



# **Centrepay Policy and Terms**

# Contents

Meaning of words and terms used .....	3
The Centrepay framework .....	4
Purpose of this document.....	4
<b>Centrepay Policy</b> .....	<b>5</b>
1. What is Centrepay? .....	5
2. Centrepay’s objective .....	5
3. What can be paid for using Centrepay .....	5
4. What can’t be paid for using Centrepay? .....	7
5. Eligibility criteria for Businesses .....	8
7. Outcomes of an application.....	10
8. Using Centrelink Business Online Service (CBOS).....	10
9. Business obligations.....	11
10. How Customers provide a Deduction Authority .....	12
11. Receiving payments through Centrepay .....	12
12. Order of deductions from Customer payments .....	14
13. Transaction fees associated with Centrepay .....	14
14. Additional requirements for credit activities in relation to household goods and services .....	15
15. Changes to Business structure.....	15
16. Centrepay assurance .....	16
17. Compliance audits .....	16
18. Agency’s responses to non-compliance or concerns .....	17
19. Withdrawal or suspension of approval for a Business to use Centrepay.....	18
20. Privacy requirements.....	19
21. Internal review of Agency decisions .....	19
22. Complaints, feedback and external review .....	20
<b>Centrepay Terms</b> .....	<b>21</b>
1. Purpose of this document .....	21
2. Information disclosed by the Agency .....	21
3. Conduct with Customers .....	22
4. Fees.....	22
5. Treatment of payments .....	22
6. Intellectual property .....	22
7. Variation .....	23
8. Indemnity.....	23
9. Governing law.....	23

The latest version of this policy and supporting documentation is at [servicesaustralia.gov.au/centrepaybusiness](https://servicesaustralia.gov.au/centrepaybusiness)

## Meaning of words and terms used

In the Centrepay framework documents, capitalised words and terms have the following meaning:

**Agency** – Services Australia. Services Australia is an Australian Government agency.

**Arrears** – an amount payable by a Customer in respect of a good or service where the Customer is behind in their payments. Arrears payments can only be collected through Centrepay while the Customer is an ongoing customer of the Business.

**Business** – an individual or organisation capable of contracting with the Agency and provides goods and/or services to Customers.

**Business Day** – a day that is not a Saturday, Sunday or public holiday in the State or Territory used by the Business as its principal place of business.

**Business Representative** – any officer, employee, contractor, subcontractor, court appointed representative (for example a bankruptcy trustee or a liquidator) of the Business.

**Centrelink Business Online Service (or CBOS)** – the secure online service provided by the Agency by which a Business manages its Centrepay activities.

**Centrepay Framework** – the framework set out below under the title ‘The Centrepay framework’.

**Change in Control** – in relation to a Business means any circumstance in which a new organisation or individual (or organisations or individuals) obtain the capacity to determine the outcome of decisions about the operating policies and practices of the Business.

**Customer** – a person who receives a Centrelink welfare payment.

**Customer Reference Number (or CRN)** – the number given by the Agency to identify both Customer and Business records.

**Customer Representative** – a person or organisation authorised by the Customer, or by law, to represent the Customer or manage the Customer’s affairs.

**Deduction** – an amount of money taken from a Customer’s welfare payment by the Agency, and paid to a Business for goods or services provided to a Customer.

**Deduction Authority** – the consent and instruction from a Customer or a Customer Representative to make a Deduction.

**Overpayment** – any amount deducted from a welfare payment in error or wrongfully, including, without limitation, an amount paid to a Business:

- a. that exceeds the amount of money reasonably needed to pay a future bill
- b. that is more than the amount the Business should have received in payment for goods or services
- c. where goods and services will not be supplied to a Customer, or
- d. that is not permitted under the Policy, Terms, Procedural Guide or any additional terms applicable to the Business, including a Deduction paid to a Business:
  - i. that was not authorised by the Customer, or
  - ii. after the cancellation or suspension of the relevant Deduction Authority.

**Policy** – the part of this document titled ‘Centrepay Policy’.

**Procedural Guide** – the document titled ‘Centrepay Procedural Guide for Businesses’.

**Regulatory Bodies** – any public authority or government agency responsible for overseeing the operation of a Business.

**Terms** – the part of this document titled ‘Centrepay Terms’.

In this document, references to 'approval to use Centrepay' means:

- a. approval of the Business by the Agency to offer Centrepay to its Customers as a payment option, and
- b. approval of authorised individuals within the Business by the Agency to access Centrepay online services available through CBOS.

## The Centrepay framework

The Centrepay framework consists of:

- a. any additional conditions imposed on a Business's approval for Centrepay
- b. an approval letter, approving a Business to use Centrepay, which may contain conditions relating to that approval
- c. the Policy
- d. the Terms
- e. the Procedural Guide
- f. the Deduction Authority, and
- g. the Centrepay Business Application.

To the extent of any inconsistency between these documents, the documents will take precedence in the order outlined above. These documents, excluding the approval letter, may be changed at any time.

More information about Centrepay is available on the Agency's website at [servicessaustralia.gov.au/centrepaybusiness](https://servicessaustralia.gov.au/centrepaybusiness)

**All approved Businesses are responsible for keeping up to date with any variations to the Centrepay Framework. If a Business has concerns about any aspect of the Centrepay Framework, it should contact the Agency to discuss or cease using Centrepay.**

## Purpose of this document

This document is intended to provide clear information about the Centrepay Framework and how Centrepay works. It details the Policy and Terms that apply to the use of Centrepay.

The Policy sets out:

- a. what a Business should consider before applying to use Centrepay
- b. the eligibility criteria that a Business must meet to use Centrepay
- c. the requirements for any Business approved to use Centrepay
- d. how a Customer may authorise Deductions
- e. the types of goods or services that can and cannot be paid for with Centrepay
- f. assurance and compliance actions the Agency may take in respect of Centrepay
- g. circumstances in which the Agency will suspend or withdraw its approval for a Business to use Centrepay, and
- h. the process for reviewing decisions made by the Agency.

The Terms set out the conditions under which the Agency agrees to make Centrepay available to Businesses.

# CentrePAY Policy

## 1. What is CentrePAY?

- 1.1 CentrePAY is a voluntary bill-paying service that is free for Centrelink Customers. Through CentrePAY, a Customer can authorise the Agency to deduct regular amounts from their welfare payments to pay their bills to an approved Business.
- 1.2 Deductions are made before any balance of the welfare payment is deposited in the Customer's nominated bank account.
- 1.3 The Agency does not guarantee that any payments will be made to a Business through CentrePAY. Any payment to a Business is dependent on there being available funds to make Deductions. Where there are insufficient funds available to make a Deduction in full, a partial Deduction will be made.
- 1.4 The Agency considers the needs of Customers when determining how to administer and operate CentrePAY.
- 1.5 Nothing in the Policy or Terms limits the ability of the Agency to administer CentrePAY in a manner consistent with the Agency's priorities [servicesaustralia.gov.au/corporateplan](https://servicesaustralia.gov.au/corporateplan)

## 2. CentrePAY's objective

- 2.1 The objective of CentrePAY is to assist Customers in managing expenses that are consistent with the purposes of welfare payments, and reducing financial risk, by providing a facility to have regular Deductions made from their welfare payments.

## 3. What can be paid for using CentrePAY

- 3.1 Deductions can be made for goods or services that are:
  - a. consistent with CentrePAY's objective as described above
  - b. a category of goods and services included in Table 1 below, and
  - c. not excluded in Table 2 below.
- 3.2 The Agency has approved certain broad categories of goods and services, and within each category there are specific service reasons that the Agency considers are eligible for CentrePAY Deductions.
- 3.3 The broad categories of these goods and services are described in Table 1. Businesses should refer to the Procedural Guide for the detailed service reasons within each broad category.
- 3.4 The Agency may also consider approving Deductions for goods and services that do not fall into the established categories described in Table 1. In these circumstances, a Business may contact the Agency to discuss its goods or services before making an application for CentrePAY.
- 3.5 A Business may not use CentrePAY to claim a Deduction for a service reason for which it is not approved.

**Table 1: Categories of goods and services eligible for Centrepay Deductions**

Category	Description
Accommodation <sup>1</sup>	Residential accommodation including rent, board and bond
Education and Employment	Education and childcare provided by registered providers and employment related expenses
Financial Products	Low or special interest loans, insurance premiums, deposits paid to savings programmes
Health	Costs and expenses associated with medical equipment and services
Household	Purchase of basic household items and food. Lease/hire/rent-to-buy of household goods regulated under the <i>National Consumer Credit Protection Act 2009</i> (Cth)
Legal and Professional Services	Expenses associated with legal and other professional matters
Social and Recreational	Expenses related to community, social and recreational participation
Travel and Transport	On road vehicle expenses, general transportation and furniture removal and storage
Utilities	Private, State and Territory government utilities and local council services

---

<sup>1</sup> This category does not include public housing. For public housing refer to the Agency's Rent Deduction Scheme.

#### 4. What can't be paid for using Centrepay?

In keeping with the objective of Centrepay, a Business is prohibited from claiming a Deduction for the following goods, services and payment arrangements:

**Table 2: Categories of goods, services and payment arrangements excluded for Centrepay Deductions**

Category	Description
Accommodation	Any expense relating to recreational use of accommodation.
Brokers	Payments to a broker or intermediary who: <ul style="list-style-type: none"> <li>• does not provide approved goods or services to Customers, and</li> <li>• receives commissions, volume based remuneration or any other financial benefit</li> </ul>
Excluded Products	<ul style="list-style-type: none"> <li>• alcohol</li> <li>• tobacco products</li> <li>• pornographic material</li> <li>• gambling products or services</li> <li>• gift cards and vouchers</li> <li>• homebrew products</li> <li>• firearms, accessories and ammunition</li> <li>• photographic services</li> </ul>
Financial Products	<ul style="list-style-type: none"> <li>• short-term loan repayments to cash lenders, payday lenders or pawnbrokers</li> <li>• credit card payments and fees</li> <li>• debt collection agencies, debt collection negotiators and any other arrangement that charges a fee for debt collection services</li> </ul>
Hampers	Lay-by or instalments through payment plan arrangements, where the Business primarily trades in hamper style goods and services
Household Goods Rental or Consumer Leases	Rental, hire or lease payments for goods, where the consumer lease is not regulated under the <i>National Consumer Credit Protection Act 2009</i> (Cth)
Insurance	<ul style="list-style-type: none"> <li>• income protection insurance</li> <li>• funeral insurance plans</li> <li>• life insurance</li> <li>• any other product where the Customer has to continue making payments until the death of a nominated person to receive benefits</li> </ul>
Travel and Transport	<ul style="list-style-type: none"> <li>• vehicle leasing payments and expenses</li> <li>• payments for taxi services or hire cars</li> </ul>

Category	Description
Other	<p>Any goods, services or payment arrangements that, in the Agency's view:</p> <ul style="list-style-type: none"> <li>• have significant potential for high cost but low value goods or services</li> <li>• are unsolicited goods or services within the meaning of the Australian Consumer Law</li> <li>• contain unfair contract terms within the meaning of the Australian Consumer Law</li> <li>• expose Customers to unacceptable risks of financial stress or exploitation</li> <li>• are for goods or services that are no longer received by the Customer</li> <li>• are for goods or services unlikely to be received by the Customer within a reasonable period of time after payment in accordance with the terms applicable to the relevant goods or services</li> </ul>

## 5. Eligibility criteria for Businesses

- 5.1 To be eligible to be approved and remain approved for Centrepay, a Business must meet all of the following essential criteria:
- a. be capable of contracting with the Agency
  - b. have an Australian Business Number (unless the Business is a private landlord) or, if the Business is a company, an Australian Company Number
  - c. provide a good or service that is eligible in accordance with section 3
  - d. provide its goods or services to Customers in Australia and have a place of business in Australia
  - e. represent and warrant that the Business has adequate administrative arrangements, processes, documentation, and systems in place to support its agreements with Customers and participation in Centrepay in accordance with the Policy and Terms
  - f. represent and warrant that the Business and all Business Representatives comply with all applicable Australian laws, including without limitation:
    - i. consumer protection laws
    - ii. registration laws
    - iii. taxation laws
    - iv. financial and credit laws
    - v. privacy laws
    - vi. requirements for registration and industry regulation, and
    - vii. licensing or accreditation in relation to its operations
  - g. represent and warrant that the Business's terms and contracts with Customers do not contain any provisions that would be inconsistent with unfair contract terms under the Australian Consumer Law
  - h. have a complaint handling procedure to resolve complaints by Customers, and, if there is an external dispute resolution scheme for the Business's industry, be a member of that scheme if participation is required



- i. have at least one viable payment method for Customers to pay for goods or services in addition to Centrepay
- j. agree to comply with the Centrepay Framework
- k. not be insolvent or bankrupt or enters into any process preparatory to being declared insolvent or bankrupt
- l. only use Centrepay to collect Deductions for the service reason that it is approved for, and
- m. be, and continue to be, trading and operating.

5.2 Meeting the essential criteria above does not entitle a Business to be approved or remain approved. In addition to the essential criteria, the Agency retains the discretion to not approve, or to withdraw or suspend the approval of a Business if, in the Agency's opinion, any of the following apply:

- a. the Business (or its Business Representative) has not conducted, or is unlikely to conduct, its operations in a lawful manner
- b. the Business (or its Business Representative) has conducted, or may potentially conduct, its operations in a manner that is unethical, inconsistent with the Centrepay objective or takes unfair advantage of Customers
- c. the Business (or its Business Representative) fails to, or is unlikely to, fully comply with the Centrepay Framework
- d. making payments to the Business through Centrepay would adversely affect the reputation of the Agency or the Australian Government
- e. the Business (or its Business Representative):
  - i. is under investigation by a Regulatory Body or law enforcement agency
  - ii. is, following an investigation, the subject of adverse findings by a Regulatory Body or law enforcement agency, or
  - iii. has had enforcement proceedings brought against it or other sanctions imposed by a Regulatory Body or law enforcement agency, or
- f. the Business ceases to comply with any of the essential criteria listed above.

5.3 In considering the matters referred to in this section 5, the Agency may consider:

- a. the past behaviour of the Business, any related businesses, any Business Representative, and any Business owners or individuals who have management control of the Business, including undertaking national criminal history searches
- b. information provided by the Business, Regulatory Bodies including the Australian Securities and Investments Commission, the Australian Competition and Consumer Commission and the Australian Energy Regulator, other State or Commonwealth departments or agencies, consumers or consumer groups, credit reference agencies, law enforcement agencies or community or welfare organisations
- c. information from the Agency's previous dealings with the Business (or its Business Representatives) or the Agency's own enquiries,
- d. whether the Business has previously been rejected or excluded from Centrepay or its management or controllers have been involved with a Business that was rejected for or excluded from Centrepay, or
- e. complaints made against the Business (or its Business Representative), even if the behaviour complained of has not been found to be in breach of any regulation or law by a Regulatory Body or a court.

- 5.4 The Business (for itself and on behalf of its Business Representatives) consents to the Agency using information provided by the Business to determine if the Business will be approved or retain its approval. The Business (for itself and on behalf of its Business Representatives):
- a. consents to the Agency collecting information from other agencies, departments, Regulatory Bodies and organisations
  - b. consents to the Agency disclosing information to other agencies, departments, Regulatory Bodies and organisations, and
  - c. undertakes to execute any consent documentation necessary to enable the Agency to collect or disclose such information.
- 5.5 The Agency may protect the integrity of Centrepay by refusing to give its approval to a Business, or suspending or withdrawing an existing approval. This may occur when the Agency cannot satisfactorily resolve uncertainty about a factual matter relevant to the approval.
- 5.6 The Agency may request further information about a Business (or its Business Representative) from the Business or from other sources before completing its assessment.
- 5.7 If the Agency requires further information from a Business, this information must be provided within 20 Business Days or the application may be rejected or any existing approval be withdrawn.

## **6. How a Business applies for Centrepay**

- 6.1 A Business must make an application to be approved by the Agency to use Centrepay.
- 6.2 A Business must fully complete a Centrepay Business Application form available at [servicesaustralia.gov.au/centrepaybusiness](https://servicesaustralia.gov.au/centrepaybusiness) and:
- a. provide all supporting documentation
  - b. accept the Terms and agree to act in accordance with this Policy and the Procedural Guide, and
  - c. have a person appropriately authorised by the Business sign the business application form.

## **7. Outcomes of an application**

- 7.1 The Agency will inform the Business in writing of a decision to:
- a. approve the Business to use Centrepay:
    - i. on the standard Policy and Terms
    - ii. on the standard Policy and Terms with additional conditions
    - iii. with varied Policy and Terms, or
  - b. reject the Business's application to use Centrepay.
- 7.2 Where the Agency approves the Business, the Agency will, at the same time, notify the Business which service reason(s) it has been approved for.
- 7.3 If a Business wishes to be approved for additional service reasons or another category of goods and services, it must make a request in writing to the Agency and provide supporting documentation.
- 7.4 See section 21 of the Policy about a Business's right to request a review of the Agency's decision.

## **8. Using Centrelink Business Online Service (CBOS)**

- 8.1 Upon approval, a Business must register individual users for CBOS. Unless otherwise advised by the Agency, a Business must use CBOS for all Centrepay functions specified below or elsewhere by the Agency.

- 8.2 The CBOS system is used by Businesses to:
- a. receive Deduction and payment reconciliation reports
  - b. receive tax invoices, if applicable, and
  - c. add, vary and cancel Deductions in accordance with a Deduction Authority, depending on the level of access granted to the individual user by the Business and the Agency.
- 8.3 A Business and individual users must comply with the terms of use of CBOS and any other relevant policies relating to the use of CBOS as advised to it by the Agency.
- 8.4 Businesses are responsible for ensuring that they (or their Business Representatives) reconcile payment information against the reports provided to them by the Agency.
- 8.5 The Agency does not guarantee CBOS, or other Agency online services, will be available at any particular time and the Agency is not liable to the Business (or its Business Representatives) for any failure, delay, interruption or unavailability of CBOS.

## 9. Business obligations

- 9.1 Businesses approved to use Centrepay must:
- a. at all times continue to meet, and agree not to engage in any conduct that would breach the eligibility criteria contained in section 5 and any other requirement for approval or maintaining approval determined by the Agency
  - b. notify the Agency, within 5 Business Days:
    - i. of any changes to the Business or its contact details or business structure or practices, including any Change in Control
    - ii. if the Business ceases to provide a good or service for which it has been approved to use Centrepay
    - iii. if the Business's ABN or ACN has been changed, suspended, expired or cancelled
    - iv. if any request the Business makes for registration, licence or accreditation is declined
    - v. if any registration, licence or accreditation, held by the Business, expires or is suspended, terminated, revoked or not renewed
    - vi. if the Business becomes insolvent or bankrupt or enters into any process preparatory to being declared insolvent or bankrupt
    - vii. if the Business is under any investigation by a Regulatory Body or other relevant Commonwealth, State or Territory agency
    - viii. if any Regulatory Body or other relevant Commonwealth, State or Territory agency has made an adverse finding against the Business, and
    - ix. if any individual authorised by the Business is no longer authorised to use CBOS
  - c. fully participate, at their own cost and within timeframes specified by the Agency, in any audits, assurance checks, reviews or surveys related to its use of Centrepay, including through provision of information in relation to such activities
  - d. in the case of credit and financial related goods or services, keep records of the terms on which the Business contracted with the Customer
  - e. include processes to ensure that Overpayments do not arise and if they do, take remedial action, including refunding amounts to the Customer
  - f. not pass on to the Customer, or attempt to recover from the Customer, any Centrepay transaction fee

- g. comply with reasonable requests from the Agency within specified timeframes, and
  - h. ensure that its Business Representatives comply with the Centrepay Framework as if they were the Business.
- 9.2 Businesses that fail to comply with the obligations set out above may have their Centrepay approval suspended or withdrawn by the Agency.
- 9.3 The Agency may issue a direction to the Business (or Business Representatives) where necessary to ensure that the Business (and its Business Representatives) remains compliant with the Centrepay Framework.
- 9.4 Where a Business fails to comply with section 9.1.f, the Agency has the right to direct the Business to reimburse Customers any amounts charged in breach of this requirement, or pay that amount to the Agency.
- 9.5 Any failure by a Business Representative of an approved Business to comply with the Centrepay Framework as it applies to the Business is taken to be a failure by the relevant Business.

## **10. How Customers provide a Deduction Authority**

### **Form of Deduction Authority**

- 10.1 A Deduction Authority can only ever be authorised by a Customer or Customer Representative.
- 10.2 The Deduction Authority can be provided directly to the Agency by the Customer or to the Business (or its Business Representative).
- 10.3 Each Business is responsible for confirming the authority of any person or organisation claiming to be a Customer Representative prior to allowing that person or organisation to act on behalf of the Customer. The Business must be able to prove, the person's or organisation's authority if requested to do so by the Customer or Agency.
- 10.4 Refer to the Procedural Guide for minimum details required for a Deduction Authority.

### **Providing Deduction Authorities to the Agency**

- 10.5 A Business must submit the information from the Customer's Deduction Authority to the Agency via CBOS within 3 Business Days of the Customer providing the Deduction Authority.
- 10.6 Where a Business (or its Business Representative) submits information from a Deduction Authority:
- a. the Business acts as the agent of the Customer or the Customer Representative in respect of submitting that information to the Agency
  - b. the Agency accepts no responsibility for any delay caused by the Business in forwarding the information to the Agency
  - c. it must ensure the accuracy of information submitted to the Agency and that each Customer or Customer Representative gives a Deduction Authority with informed consent. The Agency accepts no responsibility for any inaccuracy in the information submitted by the Business, and
  - d. the Agency is only regarded as having received the information when the Agency actually receives it.

### **Records of Deductions**

- 10.7 A Business must retain a record of each Deduction Authority that a Customer provides to the Business (whether in writing or otherwise). Each Deduction Authority record must be in a form that can be audited by the Agency, for a period of 2 years after the final Deduction is made.

## 11. Receiving payments through Centrepay

11.1 In making Deductions, a Business represents and warrants that it will:

- a. only claim a Deduction where a valid Deduction Authority is in place (which has not been withdrawn) and where the Deduction Authority complies with the requirements set out in section 10 above
- b. only claim a Deduction amount that is authorised by the relevant Deduction Authority
- c. ensure the price payable by Customers using Centrepay is the same as the price payable for equivalent goods or services using a payment method other than Centrepay, and
- d. not pass on to the Customer, or attempt to recover from the Customer, any Centrepay transaction fee.

11.2 The Agency will only make a Deduction:

- a. on receipt of information from the Business (or its Business Representative) that a valid Deduction Authority is in place in respect of that Deduction
- b. if the Business is approved to use Centrepay for the service reason that the goods and/or service the Deduction relates to, and
- c. where the Deduction relates to a type of good or service that is eligible for Centrepay.

11.3 The Agency will deduct the amount from the Customer's welfare payment and send it to the Business's nominated bank account via secure, electronic transfer.

11.4 The Agency has no responsibility to the Business (or its Business Representative) if a payment is not made to the Business (for example, where the Business has incorrectly advised or not updated the Agency of its bank account details). If the Agency makes an administrative error in processing the Deduction, then the Agency will assist in correcting the error.

### Amount of a Deduction

11.5 There is a minimum amount for each Deduction (\$10 per fortnight).

11.6 Customers can choose to use the full amount of their welfare payment for Centrepay Deductions.

11.7 If a Customer's welfare payment will not cover all Deductions that are scheduled to be made, the Business is responsible for collecting any underpayments from the Customer.

### Varying or cancelling Deductions

11.8 Centrepay is voluntary and Customers may withdraw or change their Deduction at any time without having to give any reason to the Business or the Agency. A Business must not enter into arrangements with a Customer that would prevent a Customer from withdrawing or changing their Deduction at any time.

11.9 Where a Deduction has been cancelled or the Deduction Authority withdrawn, a new Deduction Authority must be obtained in order to restart Deductions.

11.10 A Business must obtain a new Deduction Authority before increasing a Deduction amount. This also applies for Arrears payments where the regular Deduction is being increased to catch up the amounts by which the Customer has fallen behind in their payments.

11.11 Under special circumstances the Agency may grant permission, by way of an additional condition, for a Business to increase Deductions from time to time. However, the Business must notify the Customer in advance of increasing the Deduction.

11.12 For each Deduction an end date or total target amount can be specified. Once the end date or target amount has been reached the Deduction will be automatically cancelled.

11.13 If a Customer no longer receives the goods or services the Business must cancel the Deduction, before the next scheduled payment, if the Customer has not already done so.

11.14 A new Deduction Authority is not required where a Business decreases the amount, or suspends or cancels an existing Deduction. However a Business must notify Customers of any change to their Deductions.

11.15 Further detailed information about Deduction Authorities and Deductions is contained in the Procedural Guide.

### **Overpaid Deductions**

11.16 If a Business becomes aware of an Overpayment, the Business must immediately notify the Agency and the Customer. The Business must make arrangements to refund any amounts owing to the Customer and, if applicable:

- a. cease the Deduction, or
- b. review the appropriateness of existing Deductions for ongoing Customers and make necessary adjustments including (where applicable) obtaining a new Deduction Authority for the correct amount.

11.17 If the Business is unable to contact the Customer, the Business is to notify the Agency within 5 Business Days of the Overpayment being identified. Depending on the circumstances and number of Customers impacted, the Agency will advise the Business how the Customer will be refunded.

11.18 The Business must comply with any directions given by the Agency or a Customer in relation to the Overpayment.

11.19 Where uncertainty exists as to whether a particular Deduction (or part of a Deduction) is an Overpayment, the Agency retains the discretion to deem the Deduction (or part of the Deduction) an Overpayment and issue a direction to the Business in relation to that Overpayment.

11.20 A Business's obligations under this Overpaid Deductions section do not limit any other right the Agency may wish to exercise under the Policy and Terms in respect of an Overpayment.

### **Underpayments and Arrears (amounts owing)**

11.21 At times, a Customer may fall behind with their payments leaving amounts owing to a Business. These Arrears can only be collected through Centrepay while the Customer is an ongoing Customer of the Business. An 'ongoing Customer' means a Customer that continues to receive goods or services from the Business.

11.22 Where the Customer is an ongoing Customer of the Business, Arrears can be collected by adjusting the Customer's regular Deduction. The Business must seek the Customer's consent for the increase in payment via a new Deduction Authority.

11.23 Where a Customer is no longer an ongoing Customer of the Business but still owes money, the Business cannot use Centrepay and must collect any amounts owing using another payment method.

11.24 The Agency is not responsible for collecting payments for amounts owing, including due to missed payments, underpayments or from any lump sum welfare payments made to the Customer.

## **12. Order of deductions from Customer payments**

### **Centrelink deduction hierarchy**

12.1 Centrepay Deductions are not the only amounts that may be deducted from a Customer's welfare payment.

12.2 Centrepay Deductions are made only after all other amounts have been taken from the welfare payment. These may include any payments due to the Agency, child support payments and/or tax.

12.3 Where a Customer has multiple Centrepay Deductions from their welfare payment, the Deductions will be made:

- a. in any order the Customer tells the Agency to make the Deductions, or
- b. if the Customer does not specify any order of Deductions, in the order the Deductions were processed by the Agency.

### **13. Transaction fees associated with Centrepay**

- 13.1 Businesses must pay a transaction fee including GST to the Agency for each Deduction paid to them.
- 13.2 The transaction fee is to cover the costs to the Agency of administering Centrepay. This fee is usually deducted by the Agency from the payment made to the Business.
- 13.3 The Agency reserves the right to vary the transaction fee at any time.

### **14. Additional requirements for credit activities in relation to household goods and services**

- 14.1 A Business providing consumer lease arrangements for household goods must:
  - a. rent, hire or lease the household goods through leases regulated under the National Consumer Credit Protection Act 2009 (Cth) ('National Credit Act'), and
  - b. either:
    - i. if the Business is the lessor, hold an Australian Credit Licence (ACL) under the National Credit Act, or
    - ii. if the Business is not the lessor, comply with the below requirements.
- 14.2 A Business that does not hold an ACL may use Centrepay only if all of the following requirements are met:
  - a. the Business is an authorised credit representative of an ACL holder and the arrangement is registered with the Australian Securities Investments Commission on the public register
  - b. the ACL holder is a Business approved to use Centrepay
  - c. the credit representative is approved as a Business to use Centrepay in its own name (to avoid doubt, if the credit representative is not an approved Business it cannot rely upon the status of the ACL holder as an approved Business under this Policy and Terms)
  - d. the consumer lease contracts (whether described as a rental, hire, lease or equivalent arrangement) are in the name of the ACL holder and not the credit representative
  - e. all Business documentation is clear that the credit representative is acting as a representative of the ACL holder, and the ACL holder and their licence number is clearly identified and disclosed, and
  - f. the credit representative Business has External Dispute Resolution membership.
- 14.3 If the Business is a credit representative it must, at the time of making its application to use Centrepay, provide confirmation that it is an agent of the ACL holder. The Business must also provide confirmation and evidence regarding its appointment as an agent at any time on request from the Agency.
- 14.4 The Agency requires evidence from a Business to confirm and support any credit representative arrangements. Refer to the Procedural Guide for details of the evidence the Agency requires.

### **15. Changes to Business structure**

- 15.1 The Business must notify the Agency of any Change in Control and provide all relevant information regarding the Change in Control. Examples of Changes in Control may include qualifying changes in

shareholders, the issuance of new shares, the appointment of new directors and the appointment of senior operating officers.

15.2 The Agency may reconsider the eligibility and approval of the Business to participate in Centrepay in light of any Change in Control.

15.3 If a Business disposes (by way of sale, transfer, assignment, debt factoring or other means) to another Business (a New Business):

- a. any assets it directly uses to provide the goods or services it is eligible to use Centrepay in respect of, or
- b. any debts due to it by a Customer,

and the New Business wishes to use Centrepay in respect of the assets or debts that have been disposed, the New Business must obtain:

- c. approval to use Centrepay, if not already approved,
- d. approval to provide the relevant goods or services (if not already approved in respect of the relevant goods or services), and
- e. new Deduction Authorities from the affected Customers,

in each case, prior to the New Business seeking to use Centrepay.

## 16. Centrepay assurance

16.1 The Agency's assurance framework for Centrepay identifies and manages internal and external risks relating to Centrepay.

16.2 The assurance framework aims to prevent misuse of Centrepay and manage the risks of misuse by ensuring Businesses:

- a. maintain eligibility
- b. adhere to obligations
- c. obtain a Deduction Authority from the Customer
- d. account for Customer Deductions correctly, and
- e. manage and store personal information appropriately.

16.3 The Agency may undertake the following activities:

- a. education and support programs, to assist Businesses
- b. assurance checks of Businesses
- c. compliance audits of Businesses that may arise out of an assurance check or other information provided to the Agency
- d. quality assurance through monitoring internal Agency systems and conformance
- e. referrals, including sharing information, to and from other agencies, departments, Regulatory Bodies and organisations
- f. fraud investigations, and
- g. any other activity the Agency deems necessary to administer Centrepay effectively and efficiently.

16.4 The Agency conducts assurance checks from time to time and is not required to inform a Business that it has commenced an assurance check.

16.5 A Business must make documents or records available to the Agency within the timeframes directed by the Agency.



## 17. Compliance audits

- 17.1 In addition to assurance checks, the Agency, the Australian National Audit Office (ANAO), the Information Commissioner (IC) and the Privacy Commissioner (PC) may conduct a compliance audit of the Business's activities at any time in relation to any of the following matters:
- a. obtaining, retaining and storing of Deduction Authorities
  - b. obtaining, creating, retaining and storing of Customer information necessary to validate account payments
  - c. the use and disclosure of Customer information, including the CRN
  - d. the Business's use of the Agency's intellectual property, including compliance with the terms of any licences given by the Agency
  - e. the Business's use of Centrepay,
  - f. the Business's compliance with the Centrepay Framework, laws and regulatory requirements, and
  - g. access to accounts to which payments are attributed.
- 17.2 For the purposes of a conducting an assessment, assurance or audit, the Agency, the ANAO, the IC or the PC may direct a Business to provide records and information. The Business must comply with such directions, including in relation to the timeframes required to provide records and information.
- 17.3 The Agency is not liable for any costs incurred by a Business (or its Business Representative) in relation to the Business's (or Business Representative's) participation in any audits conducted.
- 17.4 The Agency may as part of its compliance audits consult and share information with, or obtain information from a range of sources, including (but not limited to):
- a. the Business or its Business Representatives
  - b. relevant stakeholders
  - c. Regulatory Bodies
  - d. other State, Territory or Commonwealth departments and agencies
  - e. consumers and consumer groups
  - f. credit reference agencies
  - g. law enforcement agencies, and
  - h. community/welfare organisations.
- 17.5 The Agency will notify the Business of any adverse outcome in writing following a compliance audit and any remedial actions required to be undertaken by the Business.

## 18. Agency's responses to non-compliance or concerns

- 18.1 The Agency may undertake the following actions in response to an assurance check or compliance audit or when a Business is found non-compliant:
- a. support the Business in meeting its obligations through education and support programs
  - b. suspend (fully or partially) the provision of the Centrepay service to the Business. Full suspension means no Deductions can be received. Partial suspension is where a Business cannot add any new Deductions, but can continue to receive existing Deductions
  - c. impose new terms or additional conditions upon the Business's approval to use Centrepay
  - d. withdraw approval for the Business to use Centrepay, or

e. refer the Business (or its Business Representative) to Regulatory Bodies or law enforcement agencies.

18.2 In particular, the Agency may suspend or withdraw approval of a Business if it becomes aware that the Business (or its Business Representative):

- a. is under investigation by a Regulatory Body or law enforcement agency
- b. is, following an investigation, the subject of adverse findings by a Regulatory Body or law enforcement agency, or
- c. has had enforcement proceedings brought against it or other sanctions imposed by a Regulatory Body or law enforcement agency.

18.3 The Agency may consult, obtain and share information about a Business (or its Business Representative) with relevant stakeholders, including:

- a. State or Commonwealth Departments and agencies
- b. Regulatory Bodies
- c. consumers and consumer groups
- d. credit reference agencies, and
- e. community/welfare groups.

18.4 The Agency's rights under this section 18 do not limit other rights or remedies it may have under the Policy and Terms.

## **19. Withdrawal or suspension of approval for a Business to use Centrepay**

19.1 The Agency may at any time, withdraw approval for a Business to use Centrepay, impose additional conditions, or fully or partially suspend payment of deductions for any reason the Agency believes necessary. This includes where, in the opinion of the Agency, one or more of the following has occurred:

- a. the Business ceases to meet the eligibility criteria or any other requirement for approval or maintaining approval determined by the Agency
- b. the Business does not fully participate in an assurance check or compliance audit, including follow-up actions, when requested by the Agency
- c. any information in the Business's application is later found to be untrue, or is no longer true
- d. the Business is in breach of the Policy, Terms, Procedural Guide, or any additional conditions imposed by the Agency on the Business's use of Centrepay
- e. the Business has not received a Deduction for an eligible good or service in the previous 12 months
- f. there is a change in the circumstances of the Business that, in the Agency's view, requires the Agency to reassess the Business's suitability to use Centrepay, or
- g. the Business is unable to be contacted, after all reasonable attempts, by the Agency.

19.2 If any of the above occurs, the Agency may notify the Business of any action it proposes to take. A Business has 10 Business Days (or such other period as notified by the Agency) to respond to any direction or actions.

19.3 The Business must comply with any additional conditions imposed by the Agency.

19.4 The Business must bear any costs it incurs in complying with any additional conditions, directions or actions the Agency has required it to undertake in accordance with this section.

- 19.5 If a Business no longer wishes to use Centrepay, it must give the Agency at least 20 Business Days' notice in writing.
- 19.6 Where a Business voluntarily withdraws or the Agency withdraws the Business's approval to use Centrepay:
- a. the Agency will stop accepting Deduction Authorities and processing Deductions, and remove the Business's access to CBOS for Centrepay purposes
  - b. the Business must make reasonable endeavours to ensure that Customers are notified to allow the Customer to make alternative payment arrangements and
  - c. the Agency will notify the Customer when Deductions have ceased, and
  - d. the Business should refer to the Procedural Guide for a list of required actions to be taken upon withdrawal.
- 19.7 The Business must settle any transaction fees that are owed to the Agency and are outstanding at the time it discontinues participation in Centrepay (which may be due to voluntary withdrawal by the Business or withdrawal of the Business's approval by the Agency).
- 19.8 The Agency's rights under this section do not limit other rights or remedies it may have under the Policy and Terms.

## 20. Privacy requirements

- 20.1 A Business (and its Business Representative) must:
- a. comply with the Privacy Act 1988 (Cth) ('Privacy Act') to the extent it applies to the Business
  - b. only access, collect, use and disclose a Customer's personal information obtained for Centrepay purposes with the Customer's consent
  - c. take all reasonable steps to ensure that a Customer's personal information (including the Customer's CRN) in their possession or control in connection with Centrepay is protected against loss and unauthorised use, access, modification or disclosure
  - d. inform the Agency, within 3 Business Days, of any eligible data breach that occurs in relation to the personal information of Customers held by the Business (to the extent the Business is subject to the Privacy Act 1988)
  - e. protect Customer's personal information from misuse, interference and loss, and from unauthorised access, modification or disclosure
  - f. handle privacy complaints and inquiries and requests for access to and correction of personal information from Customers appropriately and consistently with the Privacy Act 1988 and Australian Privacy Principles, and
  - g. cooperate with any demands or enquiries made by the Privacy Commissioner.
- 20.2 Where the Agency:
- a. receives a complaint in relation to the use, disclosure or management of personal information of a Customer, or
  - b. identifies a breach or risk of a breach of section 20.1,
- then the Agency may:
- c. investigate the matter
  - d. notify any relevant Business in writing of the nature of a relevant breach
  - e. issue directions to a Business that the Agency believes are necessary to avoid a breach or remediate the effects of a breach and the Business must comply with such directions, and

- f. refer the matter to the Office of the Australian Information Commissioner.

## **21. Internal review of Agency decisions**

- 21.1 A Business may request a review of the Agency's decision to:
  - a. refuse to approve the Business to use Centrepay
  - b. suspend payments or new Deduction Authorities to the Business under this Policy
  - c. impose additional conditions on the Business's approval to use Centrepay
  - d. withdraw the Business's approval to use Centrepay.
- 21.2 Where a review of a decision by the Agency has been requested, the decision remains in place until the review decision takes effect.
- 21.3 A request for review of a decision must be made in writing and lodged with the Agency within 10 Business Days of being notified of the decision. The request must include the reasons for seeking the review together with any new information and evidence to support the request.
- 21.4 The Agency will notify the Business of the review decision in writing within 20 Business Days of receiving the request for a review. The review decision is final and there are no further internal reviews possible.

## **22. Complaints, feedback and external review**

- 22.1 The Agency welcomes feedback on the operation of Centrepay.
- 22.2 If a Customer has a complaint about a Business (or its Business Representative) in relation to Centrepay, the Agency will investigate. The Agency may undertake a compliance check and/or refer the details to relevant Regulatory Bodies and law enforcement agencies.
- 22.3 If a Customer has a complaint about the quality of goods or services provided by a Business, the Customer may be referred to the Business in the first instance. If the Customer has already taken the matter up with the Business or the complaint is a recurrent issue, the Agency may investigate. The Agency may refer the Customer to a relevant Regulatory Body, law enforcement agency or consumer assistance body.
- 22.4 If a Business has a complaint about the Agency in relation to Centrepay, the complaint can be made to the Agency and it will receive proper consideration and response.
- 22.5 If a Business is dissatisfied with the response by the Agency to a complaint, further complaints can be made to other regulatory and oversight bodies including the Commonwealth Ombudsman.

# Centrepay Terms

## 1. Purpose of this document

- 1.1 These terms are a contract between the Agency and the Business commencing on the date the Agency approves the Business to use Centrepay.
- 1.2 The Policy, Procedural Guide and any additional conditions imposed on a Business's use of Centrepay form part of these Terms to the extent these documents impose any obligations or responsibilities on the Business and/or the Agency in relation to Centrepay.
- 1.3 The contract will terminate immediately and automatically upon the Agency's withdrawal of its approval for the Business to use Centrepay or the voluntary withdrawal from Centrepay by the Business.
- 1.4 Where a Business is withdrawn from Centrepay, the Business is still required to comply with those requirements of the Policy and Terms that, by their nature or where required to achieve the objectives of Centrepay, survive withdrawal, including:
  - a. Centrepay Policy:
    - i. section 9 (Business obligations)
    - ii. section 16 (Centrepay assurance)
    - iii. section 17 (Compliance audits)
    - iv. section 18 (Agency's responses to non-compliances or concerns)
    - v. section 20 (Privacy requirements), and
    - vi. section 21 (Internal review of Agency decisions)
  - b. Centrepay Terms:
    - i. section 2 (Information disclosed by the Agency)
    - ii. section 3 (Conduct with Customers)
    - iii. section 5 (Treatment of payments)
    - iv. section 6 (Intellectual property)
    - v. section 8 (Indemnity), and
    - vi. section 9 (Governing law).
- 1.5 Where a Business is suspended (partially or fully) from Centrepay, it is still required to comply with the requirements of the Policy and Terms in their entirety.
- 1.6 The Agency makes Centrepay available to a Business as consideration for the Business's compliance with these Terms.

## 2. Information disclosed by the Agency

- 2.1 The Business must securely store all information it receives from the Agency.
- 2.2 Upon withdrawal of the Business's approval (including voluntary withdrawal), the Business must cease using and destroy (in a secure manner) information provided to it by the Agency or Customers for Centrepay purposes, unless:
  - a. otherwise directed by the Agency
  - b. required by section 10.7 of the Policy
  - c. required at law, or

- d. the information is back-up information resulting from the Business's (or its Business Representative's) routine archiving procedures.
- 2.3 The Business must not adopt, use or disclose a CRN for any purpose other than for a Centrepay Deduction or for internal accounting or reconciliation purposes.

### **3. Conduct with Customers**

- 3.1 The Business must not misrepresent to Customers the terms on which Centrepay is available.
- 3.2 When requested by a Customer, the Business must provide within a reasonable period an itemised statement of Centrepay purchases and payments by that Customer, for any period specified by the Customer within two years prior to the date of the request.

### **4. Fees**

- 4.1 For each Deduction made by the Agency, a transaction fee is payable by the Business.
- 4.2 The Business must not pass on or otherwise attempt to recover the amount of the transaction fee to a Customer including as a surcharge, administration fee, increased debt or reduced credit.

### **5. Treatment of payments**

- 5.1 The Business must not apply Deductions as payment for any goods or services excluded from Centrepay.
- 5.2 The Business must credit the Customer's account with the amounts deducted by the Agency, as notified in the Agency's deduction and payment reconciliation reports to the Business, or as otherwise notified to the Business by the Agency.
- 5.3 The Business must comply immediately with any directions given by the Agency or a Customer in relation to any payments made in error (including passing on Centrepay related fees) that may require repayment to the Customer or Agency.
- 5.4 A Business must contact the Agency prior to returning any funds to the Agency. The Agency retains the right to charge a Business a fee for assisting in returning any funds to Customers.
- 5.5 The Business must immediately contact the Agency to make arrangements to repay to the Agency any money that cannot be attributed to a specified Customer's account.

### **6. Intellectual property**

- 6.1 Centrepay is a registered trademark.
- 6.2 The Business is given a licence, for the period it is approved to use Centrepay, to use the word 'Centrepay' to promote Centrepay to Customers as an available method of payment.
- 6.3 Where the Business incorporates Centrepay as a method of payment in its promotion materials or bills or any other communication method, it must do so in a manner that is consistent with the Centrepay Standard Conventions available in the Procedural Guide.
- 6.4 The Agency may provide materials to the Business to enable it to access and use Centrepay.
- 6.5 If the Agency makes any material available to the Business:
  - a. ownership of intellectual property rights in that material remains vested in the Agency at all times
  - b. the Business may use that material solely for the purpose of accessing and using Centrepay
  - c. the Business must treat all material as confidential and not make the material available to any other person or party

- d. the Business must not modify, de-compile, exploit for commercial use or customise the material, and
  - e. the Business must not sub-license any of the material unless otherwise agreed by the Agency.
- 6.6 The Business must not use the Agency's intellectual property to promote Centrepay in priority to other methods of payment.
- 6.7 Upon withdrawal of approval to use Centrepay, including voluntary withdrawal from Centrepay, the Business must cease using any material for the purposes of Centrepay, including use of the word 'Centrepay' in any advertising.
- 6.8 Without limiting this section 6, the Business must not represent its approval to use Centrepay in a manner that suggests endorsement of the Business or its goods or services by the Australian Government.

## **7. Variation**

- 7.1 The Agency may, from time to time, vary the Terms, Policy or Procedural Guide and publish the varied Terms, Policy or Procedural Guide on its website at [servicesaustralia.gov.au/centrepaybusiness](http://servicesaustralia.gov.au/centrepaybusiness)
- 7.2 The Business is responsible for keeping up to date with any variations to the Terms, Policy or Procedural Guide before accessing Centrepay.
- 7.3 The Business will be taken to have agreed to the varied Terms, Policy, and Procedural Guide if it continues to use Centrepay after the Terms, Policy or Procedural Guide are varied.

## **8. Indemnity**

- 8.1 The Business indemnifies the Agency for all losses incurred by the Agency, or any liabilities incurred by the Agency including legal costs on a full indemnity basis, arising from:
- a. a breach of these Terms or the Policy by the Business (or its Business Representative)
  - b. a breach by the Business (or its Business Representative) of any additional terms or conditions agreed to by the Business, or
  - c. the Agency's reliance on the accuracy of the details of a Deduction Authority provided by the Business (or its Business Representative) to the Agency.

## **9. Governing law**

This contract is governed by the law in force in the Australian Capital Territory and the parties submit to the non-exclusive jurisdiction of the courts of that place.