

Are you an:

Centrepay Registered Business

What is the name of your business or organisation?

Coral Coast Distributors (Cairns) Pty Ltd

Where are you located?

NT

Are you urban (major city) / regional (city or town) / rural / remote?

Rural

Are you a person with disability?

No

Are you an Aboriginal or Torres Strait Islander Australian?

No

Are you from a Culturally and Linguistically Diverse (CALD) background?

No

Are you a Centrepay customer?

No

Do the critical areas for reform outlined above reflect the evolving needs of customers and stakeholders?

Yes.

Does the current list of authorised goods and services include what should be available through Centrepay?

Yes.

Are there any specific goods and services, including those already approved on the program as per the listing above, that should be excluded from Centrepay?

No

Should there be restrictions on the types of deductions (i.e. ongoing, amounts) that can be established for specific goods and services?

In my opinion, i believe there should always be either an end date or a target amount. I am aware of retailers who allow customers to build a large credit and then allow the customer to

make a purchase.

In my opinion, this encourages customers to treat centrepay as a third party bank and almost forces them to use the credit built up even if it's not needed. for example, i am aware of an organisation that currently has near \$30,000 in customer credit. A specific case, i am aware that there was a customer who built up a credit of at least \$1000 at the grocery store and instead of getting the goods she needed for herself and getting the rest of the money back into her bank, she was encouraged to spend the rest on her family.

another example is that many customers build up a credit and leave the location they are in and never cancel their deduction.

Should there be a maximum percentage limit on the amount customers can allocate from their Centrelink payment to their Centrepay deductions? Should this percentage apply to all Centrepay service reasons or to a selection of service reasons?

Yes there should be a maximum percentage for all Centrepay service reasons.

Should businesses retain the ability to establish Centrepay deduction arrangements on behalf of customers?

no. it should always be with customer consent and authorisation such as a signature.

Should certain businesses have conditions imposed limiting the access they have to manage deductions on behalf of customers?

every decision should be initiated by the customer

What are the further conditions that should be applied to deduction arrangements to further strengthen customer protections?

i believe a percentage of the customers benefits is the best approach.

Does the agency's existing Centrepay resources and information available to customers clearly outline the customer authority process and customer's ongoing requirements to manage their deductions?

yes

What types of information would better support customers to understand and manage their own Centrepay arrangements?

more cultural awareness training

How can the agency, and registered Centrepay businesses, better support customers when things go wrong?

more cultural awareness training. also, have customer advocates such as financial counsellors directly contact the business.

What improvements could be made to the complaints management process for Centrepay customers?

Upon a business centrepay users approval, there should be a criteria that they should have a clearly defined complaints system before using Centrepay

How can we better advertise and communicate the channels and avenues through which complaints can be made?

Customers of Centrepay should have more information about the local financial counsellors in their area or consumer protection agencies

Having regard to the Centrepay Procedural Guide for Businesses, are there any further obligations that businesses should be required to comply with in order to become or remain an eligible registered Centrepay business?

Yes. I am unsure what they are but i am aware of retailers in Newman in the Kimberlies who sell counterfeit Nike shoes and basketball jerseys. [REDACTED] [REDACTED]. Retailers like this need to be avoided in the first place.

[REDACTED]
[REDACTED]
[REDACTED]

What risk factors should the agency consider in assessing a business for Centrepay registration?

Maybe more background checks on the individual. [REDACTED]
[REDACTED]

Are you an:

Advocate

What is the name of your business or organisation?

MoneyMob Talkabout Ltd

Where are you located?

NT

Are you urban (major city) / regional (city or town) / rural / remote?

Regional

Are you a person with disability?

No

Are you an Aboriginal or Torres Strait Islander Australian?

No

Are you from a Culturally and Linguistically Diverse (CALD) background?

No

Are you a Centrepay customer?

No

Do the critical areas for reform outlined above reflect the evolving needs of customers and stakeholders?

We believe it is important that the reform process not only identifies, but actively seeks to exclude/remove/suspend as soon as possible high-risk products, services and businesses of concern that do not (appear to) align with the intent of the program.

We say an important safeguard to reduce financial harm would be achieved by setting a 'protected income amount' for the Household Goods category, similar to the recommendations adopted as part of the reform of the National Consumer Credit Protection Act 2009 (Cth), in 2023 relating to Small Amount Credit Contracts. The protected income amount should limit payments for discretionary goods to 15% of net income. There should be a term inserted into the Centrepay Policy and Terms, Eligibility Criteria for Businesses section which clearly defines and prevents the use of upselling/unsolicited sales by Centrepay merchants. The definition should be tighter than the current unsolicited sales definition in use by the ACCC, which is limited to phone, door-to-door and "public" sales (thereby excluding in-store sales).

The Centrepay Reform discussion paper states that Centrepay is designed to "assist

customers in managing expenses that are consistent with the purpose of welfare payments and reducing financial risk.” The purpose of welfare payments in Australia is derived from article 9 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), which requires:

“a country must, within its maximum available resources, ensure access to a social security scheme that provides a minimum essential level of benefits to all individuals and families that will enable them to acquire at least essential health care, basic shelter and housing, water and sanitation, foodstuffs, and the most basic forms of education. Countries are obliged to demonstrate that every effort has been made to use all resources that are at their disposal in an effort to satisfy, as a matter of priority, these minimum obligations.” Financial counsellors are often authorised by clients to review their Centrelink income statements, for the purposes of understanding their financial position. In doing so, we have noted over the years a consistent trend in the use of Centrepay being set up to make ongoing/rolling payments for “household goods” with no set target amount, on the assumption that the client will return at some later stage to purchase further goods from the same retailer.

Presently, we have concerns relating to at least three Central Australian businesses regularly accessed by our clients [REDACTED]. The other businesses we are aware of appear to be using similar business practices. All the stores concerned sell similar merchandise - namely clothing, toys and various household or recreational goods - generally of a relatively low standard of quality.

The clients we see often have poor awareness of the amounts being deducted from their benefits through Centrepay, and how deductions impact the residual amount available to them for living expenses. In one case we saw, a client was left with just \$5.50 from her total payment, after Centrepay deductions (including deductions to the retailers of concern). She had no idea why this was the case and commented that she would not be able to buy food with the amount left. We assisted her to adjust her payments to the extent that we could. However, some deductions were not able to be adjusted.

Another case concerns a known vulnerable older woman who often presented to our service complaining of lack of money for food. While assisting her to set up Centrepay to the local store for food, we reviewed her income statement and noted she had a \$250 per fortnight deduction being paid to two of these businesses. In combination with her other deductions for rent and electricity, her remaining Centrelink payment was insufficient for her food needs.

After contacting a Centrelink social worker we found the client had had a rolling Centrepay deduction to one of the businesses since March 2021 - two years and eight months prior to her contact with us. We estimated she had spent \$5775 over this time - a substantial amount for clothing out of a low fixed income, particularly for someone living in a remote community.

Another client related to MoneyMob that she had heard that one of the retailers was holding thousands of dollars of credit for her deceased brother-in-law, and was now trying to find surviving relatives so that the business could pay the money back.

Another example involves a client who has this year paid one of the retailers nearly \$300, even though the target amount to be paid was \$192. This appears to have occurred even though a target amount was specified by the retailer, because the payment was marked as “ongoing” in the Services Australia system somehow. This deduction was set up from 20th May, after the 1st May 2024 restrictions imposed by Services Australia to mandate the inclusion of target amounts for all businesses using Centrepay for the Basic Household Item service reason. This does not speak well to the level of rigour of Services Australia’s systems (or the likelihood of success for the recent target amount mandate). While clothing and household goods are essential elements of basic shelter in the present age, it is a stretch to argue that rolling Centrepay payments for these items - sometimes for hundreds of dollars per fortnight - could be considered necessary for the provision of basic shelter and housing or consistent with the purpose of welfare payments. Particularly where this results in the accrual of credit and requires a client to return to a store repeatedly to spend unused amounts on as yet unidentified needs. As the examples above also show, far from reducing financial risk for Centrepay clients, these practices are often exacerbating it.

Does the current list of authorised goods and services include what should be available through Centrepay?

Vet services should be available through Centrepay. Whilst pet ownership in general is skewed to higher income earners (households earning over \$100,000/annum), for those low income households that have a pet the cost and capacity of meeting unexpected vet bills is prohibitive. Centrepay is a useful tool to make these payments, but we caution that this should be subject to appropriate safeguards such as a mandated capped target amount to be repaid at a maximum 15% of discretionary income.

Are there any specific goods and services, including those already approved on the program as per the listing above, that should be excluded from Centrepay?

Rent to buy household goods should be excluded from Centrepay, in favour of an expansion of the availability of No Interest Loans, a program currently administered through various not-for-profit organisations. Consumer leases are costly and often punitive if the loan defaults. There is no entitlement to goods at the end of the lease period. Low-income households are the most vulnerable to this type of financing mechanism. Due to the rising costs and diminishing rates of welfare in real terms the use of a Centrelink advance to purchase significant household goods is not a realistic option.

Should there be restrictions on the types of deductions (i.e. ongoing, amounts) that can be established for specific goods and services?

Ongoing amounts should be limited to those services that are genuinely ongoing essential needs, where a clearly written agreement is in place. This would include for example rent, utilities, medical/legal costs, vet bills, and insurance - although we stress that it would be more equitable to address the current gaps in funding and service provision for Medicare and Legal Aid than expecting income support recipients to be able to pay for these (expensive) costs via Centrepay. Food provision should be allowed as an ongoing expense where the customer is receiving

support from a financial counsellor, capability worker or relevant case manager/social worker and it has been established in discussion with Services Australia that this is necessary to support the customer or their family's health and wellbeing.

Should there be a maximum percentage limit on the amount customers can allocate from their Centrelink payment to their Centrepay deductions? Should this percentage apply to all Centrepay service reasons or to a selection of service reasons?

While income support payments remain below the poverty line, we propose a hierarchy of approved goods and services is established for Centrepay purposes, which reflects essential versus discretionary spending. This should occur through a further review/refinement of the categories and definitions of goods/services approved for Centrepay deductions. Discretionary spending should be capped. Services Australia's systems should be configured to automatically recognise these categories and apportion payment accordingly. Where a capped limit has been reached, the establishment of further Centrepay should be automatically rejected until there is sufficient income available again.

Household goods other than food and essential cooking/cleaning implements should be considered discretionary. Food and cooking/cleaning implements should be moved into a separate category of essential expense, rather than being combined in a category with "household goods" which can include other non-essential, poor quality items. We would suggest a cumulative cap for discretionary categories of 15% of net payment.

Although this proposed cap may seem restrictive, we point to data about considerations of food costs in the APY Lands. A recent University of Queensland study of food affordability in the APY Lands found that to purchase the recommended healthy diet on the APY Lands: "Anangu families on median household income would need to spend 33-35 % of their income, those on low indicative income would need to spend 30-33% of their income, and those on welfare only would need to spend nearly half (45-49%) of their household income."

Meaning that for Anangu families reliant on welfare, they are suffering food stress, and a healthy diet is out of reach. Given the current cost of living crisis, many families reliant on income support across the nation would be experiencing similar pressures.

It is not conscionable to permit Centrepay merchants to consume significant amounts of customers' welfare payments for discretionary items - especially where these are being directed to items that are of dubious benefit and quality.

If "discretionary goods" are more clearly defined and capped, a maximum overall percentage limit on essential Centrepay deductions should not be required.

Should businesses retain the ability to establish Centrepay deduction arrangements on behalf of customers?

We advocate that a limited range of businesses should retain the ability to automatically establish Centrepay deduction arrangements on behalf of customers. These should be entities that provide an essential service, such as accommodation and utility providers, or

services such as No Interest Loans, where there is an established process and financial infrastructure to ensure that the product/service is ethical and affordable for the client.

We are concerned that another high-risk product/service is the use of Centrepay to travel on remote community transport services such as Bush Bus in Central Australia. While these services play a vital role in connecting remote residents to Alice Springs and other places, the fares are generally beyond the reach of most people to pay outright, and Centrepay is a commonly used payment method to “book up” for travel. The method of booking is by ringing and providing a Centrelink customer reference number over the phone as an assurance of payment. The travel providers then arrange a Centrepay deduction for the customer. As Centrelink customer reference numbers are widely known by family and other community members in remote communities, this in turn lends itself to frequent instances of abuse - with people incurring debts for travel they did not undertake personally and have not agreed to pay for. Further, the cost of the travel, proportional to people’s insufficient income, often leaves them with significant debts that create financial and other hardships for them.

As an example, a client we saw had a debt of \$818 to Centre Bush Bus, for which she was repaying \$80 per fortnight through Centrepay. The client was unhappy as this expense had been incurred by her daughter without her permission, even though she had previously told her daughter not to do this. We discussed with her whether to cancel the deduction, advising that it may result in a ban on further travel on the bus for her. The client felt she had no option but to keep paying the debt back. Perhaps businesses like these should be required to put additional steps in place to authenticate who is purchasing the service.

In addition, the aforementioned client was defaulting on payments for her No Interest Loans, while Centrepay was still being paid to Urban Rampage and the Bush Bus. It seems a perverse outcome that the client was defaulting on a product such as a NILS loan - carefully calibrated to try to ensure that it does not put low-income people into financial hardship - whilst her government money is still going to products and services where the provider has no such duty of care.

In another recent example, we had been assisting a very vulnerable client for a number of weeks (chronically ill, homeless in Alice Springs and experiencing substance misuse issues) who was repaying a debt to Centre Bush Bus at \$30 per fortnight. This amount of repayment was (barely) sustainable for the client. They wanted to set up another payment arrangement to travel back to their daughter’s community to live and be cared for. However, because they were not repaying what the Bush Bus considered to be the minimum repayment - \$80 per fortnight - they were not allowed to travel. The solution proposed by the transport provider was that the client increase the repayment to \$80 per fortnight - equivalent to more than 10% of her income. Thus the client's choice became to remain homeless or to repay more than they could afford.

The downstream effects of the lack of safeguards in the Centrepay system are that community-based services such as ours are left trying to address the consequences. As the examples provided show, this can include exacerbating homelessness/itinerancy, emergency food provision and negative impacts on ethically provided/government funded

assistance. In terms of our services, there is a premium paid in staff time and money required for crisis services, mopping up the inadequacies created elsewhere in the system.

Should certain businesses have conditions imposed limiting the access they have to manage deductions on behalf of customers?

Even businesses providing essential services should not be able to automatically establish additional deductions for items such as rental or utility arrears, tenant damage, default payments or debts without having to first link the client with a financial counsellor, capability worker or Centrelink officer who can review the client's capacity to pay based on information gathered directly from the client. The information gathered must support the customer's ability to pay after all essential expenses are considered, and Centrepay should be put on hold (in order of priority expenses) for these types of debt payments until the customer has income available again to pay. No penalty should be imposed on the client for the inability to pay such debts at this time.

In relation to food businesses and deduction arrangements, on the APY Lands there are often limited checks at the point of sale to ensure that a third party is not purchasing food/goods using someone else's Centrepay allocation. The protection offered to clients to ensure that this does not happen is very dependent on individual staff/store culture. While many staff are caring and diligent, other store employees can be loath to check or confront people about using other people's Centrepay and in discussion with MMT staff have said "we can't know who everyone is" and "it's not our job to check that".

We also know that frontline store staff have suffered verbal and physical aggression/assault in their attempts to be diligent trying to protect vulnerable people's Centrepay allocation. One example occurred in relation to an elderly client who was suffering dementia, where family members would repeatedly attempt to spend the client's daily Centrepay allocation on their own food and claim that the client had given them permission to do so. When confronted by store workers, they were extremely abusive. Given high staff turnover in some remote stores, some store managers say it is impossible to police Centrepay spending.

We believe that remote stores should be funded, and their staff properly trained and supported in relation to their duty of care to vulnerable Centrepay clients. They should be held accountable when that duty is breached. Where stores are found to have allowed others to spend a customer's Centrepay allocation without the customer's express written and informed consent, or where the customer cannot give informed consent due to impairment, they should have to refund the customer the amount that they have foregone due to the store's error or neglect. We understand that this places a burden on stores, however, many vulnerable remote clients do not have any other options for protection. In remote communities, stores must be viewed within the social context in which they exist - as vital essential and social services for the communities they serve. They cannot be merely profit driven retail or grocery outlets with limited consumer obligations to their customers.

What are the further conditions that should be applied to deduction arrangements to further strengthen customer protections?

Businesses offering “non-essential” categories of approved goods should have further conditions imposed on their ability to establish Centrepay arrangements on behalf of customers. As previously noted, we suggest a 15% cap for discretionary items. We also suggest repayments should be limited to a maximum of six instalments of the capped value, and that the relevant store should not be able to receive Centrepay for the client again for six weeks after the previous arrangement concludes. Lastly, a merchant offering non-essential goods should only be able to establish a Centrepay deduction on behalf of the customer through Services Australia, after confirming with the agency (perhaps through a “silver service” type phone line) that the customer has available capacity to meet the payment obligations.

Does the agency’s existing Centrepay resources and information available to customers clearly outline the customer authority process and customer’s ongoing requirements to manage their deductions?

Information provided by the agency does not meet the needs of our clients due to the following considerations:

- It is mostly online and therefore not easily available to our client base.
- It is in technical English which is not easily understood even by those with everyday English literacy.
- Many of our clients have poor numeracy and commercial literacy, which means they struggle to understand how they need to allocate money across various categories of expense
- We are not aware that this information is (readily) available at point of sale at retailers.

What types of information would better support customers to understand and manage their own Centrepay arrangements?

For First Nations customers in Central Australia, audio-recordings in local languages, explaining the Centrepay system, processes and customer rights would assist, given the low levels of written literacy.

What are the specific cultural, geographic and language barriers impact customers’ ability to use Centrepay?

The APY Lands (depending on the location of the community) is between 5 and 9 hours travel from Alice Springs. It is between 3 and 8 hours from Coober Pedy. These are the nearest physical Services Australia/Centrelink outlets at which a customer can present to discuss any issues they have with Centrepay.

The residents of the APY Lands are known as Anangu. Most of the population speak either Pitjantjatjara or Yankunytjatjara as their first language. English literacy and numeracy, digital and financial literacy are all low. 85% of adult Aboriginal people in the NT, a cohort on par with our clients, lack functional literacy according to Empowered Communities NPY region. This presents a significant barrier for Anangu to keep track of deductions made through Centrepay.

Whilst the year-to-date amount paid to a business through Centrepay is shown on Centrelink statements, customers do not have balance statements from the merchant. Statements are only provided when MMT requests them, and merchants can be resistant to do so. Many Anangu (due to the literacy issues noted above) do not have the capacity to understand the statements and do not keep paperwork as a matter of course, making a paper trail difficult to map. This lack of accountability allows merchants to continue unchecked, placing the onus on the customer to track and monitor their spending habits. Centrelink, as the provider of the Centrepay service, has no direct engagement or system of overview, leaving it to service providers such as MMT to detect and assist clients.

Many clients don't use MyGov, again due to lack of written and digital literacy. Further, most do not have access to home internet, and (if they do interact with Services Australia online) do so via a mobile phone. Numerous clients do not own a phone at all, have a very damaged phone or have lost or forgotten login details. The upshot of these barriers is that a lot of our clients still use a public landline phone to contact Services Australia, and often need assistance to do so due to language differences.

Assistance to speak to Centrelink by phone can be supported by MoneyMob staff or by local PYKU rural transaction centres. However, there are often only one or two phones per community available for calls and these Centres are often short-staffed or closed. Transacting with Centrelink is onerous and time consuming. It is not uncommon for a wait time of two hours for the phone call just to be answered even by the specialist Indigenous Line, leading to significant frustration. Some clients simply opt 'to just leave it' and abandon the phone call, meaning that a Centrepay issue may be unaddressed. Adjusting a Centrepay deduction requires a call to the designated Centrepay line, also with lengthy wait times and no cultural training evident in staff.

Additionally, when Anangu reach out to a supplier over the phone to make or change a Centrepay arrangement, the supplier sometimes uses a script written for people with a high level of English language fluency as a first language to record the transaction. The legalistic terminology used is not generally understood, and audio interpretations are rarely provided. An example of mystifying terminology for our clients is "Do you authorise [organisation] to disclose my information to Services Australia for the purposes of checking my.....and for reconciling my payment deduction details." This type of recorded information is used by some utility companies and state based fine enforcement units.

If there is a target amount showing against a Centrepay deduction, it is not possible for the client to stop the payment on-line, it can only be stopped by the merchant. This requires a call to the merchant to request they stop the payment and in our experience, merchants have been confrontational and reluctant to cancel the payment.

Humbugging (pressure from family members for a person to give them money or pay for goods), is a well-known phenomenon for many remote First Nations people. Unlimited Centrepay for non-essential goods creates an opportunity for vulnerable people, in our experience elders or those with cognitive disability who are less literate or engaged with on-line MyGov services, to be taken advantage of. When investigating the expenses of the older and vulnerable woman mentioned earlier, receipts were provided for household

goods including bedding. This client lives alone and is known to be pressured by extended family for money. She had been provided with household essentials through a grants program, so we inquired why she had spent more money on large items. She was unwilling to discuss the purchases with us. Often, when we engage with clients with large accumulating credits at stores, they are unable or unwilling to discuss how the money is being spent.

Importantly, poverty is a significant driver of the reliance on Centrepay. Incomes in the region are generally below the poverty line. Lack of employment options, higher costs of living mean that Anangu rarely have disposable income available to purchase consumer goods outright. The median personal income on the APY Lands in 2021 was \$324 per week, compared to \$734 for the rest of South Australia and \$805 for the rest of Australia. These factors, combined with limited consumer choice and low general and financial literacy, create the conditions for the reliance on Centrepay (and for merchants to take advantage of people through the lax Centrepay regulatory regime). Anangu residents of this area simply do not have a disposable income that affords them the opportunity to save for or purchase discretionary items outright. Rather than tinkering with incremental policy reforms, we urge the government to pay attention to the plethora of evidence now available about the impacts of poverty and heed the calls to raise the rate of income support for people on Jobseeker and Youth Allowance to \$80 per day, bringing it to parity with the Aged Pension.

What improvements could be made to the complaints management process for Centrepay customers?

The “how to make a complaint” information about Centrepay is buried five layers deep in the Services Australia website. Given the literacy and digital access barriers we describe above, most of our clients would not be able to locate or use this information effectively. This is likely to mean they either don’t lodge complaints or rely on consumer advocates to do so. Literacy issues aside, longstanding distrust of government and “legal-like” processes often deters our clients from making complaints for fear of either being ignored, disbelieved or getting into trouble. This is due to First Nations peoples’ ongoing poor experiences with the justice system.

We think Services Australia should have a dedicated Centrepay complaints contact line for customers, financial counsellors and consumer advocates who want to discuss issues and concerns. These staff should receive specialist training in supporting vulnerable cohorts of people. We would also urge Services Australia to have a resource dedicated to reviewing trends and systemic issues being raised in relation to approved businesses, so that potential future issues do not require such protracted advocacy to get attention. This resource should be linked to the complaints line.

How can we better advertise and communicate the channels and avenues through which complaints can be made?

Better advertising and communication channels for complaints about Centrepay (and Centrepay in general) could include:

- As noted above, a dedicated complaints line for Centrepay customers and consumer advocates/financial counsellors
- Community advertisements in First Nations language on Indigenous Community TV and

NITV

- Posters in First Nations languages with clear graphics and phone numbers to be displayed at Centrepay merchants and Centrelink agency sites
- Online information in First Nations languages through social media platforms.
- Information in First Nations languages through search engines when shopping online.

Are there any known barriers or perceived issues that are impacting on a customer's ability or willingness to raise concerns with the agency in relation to their Centrepay arrangements?

Our experience with some clients is that they have been reluctant to formally raise concerns in relation to Centrepay businesses due to fears that their access to purchasing at that entity will be stopped or curtailed. This reinforces the apprehension we have about particular types of traders, who cultivate a dependence with vulnerable clients at their outlets. The system should be designed in such a way that Centrepay cannot be used in this manner, by ensuring that the customer cannot be tied to the store for extended periods of time or by large amounts of credit accumulating.

What flags would you expect the agency to be monitoring to trigger engagement with businesses in relation to their compliance with Centrepay policies?

If there was a dedicated line for consumer advocates and customers to contact as well as resources dedicated to monitoring systemic issues/complaints, this should raise flags with the agency to trigger engagement with businesses in relation to compliance.

The agency should also be monitoring repeated identical deduction amounts for customers, particularly where those customers may also have an element of vulnerability (e.g. age, cultural background, disability).

Are there any business models that should be excluded from Centrepay and if so, what criteria should be used to consider their inclusion or exclusion?

We believe business models set up solely and specifically to target income support recipients using Centrepay should be banned, because this is a predatory model of operating. Particularly where the business sells largely non-essential goods. There is an inherently unequal power relationship between vulnerable low income customers and businesses. There is a real risk that customers will become reliant on that model of purchasing, exacerbating the power imbalance and potential for exploitation even further. We have clear evidence that businesses in the household goods approved category are prone to "upselling" to clients. A student volunteer with our organisation noted in 2022, when she accompanied some First Nations clients to Urban Rampage, that: "A [Urban Rampage] worker was moving through the long checkout line and asking customers for DOB [date of birth], ID and Centrelink CRN [Centrelink customer reference number] and then asking how much the customer wants to book up at the shop with Centrepay; '\$150? \$300?'. A majority of customers would reply "\$300" (the maximum). There didn't seem to be any informed consent obtained or proper explanation provided about this payment option or how it operates at the store. This is concerning as there is a significant amount of diversity in financial literacy, English language skills and cognitive functioning among the clientele shopping at Urban Rampage. When customers would

arrive at the cashier, if the customer had only \$250 worth of items but had put \$300 down at the store on Centrepay with the previous worker, the cashier would say "you still have \$50 left, do you want to buy a wallet? or a neck chain?" and point to various items behind the counter. The customers I observed agreed to whatever was being offered."

Another client (in the context of a completely different conversation) advised us in Aboriginal English:

"Sometimes I'm going Alice Springs- I'm booking clothes - Alice Springs, fortnight...I'm booking \$500. From Alice Springs, somewhere, and they say, 'you come next time and you booking same'. And Centrelink they get my money, getting \$50 a fortnight, maybe \$100."

This type of sales practice and business model has little to do with empowering customers or helping to pay for essentials, and everything to do with shoring up the financial bottom line for the businesses concerned.

What should a business be monitored against to remain registered as a Centrepay business?

The ability to become a Centrepay merchant or retain merchant status for any category should be restricted to entities that can demonstrate that their goods/services are clearly and reasonably priced, and that they have a track record of fair and ethical sales and complaint resolution practices (based on a combination of the results of regular on site and electronic audits as well as a review of any history of customer and/or customer advocate complaints).

What information should be made available, to Centrepay customers and the public, regarding any compliance action taken by Services Australia against a Centrepay registered business?

Businesses that have compliance action taken against them should have their names, the names of their proprietors and a summary of the issues clearly and prominently published on the Services Australia and other relevant websites (e.g. ASIC, ACCC), where the substance of the compliance action has been substantiated. Recorded messages (translated into CALD and Aboriginal languages) should also be played on Services Australia customer contact lines, and displayed on the agency's self-service terminals. Media outlets should also be notified in the case of businesses that have been permanently de-registered.

What does meaningful consultation and engagement look like to you with respect to reforming the Centrepay service?

Meaningful consultation and engagement in relation to the reform of Centrepay should involve visiting locations of concern and speaking to customers and customer advocates who represent vulnerable/marginalised groups. Peak bodies, who often gather information second or third hand, are not appropriate to direct this type of consultation.

Meaningful community consultation also requires time and relationship with those affected. Where the body undertaking the consultation does not have time, relationship is best achieved and brokered through current on the ground services such as those offered by local community service organizations like ours - particularly given the language barriers

and distrust of government prevalent in many remote communities. We are keenly aware that responses to the issues related to Centrepay can appear paternalistic. However, this also must be considered in the context of economic deprivation and educational disadvantage in which our clients live. This critical lens must be applied to analysing stories that are heard, and government agencies/peak bodies who are located at a distance from the daily reality of customers are not well placed to apply this level of nuance to their analysis.

Where the stakes are so high - such that a Centrepay deduction can mean the difference between someone having money for food or housing or not - a rigorous balance must be struck between consumer choice and consumer protection. A substantial segment of our client cohort lives below the poverty line. They simply do not have the financial buffer to withstand a government facilitated service such as Centrepay pushing them into further financial hardship.