implementation of Agreements is the relatively slow initial start-up phase due to high numbers of applications and a lag between issue of claims and completion of applications. The latter reflects that documents relating to proof of identity and past work history or residence may not be readily found and archival searches may need to be conducted. Beyond the initial start up phase the processing of claims normally takes around six months.

Uniquely the processing of claims for Greek pensions is taking much longer than normal reflecting the large number of claims, the current economic crisis that has led to severe constraints on resources and the intensive manual checking processes involved in determining eligibility for each claim. Determination of eligibility relies on the possession of specific documentation, such as work books or contribution records that may be decades old and are either lost or difficult for individuals to locate. Centrelink maintains close contact with their Greek counterparts in an effort to overcome obstacles where possible.

Another challenge is providing information to affected pensioners as English language skills may be a barrier to understanding their responsibility to claim a foreign pension and that claiming is in their interest and will increase their disposable income. Liaising with relevant community groups, Centrelink's multi-lingual call centre and public information sessions help overcome some of these barriers.

In terms of improving the handling of applications in future agreements the key lessons are that there needs to be close co-operation between the relevant institutions in Australia and the other country before as well as after implementation. Detailed administrative discussions are essential to understanding mutual processing requirements and identifying ways to streamline these wherever possible. In addition it is important to clearly communicate expectations and benefits of the Agreement to Centrelink customers and where possible to work with migrant community groups to this end.

This Department will continue to work closely with the Department of Human Services (Centrelink) in trying to anticipate and manage potential areas of concern. Public information sessions have been and will be organised where there is demand for them and letters and other information products are constantly reviewed in the light of feedback.

Yours sincerely

Michalina Stawyskyj
Branch Manager
International Branch

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INTERNATIONAL SOCIAL SECURITY AGREEMENTS

AGREEMENT	START DATE	FOREIGN CLAIMS		FOREIGN CLAIMS TO BE PROCESSED	AUSTRALIAN CLAIMS		AUSTRALIAN CLAIMS TO BE PROCESSED
		GRANTED	REJECTED		GRANTED	REJECTED	
CZECH REPUBLIC	1/07/2011	58	1	280	3	0	1
FYROM	1/04/2011	137	9	1,827	82	60	445
POLAND	1/10/2010	1,371	585	4,824	71	10	10
FINLAND	1/07/2009	1,057	Not Available	509	143	Not Available	0
GREECE	1/10/2008	2,216	1,432	15,267	5,972	2,185	454

All data is latest available from Centrelink at September 2011 – dates for individual countries vary slightly