



Australian Government



Services
Australia

Centrepay Reform Consultation Paper

Synthesis Report (2025)

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Any statements or opinions expressed within this report are not those of Services Australia. They reflect submissions from respondents to the Centrepay Reform Consultation Paper.

Executive summary

Responses to the Centrepay Reform Consultation Paper, published 31 March 2025, highlight the need for Centrepay reforms to:

- provide enhanced safeguards
- give protections to customers
- ensure customer support and choice.

Responses also identified that a longer transition period will lead to:

- better outcomes for both businesses and customers
- clearer and meaningful communication with enhanced accessibility.

Overarching insights

In reviewing all submissions to this paper, Services Australia identified three overarching insights into the proposed reforms to Centrepay:

Additional support for vulnerable populations



Centrepay should strengthen its focus on supporting vulnerable customers when thinking about the proposed reforms. Support during the transition is key to minimising the risk of financial vulnerability. Targeted communication and education need to be timely and easy to follow. Advocate groups asked for extra protections and additional support to prevent financial hardship throughout the transition period.

Most respondents suggested better accessibility options to help diverse groups with consideration to co-designing requirements such as:

- content design
- supporting customers to move to alternative payment methods
- consulting further on impacts in remote communities.

Protection rather than removal



Centrepay is a vital tool that customers rely on to manage their bills and achieve financial independence. Businesses and individuals felt the removal of some service reasons may be disadvantageous. They suggested that enhanced requirements for service reasons could better support and protect customers.

Some submissions say there is a lack of awareness of some available services. For example, Savings and Motor Vehicle Registration could be promoted more broadly as services, rather than removed. It is worth noting there are not any businesses currently registered to provide these two services.

Considered timeframes and clear communication



Some businesses considered a transition period commencing from 1 July 2025 would be difficult to implement because of the necessary contractual changes and arrangements required. Businesses feared this may put them at risk of non-compliance.

Most businesses shared the sentiment that the transition period is not long enough to effectively implement new policies and procedures. This also applies to where ICT system changes are concerned. Businesses suggest a longer transition period will lead to better outcomes for both businesses and customers. Overwhelmingly respondents suggested there needs to be clear and concise communication to support the implementation of any changes.

Purpose

This report summarises the key findings from submissions received in response to the 2025 Centrepay Reform Consultation Paper (the **paper**) and provides insights into customer and stakeholder perspectives on Services Australia's (the **agency**) proposed Centrepay reforms.

Background

Centrepay, established in 1998, is a voluntary free bill paying service offered by the agency to Centrelink customers.

Customers who get an eligible payment can use Centrepay to pay for approved goods and services with Centrepay registered businesses. They can also authorise the agency to arrange deductions from their payments to pay expenses to registered Centrepay businesses. Deductions occur before a Centrelink payment is deposited into a customer's nominated bank account.

Centrepay aims to provide a seamless and supportive process for customers to self-manage their expenses for eligible goods and services. However, for some customers Centrepay is not operating in line with its objective. In addition, Centrepay requires further levels of support and protection for customers.

As part of the agency's reform of Centrepay, extensive community engagement and consultation was undertaken throughout 2024. We heard from customers, business and the broader community on how Centrepay could better meet the ongoing needs and expectations of customers.

On 2 December 2024, the agency announced several proposed reforms to Centrepay. These proposed reforms were developed based on what the agency heard as part of its consultation process and also from engaging with peak advisory, community advocacy groups and regulators.

Methodology

The paper, published on the Department of Social Services' Engage platform on 31 March 2025, invited submissions on the Centrepay reforms being considered by the agency from key stakeholders, including Centrepay customers and registered businesses, peak advisory and community advocacy groups and the broader community. The paper consisted of 40 questions, aligned to eight key topics:

- Service Reasons
- Business Registration
- Deduction Authority
- Incorrect Payments
- Accommodation arrears and final utilities bills
- Complaint Resolution
- Transition
- Further Feedback

Promotion of the paper was undertaken through direct communication strategies, including email correspondence to all Centrepay registered businesses, an SMS sent to all current Centrepay customers, community radio station announcements, the agency's website and social media updates. In addition, the agency also circulated promotional material with its community advocate and support networks.

The consultation closed on 21 April 2025. The agency received **374** submissions.

All submissions were reviewed as part of synthesis and analysis. A thematic approach was used, involving:

- entering data into a master spreadsheet against the 40 questions
- coding responses against pre-determined themes
- deeper synthesis and analysis by the team to find emerging themes and key findings.

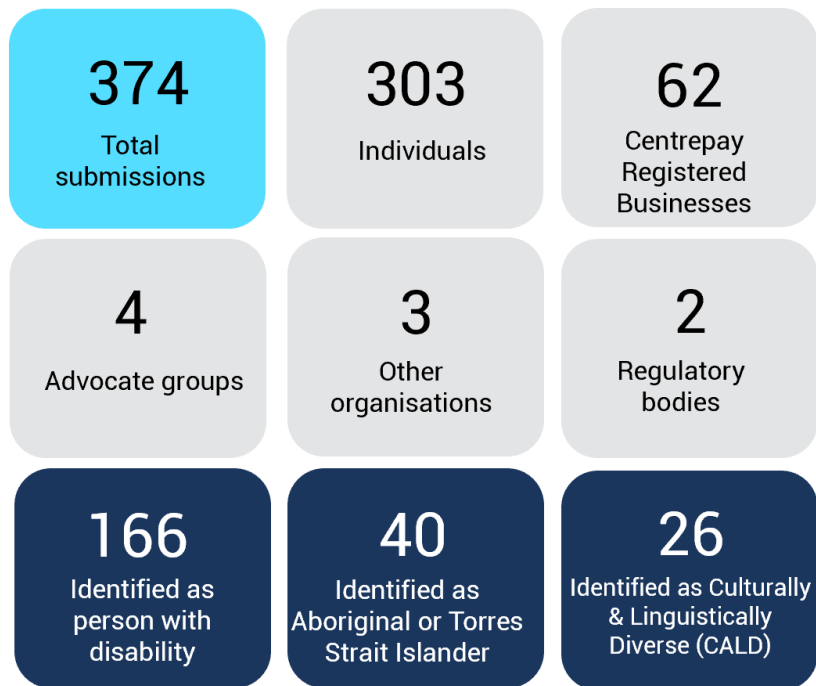
The agency received general feedback following the December 2024 ministerial announcement of the proposed reforms. We've considered and incorporated this feedback within this report.

Limitations

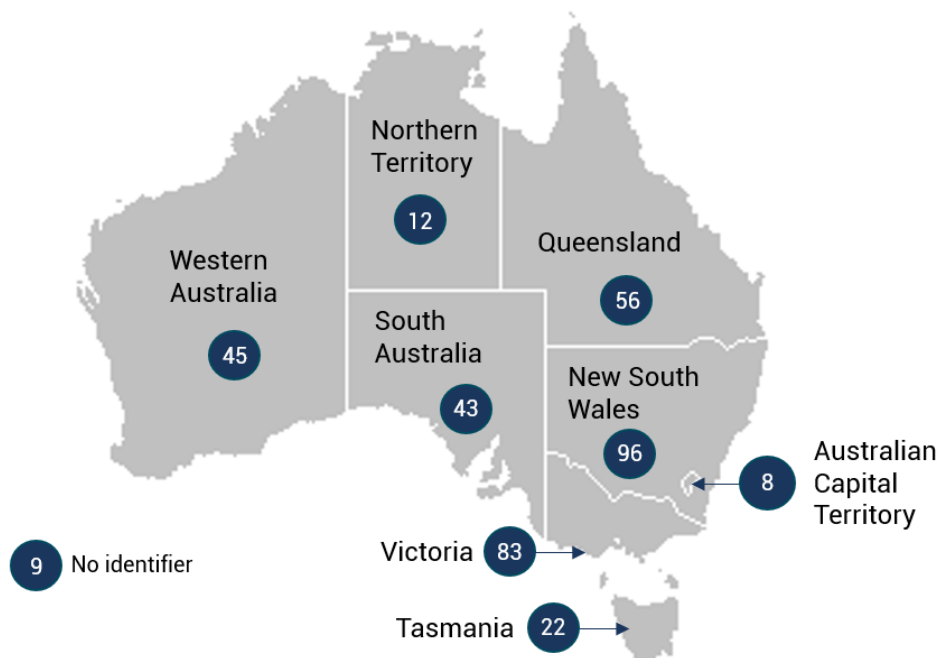
- Participation through the DSS Engage website required access to a computer, digital device and internet connection. A small number of responses were also provided directly to the agency.
- The paper and associated questionnaire were only available in English and therefore, responses are likely to be biased toward English speakers.
- There is an under representation of individuals in vulnerable populations. Advocate groups and regulators provided experiences on behalf of these populations.
- Respondents were not obliged to answer every question. This means comments for some questions were more thorough than others.
- Where commentary in the report quantifies responses, this is not reflective of a true sample size of Centrepay customers and registered businesses, due to the proportion of responses to customer and registered business numbers.

Respondent information

Breakdown of submissions by stakeholder group:



Breakdown of submissions by state or territory



Note: The agency received 9 submissions that did not include a location.

Centrepay Reform topics

The paper consisted of 40 questions aligning to the key reforms being considered by the agency to Centrepay.

Below are summaries and findings against each topic set out in the paper.

Service Reasons

There is a divide in opinion among respondents about the proposed changes to service reasons. The majority of both individuals and businesses indicated their reliance on particular service reasons. Advocates and regulators showed support of the proposed changes and highlighted the current risks to customers experiencing financial harm.

2.1 Eligible Service Reasons

Summary

Feedback on proposed changes to Centrepay service reasons reveals mixed views across stakeholders. Advocates and regulators largely support the removal of these services due to the risks of financial harm and misuse.

While some individuals and businesses expressed concern that removing services like Motor Vehicle Registration, Household Goods Lease and Rental, Basic Household Items, and Food Provision could increase financial hardship, stress, and digital exclusion.

Findings

Motor Vehicle Registration

Some individuals indicated they would be impacted by the removing of this service reason, suggesting it may increase financial difficulties. By removing this service reason, it could lead to customers missing payments.

Although this service reason isn't currently utilised by any Centrepay customers or relevant state or territory authorities, the agency heard it could be disadvantageous for low-income earners were it removed. It could also cause increased anxiety about managing their budgets.

A large number of individuals stated that they would have used Centrepay for motor vehicle registration, had they known it was available. Advocates also noted that the low uptake of this service is a result of a lack of awareness of the possibility to use Centrepay for car registration. They propose the agency provide education to customers on available services.

'As for the motor vehicle registration, I'd love to be able to set up a Centrepay for my registration because it would be beneficial for me being on a carer's payment as I struggle to try to pay for it either 6 months or 12 months so I'm paying more by paying for it monthly.'

25-CP-244 - individual

One advocate highlighted the importance of keeping motor vehicle registration services, particularly in outer-metro and regional or remote areas, where public transport networks are not available or are insufficient for community need.

Despite the lack of uptake, they perceive the removal of this service reason to be a disadvantage, as access to transport means people can travel to work or school, access food stores easily, transport their shopping, and attend medical appointments. Other advocates were supportive of removing the service reason.

There was no response from businesses in relation to this service reason, as there are no businesses currently registered to offer Motor Vehicle Registration.

Social and Recreational Commitments

The Social and Recreational Commitments service reason includes expenses related to:

- sporting activities and equipment
- musical activities and equipment
- church donations
- sponsorships.

There was limited feedback specifically relating to Social and Recreational Commitments, the small number of individuals that indicated they would be impacted had mixed views that predatory behaviour will be reduced by removing it. Others suggested that removing the service reason would cause increased stress when making payments and managing budgets.

Some individuals highlighted their reliance on Centrepay to make these payments (sometimes due to memory impairments or disabilities) and how it could disadvantage those on a low income.

Advocates provided overarching endorsement for the removal of these proposed service reasons. Regulators support the removal of these specific service reasons as they consider them to be discretionary purchases.

There was no response from businesses in relation to this service reason.

'Good change that will reduce predatory businesses taking advantage of those with LLNP concerns.'

25-CP-275 - individual

Household Goods Lease and Rental

Regulators and advocates feedback is contrary to the above, highlighting concern for the high risk of financial harm to vulnerable consumers. A regulator highlights access to Centrepay by these businesses resulted in:

- higher risk of financial harm given the higher cost
- limited consumer benefit
- similarity to credit contracts.

'[regulator] has long held concerns about the conduct of businesses in the consumer lease sector and has taken enforcement action over time against several lease providers for misconduct, including breaches of credit laws and unfair pricing practices.'

25-OR-23 - regulator

Advocates are in strong agreement with this view, referencing examples of misuse and non-compliance, particularly in situations where low-income customers have paid inflated prices for household goods through Centrepay.

Many individuals stated that the removal of this service reason would impact their ability to purchase items such as whitegoods.

Some also mentioned how it would eliminate their autonomy to choose alternative payment methods. Other individuals said they prefer to use Centrepay for these types of goods, rather than giving bank details to a business, to set up direct debits.

Some businesses highlighted how the removal of Household Goods Lease and Rental would disadvantage those on a low income and may increase financial difficulties, as they rely on help to make payments.

Other businesses noted this change would disrupt existing and ongoing payment plans. It also highlights the risk that where customers don't have an alternate payment methods, funds owing on leases at the end of the transition period would become unrecoverable, causing repossession of goods.

Businesses also highlighted a lack of affordable alternative payment methods, with reference to the payment surcharges associated with credit cards or direct debit.

Some businesses noted that direct debit is not a suitable alternative because of the increased validation time to authorise deductions and higher dishonour fees. Businesses said in some situations customers pay a \$15 fee to the direct debit company for missing a payment.

Some businesses noted that customers would not have access to other methods of payment due to the requirement for credit assessment. This would effectively eliminate their access to goods and services.

'For starters if the household goods lease and rental should be removed it will put a lot of families in an emergency situation [sic]... Basically, don't remove any of the above services as it'll have a negative impact on so many people.'

25-CP-244 - individual

Basic Household Items

Regulators support the proposal to remove Basic Household Items from Centrepay, as they represent discretionary purchases and may be high-risk services.

Advocates also support this proposal. They said this service reason carries the highest risk of financial harm to customers. As evidenced by a history of Basic Household Items businesses in breach of the Centrepay Policy and Terms.

'[regulator] understands that Services Australia proposes to remove specific service reasons from the Centrepay program as they represent discretionary purchases and may be high-risk services. We support the proposal to remove household goods leases and rentals, and basic household items, as service reasons.'

25-OR-23 - regulator

Feedback from some individuals and businesses emphasised the significance of basic household items. They note that the removal of these services could make financial difficulties worse and lead to missed payments. Both also highlight the need for affordable alternatives.

Most individuals stated they rely on this service reason and without it, budgeting would be more difficult, leading to increased stress about making payments.

Feedback from some businesses argue that the removal of this service reason would drastically impact sales potentially leading to closure of businesses. While, some smaller businesses noted that it could lead to larger businesses holding a monopoly in the market and subsequent closure of businesses not adopting internal credit systems.

There was a general consensus from businesses preferring the addition of further conditions and restrictions, in place of removing the service reason from Centrepay.

Some businesses stated that for customers, it reduces access to essential items, and challenges positive financial habits, as well as removing the peace of mind offered by Centrepay.

Employment Expenses

Employment expenses are among the lowest number of specific responses. However, it was defended by some respondents as needing to be encouraged and not removed, because it supports individuals becoming independent of Centrelink. Some individuals observed that a removal would make budgeting more difficult. There are no businesses registered for this service reason, therefore it is not being utilised by any customers.

'Removing employment-related expenses is especially short-sighted. Centrelink expects us to apply for jobs, attend interviews, and participate in training—yet is proposing to remove one of the few tools that supports these costs directly.'

25-CP-110 - individual

One business highlighted that tools and trade expenses such as lawn mowers are important employment expenses for low-income customers and small businesses.

Funeral Expenses

Funeral expenses received significantly less responses than other categories being removed. However some individuals raised concerns about being able to afford this high and unexpected expense, commenting on the additional stress it will cause for budgeting. Some individuals stated had they known Centrepay was available for Funeral Expenses it would have been easier for them to manage a difficult time.

Advocates supported the removal of this service reason noting they have rallied successive governments to remove Funeral Expenses amongst other services offered through Centrepay for over a decade. Only a single business response was received, noting that loans for funerals are important to help families to cover expenses at times of high emotions.

'The heartache and headache of funeral expenses are enormous and in reality, those of us on welfare can not afford funeral expense that range into the thousands. Having this opportunity to have an outlet to pay for such an expense is life changing.'

25-CP-230 - individual

Savings

Some individuals reported that the removal of this service reason would impact them. Feedback indicated the Savings service reason was useful and that removing it would make budgeting more difficult. Many individuals were unaware of Centrepay offering this service, noting they would have used it if they had known about it.

It should be noted in consideration of these insights, no businesses have ever been registered to use the Savings service reason, therefore no customers have utilised this service.

Advocates supported retaining the service, highlighting the need for Centrepay to better communicate Savings to potential clients, rather than the service removal. An advocate suggested that the Savings service reason could be used to support customers in remote areas, in partnership with select banks to explore ways of incentivising budgeting and saving. It was also raised that customers could use Centrepay's savings option to avoid unexpectedly going into debt – i.e. it builds up a buffer for them in case unexpected costs arise and they need to use their savings.

'If this is a voluntary savings system, I would like to see this retained, as I will use it. I try to save my money, \$20 per fortnight, but always end up using it for groceries as it is easily accessed. It is also another direct debit, that sometimes fails and costs me a bank fee. If it was taken out before I received my funds, I would not miss it and be able to build up a reserve. Please retain the savings option, if it is a voluntary savings option.'

25-CP-347- individual

No responses were received from businesses about the Savings service reason.

Food Provision (non-remote)

Overall responses showed less reliance on this service reason. However for individuals utilising Food Provision, some respondents indicated that the removal would impact them. More specifically those with a disability or dietary requirements (items not available at food banks), potentially causing increased anxiety and difficulty for budgeting.

Some individuals pointed out their reliance to make regular purchases and have a safety net, so losing the service could impact their mental health and wellbeing.

Restricting food provision to remote communities assumes people in cities or regional areas have access to adequate alternatives. One respondent said that is not the case. They went on to share they cannot access a credit card meaning they use Centrepay as a type of credit system for food and provisions.

'Please do not take away food provision for rural (but not remote or very remote) communities and towns. These services are vital for our communities members and takes away some of the daily stressors people are already dealing with. Our local butcher who have Centrepay deductions for their customers have a heart for our town and support so many not for profit groups and organisations.'

25-CP-003 - individual

Advocates support not having the full removal of food services in remote communities and expressed the need for further consultation as to define the impact of removal.

However, some call for the reforms to focus on ensuring more transparency and responsible practices for businesses, rather than removal of the service. Others asked for the agency to consider food security, definitions of remote and very remote and options for alternatives.

'Review of the service reason from 1 July 2025 should involve further consultation as to the impact of removal of the food provision. Any considerations to proceed with the removal should involve alternative strategies to ensure ongoing access to healthy and affordable foods in remote areas.'

25-CP-318 – advocate

Additionally, some businesses noted that removal would drastically impact sales, potentially leading to closure of business. They also suggested that crime will increase because people won't be able to pay for their own household needs. The agency also heard that customers rely on using Centrepay and raised the potential negative impact on vulnerable customers and financial hardship.

2.2 Service Reasons - Conditions

Summary

Most respondents indicated that introducing mandatory conditions would pose minimal impact to them. Overall, respondents suggested that the proposed conditions would support the accuracy of deductions in place, while others stated it would have a negative impact on their business. The agency overwhelmingly heard that visibility of deductions and clear communication was important to individuals who use Centrepay.

Findings

Most individuals stated they would not be impacted by the proposed mandatory conditions.

Among those who stated they would be affected, a primary concern was the difficulty or forgetfulness in setting up a new deduction when an end date or target amount is due. Additionally, some individuals highlighted the risk of missing payments or losing the ability to accrue excess credit. Some respondents noted that the cost of goods can fluctuate due to unpredictable circumstances and stated that target amounts or end dates will not assist in these cases.

Many individuals showed their support for the proposed reform. This is because they see mandatory conditions as additional protection, stopping customers from being impacted by businesses who continue deductions over the agreed service or product value.

It was also suggested that additional correspondence or notifications about upcoming end dates or target amounts could help to manage their deductions.

Many individuals highlighted the importance of ongoing deductions for peace of mind and stated how the proposed changes would be confusing and difficult to manage.

'There is a certain security knowing that your bill to a certain organisation is assured and you do not have to be endlessly checking to see if it has been paid. It allows for a routine 'set and forget' allowing for more time for those of us who are carers or disabled to focus on the numerous other tasks involved in our complex lives.'

25-CP-037- individual

Business feedback about the introduction of mandatory conditions was mixed. Some stated it would not affect them. While others said it would have a negative impact on their service and undermine the primary value of Centrepay. Many businesses were supportive of mandating target amounts where a customer may use Centrepay to pay for a final utilities bill. Some businesses highlighted that mandated target amounts would reduce the risk of accounts accruing on closed accounts.

It was mentioned that the process to reinstate deductions seems onerous for customers and difficult to put in practice, particularly for the School Nutrition Program. Additionally ongoing payments allow customers to reduce contributions who wish to have a credit buffer for future financial difficulties.

Particularly in the education sector, businesses indicated that limiting deductions to the school year period would impact customers who may lack initiative to renew deductions.

Some businesses suggested that education expenses be ongoing for the duration that a student is enrolled at school, rather than limited to the school year.

'The proposal is for all SNP to be end-dated to the end of the school year. We have about 35 parents contributing money to SNP. If it ceases automatically at year's end, it will be very difficult to get them to recommence payments at the start of the following year. Many parents lack the initiative or the means to start payments again. We would have to transport most of them to the school so that they can use a school computer to sign up again and for a Family Liaison Officer to help them with the process. It would take [sic] weeks or months for us to get them all signed up again. In the meantime, we can't afford to feed all these children for free.'

25-CP-250 - business

A regulator response outlined strong support for mandatory conditions to be placed on businesses, to set either target amounts or end dates for Centrepay arrangements. A suggestion noted this be extended to a broader range of service reasons.

Overall advocates supported the proposed mandatory conditions as a way to stop ongoing deductions that customers no longer need. They mention their support in adding an accessible mechanism for Centrepay users to review if the end date of an arrangement is approaching so they can extend if needed.

Individuals and businesses suggested that there should be increased visibility of deductions through notifications, communication, receipts, increased education to customers, and offering financial counselling services.

Overall, responses highlighted the need for better communication, flexibility, and support for customers using Centrepay to manage their finances effectively and avoid unnecessary stress.

2.3 Redefined Service Reasons – Excluded expenses

Summary

The majority of participants stated they would not be impacted by the proposal to exclude expenses from Centrepay. The agency heard that those who will be impacted are affected by removing the ability to use Centrepay to pay for mobile phones and laptops, which are seen as necessities, not luxuries.

Findings

Both individual respondents and businesses agree on the likely impact excluded expenses would have on digital inclusion, due to the critical role of digital devices such as laptops and mobile phones in today's world.

Many individuals stated that the proposed exclusions would further exacerbate the affordability and accessibility of mobile phones for vulnerable and low-income customers. Respondents stated that some excluded items are considered essential services. Mobile phones and laptops are no longer perceived as luxuries, but essential tools for communication, accessing services, and participating in society.

Multiple responses highlighted that excluding these items from Centrepay could impact individuals who rely on these devices for education, job searching, and accessing essential online services, such as Centrelink, emergency services and banking. Some individuals noted that the exclusions may not currently affect them, however, may present issues in the future.

In contrast, only a single participant supports the exclusion, arguing that there are affordable options for phones that do not require Centrepay deductions.

'In today's world of digital access and connectivity, we are of the view that laptop purchases are not discretionary items but rather an essential living item. Removal of this essential item will deny these disadvantaged individuals basic rights and access to digital services that us [sic] more privileged simply take for granted.'

25-CP-008 - business

Many individuals commented that the proposed changes to exclusions will make budgeting more difficult, affect their existing arrangements and that some would forget to make payments for items like household appliances if these were excluded. Noting the increasing cost of goods, some individuals anticipate it will impact their participation in everyday life, making it harder to pay for essential household items in unexpected circumstances.

'Mobile phones are a necessity for recent times and having the outlay cost for mobile phones impacts household outgoings greatly due to being expensive. Having opportunity to pay instalments via Centrepay allows for less financial hardship especially during these high cost of living times.'

25-CP-058 - individual

Businesses also commented that customers could likely miss payments, as well as be impacted by the removal of devices affecting social inclusion and participation. Businesses stated that the proposed excluded expenses would mean that customers can no longer access these items as they will not be able to afford the item outright or be approved for another payment method.

Advocates were overall supportive of the proposed excluded expenses to reduce financial risk to customers, however some recognised that these changes may have an unintended impact of increasing digital exclusion.

Business Registration

The majority of respondents, businesses or individuals declare no impact on business registration processes and fees.

Impacted respondents shared ideas about customer protection, support from businesses, exemptions of fees, insights about pain points and areas of opportunity.

3.1 Business approval and ongoing requirements

Summary

Most customers and businesses agree that new requirements, conditions, and fees do not affect them. With a minority highlighting potential impacts and requesting flexibility or exemptions for critical areas or implementation, particularly on transferring from previous arrangements.

Findings

Although the majority of individuals stated they would not be impacted, some highlighted the more arduous approval process could result in less businesses using Centrepay, also stating this may ultimately affect the number of options available to customers. Additionally, several individuals noted their support for the increased customer protection measures through additional screening of businesses.

It was suggested that the agency should facilitate regular compliance checks on Centrepay registered businesses while also ensuring that businesses have clear and enforceable obligations through strengthened policies and procedures.

Some businesses suggested that a differentiated process be implemented for small, not for profit or regional organisations. They emphasised the increased administrative burden created by the business application and onboarding requirements. They also said staff and time constraints required to comply with requirements are a burden for the community services sector.

'We are committed to ethical service delivery, transparency, and accountability and would welcome updated requirements that are proportionate and take into account the specific circumstances of accommodation providers operating within the homelessness and supported housing sectors'

25-CP-317 - business

Some smaller businesses state that they consider the proposed changes to be onerous obligations as they do not have many customers utilising Centrepay. These businesses suggest that the agency should support small businesses to adhere to the proposed requirements.

Additional suggestions from businesses to address risks include:

- giving flexibility to stop and start payments when customers face temporary difficulties
- notifying businesses when a customer has an ongoing deduction at another store to prevent the business from setting up a new deduction amount for the same customer
- sending a notification when a target amount or end date is due for any Centrepay deduction requests relating to outstanding debt and loans
- placing limits and target amounts on deductions to ensure there is money left for food and essentials

- preventing customers from setting up multiple deductions across different businesses.

'If this change is implemented, businesses using Centrepay for basic household items will be forced to lower their prices by 30% immediately to remain competitive. This will eliminate price fixing and introduce price-beat [sic] strategies, ultimately benefiting customers by making cheaper prices more accessible.'

25-CP-340 - business

A regulator response greatly supports the proposed strengthening of the Centrepay application process and introduction of policy and compliance measures. They agree with the need to provide an additional layer of protection for customers. Noting that under the more comprehensive application process some businesses may benefit from guidance or support from the agency. This ensures they understand their obligations and what they need to do.

3.2 Centrepay transaction fees

Summary

Most respondents indicated that they would not be affected by the proposed standardisation of fees. Individuals noted that transaction fees should not be passed onto them, while businesses highlighted operational impacts.

Findings

Although most individuals state the changes to the Centrepay transaction fees would not affect them, some expressed concern that businesses might pass fees on to customers. Some individuals suggested this may already be happening. Many individuals suggested that there shouldn't be a fee for customers or businesses, noting that Centrepay should be a free service.

Additionally, it was also noted that if fees increase or are introduced then some businesses will stop using Centrepay. This in turn will limit customer access to the goods and services that those businesses offer.

A small number of individuals stated that fees should be exempt from not-for-profit organisations, no interest loan schemes and essential services like utility providers.

Most businesses indicated that they would not be affected by the proposed standardisation of fees. Some stated that any increase in cost to their business' operations would ultimately be held by customers. Some businesses noted that without Centrepay, their customers may face transaction fees from third party payment providers.

Some larger businesses noted that the standardisation of fees would impact them, one stating that it is a disproportionate increase which will raise significant cost to the business. Another business noted that the proposed changes would increase operational costs which have not been factored into their budgeting for the next financial year.

Some businesses provided suggestions on how to address the potential impact of fees, including:

- flexibility on fee or expanded fee waiver category for:
 - o registered not-for-profits or charities providing essential services such as housing
 - o organisations that provide accommodation to Centrelink customers as their core service
- fee reduction negotiations in relation to the size of the business and the volume of transactions processed annually.
- incentivising businesses to process Centrepay transactions through reduced transaction fees.

'The waiver of the transaction fee for no interest loans is supported.

There are potentially other areas that could be considered for a transaction fee waiver to ensure vulnerable individuals are not adversely impacted. We would welcome further discussion on this issue.'

25-CP-336 - business

Advocates supported the proposed standardisation of transaction fees and suggested that the agency should consider further exemptions to fees for businesses who offer culturally appropriate no interest and community loans.

Deduction Authority

Responses highlight the mandatory Deduction Authority form is supported with agreement on the need to consider simplicity and accessibility (content and format) for vulnerable customers and how it integrates with operational service delivery and consent processes.

Summary

The overwhelming majority of respondents confirmed that the introduction of a mandatory Deduction Authority form would not impact them or their business. Responses either support or add insights on how to improve implementation of the form or provide specific considerations, with several sharing sentiments in opposition to the new form and process.

Findings

4.1 Mandatory Deduction Authority form

Both individuals and businesses agree that the form should be simple, accessible and considerate of vulnerable individuals. However, initial feedback suggests that some individuals find the form confusing and hard to follow.

It is recommended to co-design the form with Centrepay users, particularly those with disabilities, CALD, and remote communities. Additionally, the form should be written in simple language for all literacy levels.

Another strong sentiment was the importance of prioritising security of customer information. Some respondents flagged a potential risk about the security of personal data and consent to use it.

Some mention how important Centrepay is as it provides support to the community by not having to remember to pay bills. Some individuals suggested the current process in place is working, and therefore there is no need to make changes.

'Sounds like it would be an additional safeguard against fraud, abuse or simply accidentally signing up to something with incorrect understanding.'

25-CP-305 - individual

Overall, there was mixed feedback from businesses with some saying they welcome the use of a standardised form. There are others who feel the form is too complex or not compatible with their business. Overall, businesses' sentiments can be grouped into 3 areas:

1. Administrative effort and training

Some are concerned that the form may not be compatible with business' existing digital channels. They have pointed out that the proposed mandatory form may require system and procedure changes including testing and training for front-line staff before deployment.

Additionally, a business said the new process would increase processing time, with it not being possible for them to lodge the request for change, suspension, or cancellation within 24 hours, suggesting it would require 3 business days.

2. Oral consent vs written consent process

The agency heard how the form could potentially affect customers with literacy issues and should not replace oral consent. It was suggested that the Deduction Authority Form only be mandatory for customers who wish to make an application for a Centrepay Deduction manually or via post.

It was also suggested that the agency considers how the customer gives this information. For example, if this form is sent following up a conversation. Should the form be blank or filled in with the information customers provided over the telephone.

3. Difficulty to understand formal documents by vulnerable cohorts

Feedback noted many people struggle with reading, understanding formal documents, or retaining verbal instructions.

It was suggested that the current version of the form, while improved, could still be difficult for people to comprehend independently. Others suggested the form may be problematic for many in remote communities.

'We are currently using a self-developed Deduction Authority Form that has been approved by Centrepay Agent. It requires change management for our 88 residential aged care homes, 46 retirement living sites and at home support clients, if the self-developed Deduction Authority cannot be used.'

25-CP-344 - business

Overall, advocates are supportive of the form. However there is concern that vulnerable customers who need support to complete the form are at risk of businesses fraudulently completing the form on their behalf. However advocates think, part B of the form will encourage customers to have a support worker, or others assist them to complete the form.

Additional feedback suggests a field be added to include an official authority so financial counsellors can attach their authority form. Finally, there should be a requirement for businesses to upload a copy of the receipt for goods. Ideally this would be available to customers through their Centrelink account.

The regulator response indicated overall support for the mandatory deduction authority form. But it suggests the form could be simplified to improve accessibility and complemented by a consumer education campaign. Regulators also suggest an additional note confirming businesses have ensured that their customers understand the information and the arrangement as outlined in the form.

'We suggest that businesses consider each customer's individual circumstances when providing information, especially their cultural background and literacy level. We also suggest that Services Australia alerts businesses to relevant privacy legislation...'

25-OR-23 – regulator

Accommodation arrears and final utilities bills

Overall, the majority of respondents indicate support for the accommodation arrears, final utility bills and business obligations proposals. There is willingness to keep essential services and allow arrears to be paid, with advocates, individuals and businesses all in agreement that this will help people to manage these expenses. Additionally, the majority of respondents indicate they would not be impacted by the proposed business obligations.

5.1 Accommodation arrears

Summary

Overall, the majority of respondents stated that they would not be impacted by the proposed changes.

Sentiments come mainly from individuals, noting the desire to use Centrepay for accommodation arrears. Others touch on this being a positive change, supporting people to keep good rental records and ultimately avoid homelessness. Businesses had lower levels of responses, but added additional notes on tenant self-managing challenges.

Findings

Most individuals share a view consistent with the proposed reform, that they should be able to use Centrepay to pay for accommodation arrears. Some individuals gave positive feedback, noting that the proposed change supports customers to maintain their rental records. This in turn assists with securing future accommodation. Some individuals shared the opinion that no changes should be made, while others suggested that the changes will help protect customers from exploitation by businesses and falling into homelessness.

Overall, most businesses indicated their support for the proposed reforms with feedback. They stated these changes will provide tenants the option to easily manage these payments and effectively pay off their arrears when they move on. The agency also heard that there should be a clear process to cancel and restart deductions. While others called for improved transparency and communication about accommodation arrears, particularly for customers with vulnerabilities.

Advocates overall support the proposed change, stating that it would be an important step towards removing barriers that customers face. Particularly when attempting to gain access to services in a new location. Advocates suggested that using Centrepay to pay for accommodation arrears should be voluntary and should have safeguards implemented, such as:

- imposing mandatory conditions such as target amount and end dates
- being referred to a free financial counselling service.

'Feedback from our member organisations highlighted that the payment of arrears is an important safeguard against the poor payment records or blacklisting experienced by some customers due to their inability to pay arrears through Centrepay. However, as an added safeguarding measure, we recommend that arrears payments be made an opt-in, voluntary process for customers. Customers must also be provided with accessible information explaining how they have accumulated arrears and how they can use Centrepay to manage or repay them, including information about advocacy and/or legal support services.'

25-CP-335 - advocate

5.2 Final utilities bills

Summary

Overwhelmingly respondents were supportive of the proposed change, with feedback highlighting the importance of allowing Centrepay to be used as it will help people to manage arrears and not be 'blacklisted'.

Findings

The majority of individuals showed support for the reforms, noting the potential to help customers to manage their payments and prevent arrears. Other individuals said that it is important to allow Centrepay to be used for utilities.

An individual highlighted how final utility bills are often unpredictable, and if they can't be paid promptly then people risk being blacklisted or denied future service. Some noted this is a good proposal as it will empower customers to review payments before termination.

Most individuals noted that communication should be improved with many suggesting that customers should be contacted by both Centrepay and the utility company when any changes are proposed. Some individuals were of the opinion that no changes should be made to Centrepay with respect to utilities.

'If that ability [sic] is made available it would make everything so much easier, the cost of living is already so high, having to move and reconnect services and to normally have to pay out right [sic] a high final bill puts so much additional stress on a family'

25-CP-102 - individual

Businesses overwhelmingly said that the proposed change to utilities bills is a positive change. Large businesses in the utilities sector noted that this will be of benefit to both customers and businesses. Because it would significantly reduce the number of incorrect payments that require remediation. It was noted that this change would support customers from debt collection activities and assist housing applications.

It was suggested that the agency implements a further change to allow concurrent deductions from the same benefit type so that customers may make contributions to both their final account with debt as well as their new utilities account.

Advocates supported the proposal, however noted that final utilities deductions should contain a target amount or end date to reduce risk of incorrect payments. Advocates also suggested that when deductions are created for arrears, utilities should offer hardship support as well as referring customers to a free financial counsellor.

'This change is very welcome and will have a significant positive impact on our business to allow for customers to meet their obligations and continue to access housing opportunities.'

25-CP-349 - business

5.3 Business Obligations

Summary

Overall, the majority of respondents support the proposed reforms in relation to business obligations. Advocates and some individuals would like to see heavier penalties for business who do not comply with their Centrepay obligations, while some businesses indicated a need for additional time to implement changes.

Findings

Overall, individuals stated the proposed business obligations and compliance requirements will not have an impact on them.

Some individuals said that the proposed changes will increase positive experiences through enhanced transparency, accountability and trust within the system. While others commented that tougher obligations on businesses may limit the number of Centrepay registered businesses, leading to reduced services.

Most businesses stated that the proposals would not impact them. Responses from larger businesses agreed that the proposed change will need investment for changes to internal processes and to ensure ongoing compliance. It was also mentioned that the proposed implementation time frames would be a barrier, with suggesting the agency reconsider the proposed timeframes.

Some businesses noted that the proposed compliance obligations may create administrative burdens that disproportionately affects smaller businesses. A business suggested a tiered compliance approach based on client volumes and risks associated with various services that businesses offer.

One business commented that it would be helpful for the agency to provide clearer and more detailed guidelines on the specific formats businesses should use for record-keeping. Having standardised templates or reporting tools could reduce the administrative burden on businesses and make it easier for them to stay compliant.

'Additional time is needed to implement new business obligations and assess regulatory alignment.'

25-OR-017 – business

Advocates strongly support the proposed business obligations and emphasised that access to Centrepay is a privilege for businesses. Advocates said the enforcement of compliance is only meaningful if complaints processes are accessible, inclusive and adequately resourced to investigate and hold businesses to account.

Advocates highlight the need for greater protections and stricter guidelines to eliminate exploitation of vulnerable customers. Also noting discretionary language in the Terms of Use might make things difficult, as such advocates would prefer to have firmer additional clauses to support enforcement.

'We believe these criteria will give the Agency the tools it needs to deny access for businesses that might pose a risk of unethical or unfair practices towards customers or in any way pose unreasonable financial risks for customers.'

25-OR-011 - advocate

Incorrect payments

Overall, findings indicated both individuals and businesses need a more transparent and supportive process that is simple, clear and timely. Businesses want clear definitions in the Terms of Use and resources that guide businesses.

Summary

Most individuals and businesses responded yes to understanding their obligations and rights with respect to incorrect payments. They also said the reforms would not have an impact on them personally or their business.

Findings

6.1 Dealing with incorrect payments

A number of businesses said their current processes align with the proposed reforms. Where they are processing refunds immediately, either by contacting the customer, or reporting to the agency. Where an overpayment has occurred, most businesses contacted the customer and offered either a store credit or refund.

Some businesses indicated the reforms would impact them by incurring the need for additional resources and new processes. For example, requiring a new administrative process when reporting incorrect payments to the agency or hiring new staff to return any unallocated money to Centrelink after investigation and reporting.

Feedback highlighted barriers in contacting customers whose details were not up to date. Businesses suggested the agency should manage all customer contact details such as bank and contact details and refunds.

Examples of suggestions from businesses include:

- a reporting process whereby the business contacts the agency about an incorrect payment, the agency then accepts the incorrect the payment request and notifies the customer
- introduction of a '7-day grace period' allowing customers to exit a contract, allowing time to process changes in contracts. For example cancellations that may reduce administrative processes
- getting businesses to resolve incorrect payments with the customer directly when applicable
- promoting verbal deduction authority over forms
- more access to stop deductions when there is a credit balance.

Some businesses also asked for a clearer understanding of Clause 38 'Interpretation of your Centrepay contract' with one business suggesting a flowchart be developed for easier guidance in how to work through an incorrect payment.

'No, this will not impact on our business as we do internal audit [sic] to notify the customer and if are unable to make contact then money will be return back to same payment method'.

25-CP-323- business

The majority of individuals indicated the need for a simple and prompt incorrect payments process. One person suggested an alternate format be a visual list of dates and payments, rather than just in words.

Some individuals also stated they had never had an incorrect payment, but trusted businesses would immediately resolve the issue. Whereas others indicated mistrust in businesses ability to record correct customer information.

Responses suggested the following improvements:

- customers should have the option to get a credit or refund
- implement online access to report overpayments
- refunds and credits to be deposited into the account it was taken out from
- incorrect payments to be processed by Centrelink
- have a cap on the total amount one business should take
- addition of a secondary contact
- compensation to be made to those affected by incorrect payments
- transparency from businesses to provide statements and receipts when asked
- enhanced communication from businesses to customers by sending notifications when a contract ends
- arrange an appointment to discuss incorrect payments.

'Very tricky to cancel and get money back from these company's when they have taken to much.'

25-CP-069 – individual

A regulator response indicates support for processes outlined in the draft Centrepay Terms of Use on incorrect payments, including:

- for businesses to identify and rectify incorrect payments
- provide timely notification and remedial action to the customer
- notify the agency where refunds cannot be processed
- customers cannot be contacted.

It was also suggested that businesses be supported to approach issues of incorrect payments and ways to inform customers in a way that meets customers needs. For example, using multiple communication channels to contact a customer when an incorrect payment has occurred.

Advocates were unified amongst responses to provide additional support for vulnerable populations who may be at risk of financial hardship and victims of poor business practices.

One advocate recommended the agency implement an alert to Centrepay users if their proposed deductions exceeded a certain percentage of their payments. To further support customers where an incorrect payment has occurred, they also suggested referrals to an independent advocacy or legal support services should be included.

Feedback from another advocate suggested that 12 months accrual for a utilities account is excessive.

Additional improvements include:

- enhanced communication between business and customer when an incorrect payment occurs
- provision of legal support for people with disabilities
- notification of positive balances to customers
- giving customers the choice to apply positive balances to the next bill or to get a refund.

'People with an intellectual disability who use Centrepay also require accessible information about their rights and what safeguards are in place to protect them from exploitation by poor business practices, which does not currently exist. This gap has not been recognised or addressed by the current proposals set out in the consultation paper. We recommend the Department work with Services Australia to develop accessible information about individual rights and complaints pathways, which must include information about accessing support through Services Australia and externally through individual advocacy and legal support services.'

25-CP-335 – advocate

Complaint resolution

There is a consensus for a formal requirement of Centrepay businesses to maintain a complaint policy. This would give customers more confidence in the system, ensuring transparency and customer support.

Summary

Overall, findings indicated individuals need a more accessible, transparent and supportive complaint process that is simple, clear and timely. Other stakeholders such as advocate groups indicated a strong need to provide adequate support for vulnerable populations. The overwhelming majority of respondents indicated there is 'no impact' in relation to the Centrepay proposed Terms of Use.

Findings

7.1 Feedback policy/procedure

Respondents generally support the complaints information contained in the Terms of Use, with a number of positive sentiments stating the changes are sensible, an excellent idea and expressing a sense of gratitude.

The few individuals who indicated an impact from the complaints process outlined in the Terms of Use stated current processes are 'inadequate', 'difficult' and 'slow'. Some individuals found it difficult in filing a complaint directly with businesses, suggesting the business did not provide a clear response. Individuals also expressed heavier penalties be imposed on businesses that fail to comply with policy, including failing to respond in a 'timely or respectful way'.

Some suggestions from individuals include:

- easy access to complaint forms and relevant phone numbers
- in person contact and the option to speak to trained Centrepay staff
- Centrepay to manage the complaint process
- monitoring process to ensure complaints are resolved
- providing confirmation numbers or receipts for lodged complaints
- tracking complaints within platforms like myGov or Centrelink online services.

The importance of supporting vulnerable customers, such as neurodivergent, non-English-speaking, or otherwise disadvantaged was highlighted. One individual stated dealing directly with businesses causes extra stress.

Suggestions to support vulnerable customers include:

- providing plain-language summaries of complaint policies
- offering anonymous feedback options
- ensuring non-punitive communication.
- provide additional processes to support complex complaints.

'Making a complaint through centrelink about anything is impossible. So having its own feedback line or setting up a phone line that links customers directly to centrepay itself will help then people can speak to centrepay [sic] themselves about amynissue [sic] that arise.'

25-CP-234 - individual

There were mixed opinions about the agency's role in the complaint process. Some respondents stated Centrepay staff should act on behalf of the customer in case of unresolved issues. Others believed that the agency should not be involved in customer-business disputes.

Some businesses wanted more flexibility in how they manage customer complaints by allowing customers to make a choice between a written or verbal response. This would enable flexibility and provide a better customer experience, allowing the customer and business to resolve the complaints in certain circumstances.

Businesses also noted potential resourcing impacts in order to manage complaints. They stated the proposed requirement will have a modest administrative impact to ensure alignment between existing processes and the Centrepay Terms of Use. This includes making required changes to documentation and updating intake procedures.

Overall, most businesses supported the proposed complaint policy outlined in Part F of the Terms of Use. The agency also received suggestions to reduce barriers to compliance:

- extend the timeframe for providing information to the agency from 5 business days to 10 business days
- the need for clearer guidelines and support to ensure compliance without being an excessive burden
- complaint policies must be easy to find, accessible in plain English, and followed up by action.

'We agree that there should be a clear process for customers to records [sic] their complaints for any failing regarding their Centrepay arrangement. We believe that most retailer complaint handling processes can accommodate the need to specify Centrepay as a complaint reason.

25-CP-331 - business

A regulator response supports the complaints policy. They also called for customers to be given information about what to do if they are not satisfied with how their complaint was handled. Additionally, it suggested that businesses compile all complaints into a register to be provided to the agency periodically, for example every six months. This would then help inform the agency's compliance activities and identify high-risk businesses.

Advocates support the complaints policy overall as well as Centrepay's decision to have a new and dedicated Centrepay Complaint Specialist team. Feedback outlined suggestions to make the complaints process easier and accessible, particularly for vulnerable populations. Recommendations include:

- inform customers they can contact the agency if businesses fail to resolve complaints
- provide transparency by reporting business' complaints in annual reports
- complaints handling and resolution process should align with the recommendations outlined in the Disability Royal Commission
- make definitions in Clause 4.2 "clear, simple and easy to use" more precise, as the wording is subjective and imprecise
- clearer wording could be used in the Terms of Use Policy, for example in Clause 18.1 (i) the wording 'if you become aware of' was noted as being 'vague and difficult to enforce'
- shorten the proposed period of 20 days to align with customers fortnightly payments
- co-design the requirements for complaints handling and resolution processes with a diverse group representative of Centrepay customers, including people living with a disability.

'Consumer advocates strongly support the revised Centrepay complaints policies as set out in the Terms of Use and Policy for Businesses; we also strongly support Centrepay having a new dedicated Centrepay Complaint Specialist team.'

25-OR-011- advocate

Transition

The transition period should balance accessibility to services and potential impacts to businesses and customers. Customers should be supported to manage Centrepay deductions that may cease and set up alternative payment arrangements with businesses.

Summary

Overall, the majority of respondents indicated that the proposed transition plan would not impact them. However of those that indicated yes, there are strong themes for consideration to extend the timeframe for transition. The importance of clear communication and support during the transition period is also noted.

Findings

8.1 Transition plan for implementing Centrepay reforms

Two themes were prominent in the responses from businesses in relation to the transition. One being the transition period of 12 months and the other, the risk of overdue funds becoming unrecoverable.

Most businesses shared the sentiment that the transition period was not long enough to effectively implement new policies and procedures. This included time to make changes to ICT systems. Businesses suggested that a longer transition period would lead to better outcomes for both businesses and customers.

Businesses affected by the removal of Household Goods Lease and Rental indicated a material risk at the end of the transition period. For example amounts owing on existing leases would not be recoverable and goods may need to be repossessed. Ultimately leading to customers being blacklisted.

These same respondents noted at times customers contact them to stop their deductions temporarily to cover unexpected expenses and reinstate deductions shortly after. Businesses have identified that under the transition plan they would not be able to reinstate deductions. This may have a negative impact on customers' ability to manage their finances.

Several businesses were supportive of the reforms and were confident they could implement the required changes within the transition period. Additionally, businesses would need to implement staff training and ICT enhancements to support operations.

'... the proposed effective date of 1 July 2025 does not provide sufficient lead time for businesses to effectively implement the proposed reforms, including system updates and staff training (particularly for call centre teams), which are complex and resource intensive.'

25-OR-17 – business

Individuals specifically identified potential impacts with the removal of services such as food provision, leasing and insurance and how this may affect their financial stability.

Some individuals expressed apprehension with managing their finances if some service reasons were to be removed from Centrepay. Others stated they were confused by the transition and were concerned that they wouldn't know if they were affected until their deductions have been missed.

It was suggested that businesses should notify customers of changes resulting from the reform and offer alternate payment methods.

Suggestions from respondents about how to ease the impact of transition include:

- provide a 'grace period' and a longer transition period
- provide customers with relevant support services, for example financial counselling, FAQs, online resources
- businesses should provide more payment options for customers to access goods and services
- clear and timely communication to customers about impacts and what options are available to them
- businesses to offer special consideration to vulnerable customers who may be experiencing financial hardship, for example discounted payment plans.

'I just hope Centrepay & the Government realise on how much Australian People rely on Centrepay, Centrepay is a Great way to unburden People of Payment Installments [sic] to live in our Day of Age, to know they're Bills will be paid for on-time, Everytime [sic].'

25-CP-060 - customer

Both businesses and individuals emphasised the importance of clear, simple and regular communication to keep them informed of the changes. One business suggested the agency provide support agents to assist with the implementation of updated processes. It also suggested clarification about payments and responsibilities during the transition period.

Other improvements to better communicate between businesses and customers are:

- notify customers throughout transition via digital media. For example, SMS, web updates and myGov
- create a feedback mechanism. For example, regular surveys or online forums where customers can express concerns and provide suggestions throughout transition.

'Timely and responsive access to Centrepay support agents during any transition to support the implementation of updated processes and to provide guidance if additional clarifications are required regarding payments and responsibilities.'

25-CP-349 - customer

Advocates indicated they were supportive of the proposed transition plan.

There is an expectation that advocates continue to be closely consulted after 1 July 2025. Specifically advocates want to be involved in community consultation to better understand the food provision arrangements for customers living in remote or very remote areas.

It was suggested the agency engage with local financial wellbeing services to locate and consult with customers to help ensure the consultation is successful.

Further feedback

The strongest overarching theme indicates that Centrepay is a relied upon service, as such retention of service reasons would assist in managing finances and many would like to see the available services under Centrepay kept and expanded.

Summary

Less than half of respondents provided further feedback on the proposed reforms. Sentiments ranged from adding more services instead of reducing options to concerns of hardship and support for vulnerable groups.

Accessibility was also mentioned across a range of areas including difficulty accessing Service Centres, accessing the online business portal and making the complaint form easier to access.

Findings

9.1 Further Feedback

Individuals indicated that Centrepay is a relied upon service. They indicated a preference to retain service reasons to assist in managing finances. Many would like to see the available services under Centrepay kept and expanded.

Some respondents noted making, changing or cancelling a Centrepay deduction should be easier online, stating they would benefit from being able to access Centrepay through a portal to have more control over deductions, and increasing financial independence.

Potential impact for vulnerable populations was also a key sentiment from individuals and businesses. Particularly food provisions being relied upon especially in rural communities. To avoid hardship, supports should be put in place throughout the implementation of reforms.

Some individuals suggested businesses may remove themselves from Centrepay under the new reforms, while others supported the introduction of stronger compliance for businesses.

'The whole heart of Centrepay is to ensure that rent is paid, internet is paid, fines, to ensure people are able to them off and once paid automatically stopped. Electricity and water bill [sic]. Essential reliable safe and in control of your financial situation was and still is the whole heart. I utilise Centrepay and have utilised it for all of the above. I really appreciate you letting me have a say, I enjoyed it.'

25-CP-163 - individual

Advocates are predominantly supportive of the reforms overall, with a suggestion to take further steps to support financial independence. Examples of initiatives were provided:

- quarantining a percentage of a customer's payments from Centrepay
- introducing an alert for customers when they have committed up to a certain percentage of their payments to Centrepay deductions
- referring customers to their local financial counselling agency.

Advocates also suggested revisiting the payment hierarchy to ensure that deductions such as housing, utilities, food and medical treatment are always prioritised.

While advocates support the proposed reforms, it was noted that reforms should be strengthened and embedded through legislative changes.

Advocates specifically support:

- legislating the collection, use and disclosure of information
- imposing sanctions and penalties for non-compliance
- strengthening the agency's administrative and investigative powers.

'While consumer advocates support the actions that the Agency has taken to strengthen the compliance and contractual frameworks within the existing legal frameworks, we believe that in the long run these reforms should be strengthened and embedded through legislative changes.'

25-OR-011 - advocate

Businesses shared ideas about educating individuals in financial management and setting up Centrepay deductions to help them manage their finances.

There were suggestions to place further caps on deductions from \$50 and maximum target limits. This would allow customers to get services elsewhere, as an alternative to the removal of service reasons.

Some businesses noted by removing services, customers will incur fees and late payments potentially causing financial hardship and business closure.

Other feedback from businesses includes:

- ensuring resources are simple and plain in language
- preventing confusion with terminology over Centrelink Reference Number (CRN). This term is used interchangeably to reference both the customer and registered business' CRN.

'For businesses like ours, Centrepay plays an integral role in maintaining a stable customer base and ensuring smooth transactions. Its convenience and accessibility have allowed us to serve a diverse range of customers who would face significant difficulties without it.'

25-CP-310 - business

The question set

The paper consisted of 40 questions under eight key topics.

Reform topic	Questions
Service Reasons	<p>Eligible Service Reasons</p> <ol style="list-style-type: none"> Would the removal of one or more of these Service Reasons impact you, or your business? [Yes / No] If so, which Service Reason/s? [Motor Vehicle Registration] [Social and Recreational Commitments] [Household Goods Lease and Rental] [Basic Household Items] [Employment Expenses] [Funeral Expenses] [Savings] [Food Provision (non-remote)] How would the removal of the Service Reason/s affect you, or your business? <p>Service Reasons – Conditions</p> <ol style="list-style-type: none"> Would the introduction of proposed mandatory conditions (such as target amounts or end dates), set out in Schedule 1 of the draft Centrepay Terms of Use, impact you, or your business? [Yes / No] If so, which Service Reason/s? [Child Care services] [Education expenses] [School nutrition programs] [Community group loans] [No interest loans] [General community housing loans] [Ambulance services] [Medical services and equipment] [Disability and community services] [Veterinary Services] [Home care and trade services] [Court fines] [Infringements] [Legal services] [Transport services] [Provision of Food: remote and very remote community stores] How would the introduction of mandatory conditions affect you, or your business?

Reform topic	Questions
	<p>4. Are there any other conditions or suggestions to further support customers using Centrepay?</p> <p>Redefined Service Reasons - Excluded expenses</p> <p>1. Would the proposed changes to the excluded expenses impact you or your business? [Yes / No]</p> <p>2. If yes, how would the proposed changes to excluded expenses impact you, or your business?</p>
Business Registration	<p>Business approval and ongoing requirements</p> <p>1. Having reviewed the new Business application form and Centrepay Policy for Business, will the additional requirements proposed by the agency have an impact on you, or your business? [Yes / No]</p> <p>2. If yes, how will the new business approval process affect you, or your business?</p> <p>3. Are there any other changes that could help better protect customers?</p> <p>Centrepay transaction fees</p> <p>1. Would you like to provide any feedback on the proposed fees? [Yes / No]</p> <p>2. If yes, how would the changes to fees affect you or your business?</p>
Deduction Authority	<p>Mandatory deduction authority form</p> <p>1. Would the introduction of a mandatory Deduction Authority form, set out at Centrepay Terms of Use at Schedule 3 'Form of deduction authority' impact you, or your business? [Yes / No]</p> <p>2. If so, how would the introduction of the mandatory Deduction Authority form affect you, or your business?</p> <p>3. Do you have any feedback on the draft mandatory Deduction Authority form? [Yes / No]</p> <p>4. If yes, what content do you suggest is contained within the form?</p>
Accommodation arrears and final utilities bills	<p>Accommodation arrears</p> <p>1. Having reviewed Clause 9.6 (<i>You must cancel customers' deduction authorities in some cases</i>) within the Centrepay Terms</p>

Reform topic	Questions
	<p>of Use (with respect to accommodation arrears), will this have an impact on you or your business?</p> <p>[Yes / No]</p> <ol style="list-style-type: none"> If yes, how will the proposed changes to accommodation arrears impact you or your business? Are there any other changes that could help better protect and support customers? <p>Final utilities bills</p> <ol style="list-style-type: none"> Having reviewed Clause 9.6 (<i>You must cancel customers' deduction authorities in some cases</i>) within the Centrepay Terms of Use, (with respect to final utilities bills), will this have an impact on you or your business? <p>[Yes / No]</p> <ol style="list-style-type: none"> If yes, how will the proposed changes to payments for final utilities bills impact you or your business? Are there any other changes that could help better protect and support customers? <p>Business obligations</p> <ol style="list-style-type: none"> Would the proposed business obligations and compliance requirements set out in the Centrepay Terms of Use have an impact on you or your business? <p>[Yes / No]</p> <ol style="list-style-type: none"> If yes, how would these impact you or your business? Do you have any suggestions in relation to business obligations? Are there any other changes that could help better protect customers?
Incorrect Payments	<p>Dealing with Incorrect Payments</p> <ol style="list-style-type: none"> Having reviewed PART C 'Payments to you' and Clause 38 of the Centrepay Terms of Use, do you understand your obligations and rights with respect to incorrect payments? <p>[Yes / No]</p> <ol style="list-style-type: none"> Will this have an impact on you or your business? <p>[Yes / No]</p> <ol style="list-style-type: none"> If yes, how will you be affected? Do you have any suggested improvements you would like to provide about your obligations and rights with respect to incorrect payments?

Reform topic	Questions
Complaint resolution	<p>Feedback policy/procedure</p> <ol style="list-style-type: none"> 1. Having read Centrepay Terms of Use at PART F - Complaints, does this impact you or your business? [Yes / No] 2. If yes, how would this impact you or your business? 3. With regards to Centrepay Terms of Use at PART F - Complaints, do you have any additional feedback you would like to provide the agency?
Further Feedback	Do you have any further feedback on the proposed reforms?

Appendix

Attachment A – Glossary

Term	Definition
Advocate Groups	Advocate groups are organisations that use various forms of advocacy or lobbying to influence or recommend changes to public opinion, legislation and policy. They often represent a specific social or political cause.
Business application form	This document is for businesses who want to apply to use Centrepay.
Centrelink	Centrelink is a master program delivered by Services Australia that provides social security payments and services to Australians.
Centrepay	<p>Centrepay is a voluntary free bill paying service offered by Services Australia for Centrelink customers.</p> <p>A set of obligations for registered businesses defined by:</p> <ul style="list-style-type: none"> • the businesses' approval letter to use Centrepay • any additional conditions the agency impose upon the business • the Centrepay policy and terms of use • the deduction authority • your Centrepay business application.
Centrepay Deductions	An agreement between a Centrepay Registered Businesses and a customer that details the transfer of funds from the customer's payment to the registered business prior to the funds transferring to the customer's nominated bank account.
Centrepay Deduction Authority Form	This document is for customers who want to arrange a new Centrepay deduction or change an existing deduction
Centrepay Registered Business	A business approved and registered to offer Centrepay as a payment options.
CRN	Customer Reference Number is a unique identifier assigned by Service Australia to identify a Centrelink Customer or Centrepay Registered Business.
Customer	A user of Centrepay
Draft Centrepay Terms of Use (TOU)	An agreement that spells out how users and Services Australia will interact with the Centrepay service.
Draft Policy for Businesses	<p>This is a document that gives businesses and organisations information about Centrepay and what</p> <p>they need to do to get payments through Centrepay, including getting approval to use Centrepay.</p>

DSS	Department of Social Services
DSS engage	An online consultation platform hosted by the Department of Social Services. engage.dss.gov.au
End date	A specific date set for a Centrepay deduction to cease
Engagement	An initiative, activity, event, or project that aims to collect feedback or insights from Centrepay customers.
Individual	Any respondent that did not represent an organisation. This includes respondents that are not Centrepay customers and those that are.
ICT	Information and Communications Technology (ICT) is a term that encompasses all forms of technology used to create, store, exchange, and use information in its various forms.
myGov	A central platform that allows access to Australian government services in one place, such as Centrelink, Child Support, Medicare, Australian Taxation Office and more.
Overpayment	Additional funds paid to an organisation beyond the owed amount.
Regulator / regulatory bodies	An organisation, often appointed by the government that supervises a particular industry or business activity.
Respondents	Refers to all participants who made a submission to the Centrepay Reform Consultation Paper
Service reason	A specific approved type of goods and service that a customer can pay for using Centrepay. Service Reason sit within a broader grouping of similar goods and services called a Service Category.
Services Australia	An Australian government agency responsible for the delivery of government payments and services.
SMS	Short Message (or Messaging) Service, a system that enables mobile phone users to send and receive text messages.
Target amounts	A specific payment amount set for the customer to pay. When this amount is reached deductions will cease.
The Centrepay Reform Consultation Paper / The paper	A document that was published on the DSS Engage platform between 31 March 2025 and 21 April 2025 that discussed the proposed Centrepay reforms and asked questions of the reader. The responses to this document make up the data and basis of this report.

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