

24 April 2025

Mr John Dunne  
National Manager (A/g)  
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Communities Division  
Services Australia  
PO Box 7788  
CANBERRA ACT 2610

By email: [centrepay.reform.engagement@servicesaustralia.gov.au](mailto:centrepay.reform.engagement@servicesaustralia.gov.au)

Dear Mr Dunne

**Centrepay Reform: Consultation Paper**

1. The Legal Practice Section of the Law Council of Australia appreciates the opportunity to provide feedback to Services Australia in response to its March 2025 Consultation Paper on Centrepay Reform.<sup>1</sup>
2. This submission is informed by the Legal Practice Section's Australian Consumer Law **Committee**. Members of the Committee are lawyers with extensive professional experience and expertise in consumer protection law from a broad range of different practice types, including private legal practice, the independent bar, legal aid, community legal services, legal services in remote and regional communities, and academia. Members of the Committee provide legal advice and representation to consumers from socially and economically disadvantaged backgrounds, including in remote communities.
3. As noted in the Consultation Paper, Centrepay is a voluntary and free bill paying service, offered by Services Australia for Centrelink customers. Centrepay currently supports more than 600,000 customers to pay for goods and services across more than 10,000 businesses.<sup>2</sup>
4. The Committee commends Services Australia for undertaking this important review process to ensure that Centrepay is meeting the needs and expectations of the community. The Committee has followed the Centrepay reform process with great interest and contributed to a consultation by Services Australia in mid-2024.<sup>3</sup>

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<sup>1</sup> Australian Government (Services Australia), [Centrepay Reform: Consultation Paper](#) (March 2025).

<sup>2</sup> Ibid 3.

<sup>3</sup> Law Council of Australia (Legal Practice Section), *Centrepay Reform: Discussion Paper* ([Submission](#) to Services Australia, 10 July 2024).

5. Overall, the Committee welcomes the comprehensive reforms proposed in the Consultation Paper. Consequently, the remainder of this submission offers brief comments on some of the key aspects of the proposed reforms.

#### Part 2—Service Reasons

6. The Committee agrees with the introduction of mandatory conditions for target amounts and end dates to address the problem of unused credit.
7. However, Part C of the draft Deduction Authority Form (Schedule 3 to the Draft Centrepay Terms of Use),<sup>4</sup> that deals with electing an end date for deductions or a 'target amount', is difficult to follow in its current wording. The Committee suggests careful proof-reading of the draft Deduction Authority Form to make it easier to understand and to correct typographical errors (including an incorrect reference to Part F in Part D of the Form).
8. The Committee supports the proposed mandatory conditions for permitted services and the proposed expansion of excluded expenses.

#### Part 3—Business Registration

9. The Committee supports the proposed strengthened requirements for registration of businesses. Nonetheless, the Committee suggests that, in addition to the requirement that businesses have a satisfactory complaints-handling process,<sup>5</sup> businesses should be required to have—and to declare—that they have robust cyber-security policies and procedures.

#### Part 4—Mandatory Deduction Authority Form

10. The Committee supports the use of a mandatory Deduction Authority Form for businesses, subject to the comments about the current draft Form above, relating to Part 2 of the Consultation Paper.

#### Part 6—Incorrect Payments

11. The Committee supports the proposed requirements for dealing with incorrect payments.

#### Part 7—Complaint Resolution

12. The Committee welcomes the requirement for businesses to have clear, simple and easy to use policies for complaints.
13. The draft Terms of Use empower Centrepay to direct businesses to give details of customer complaints and how they were investigated.<sup>6</sup> However, in addition, the Committee submits that some form of mandatory disclosure of complaints should be considered, such as by requiring annual reporting of complaints received.

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<sup>4</sup> Australian Government (Services Australia), [Centrepay Contracts—Terms of Use: Consultation Draft](#) (March 2025) 66.

<sup>5</sup> See Australian Government (Services Australia), [Application Form for Business: Consultation Draft](#) (March 2025) 10, Item 70; [Centrepay Policy for Businesses: Consultation Draft](#) (March 2025) cl 4.6.

<sup>6</sup> Australian Government (Services Australia), [Centrepay Contracts—Terms of Use: Consultation Draft](#) (March 2025) clause 18.1(f).

14. The Committee also welcomes the provisions in the draft Terms of Use for compliance audits.<sup>7</sup>
15. The draft Terms of Use allows for the publication on the Centrepay website of the fact that a business' services have been suspended or terminated.<sup>8</sup> The Committee suggests that this power be expanded to include a summary of an audit of a business that has identified significant non-compliance, and details of any written direction to a non-compliant business to remedy the breach (following a reasonable period to remedy the breach).
16. Finally, the Committee notes, with interest, that the draft Terms of Use provide for the suspension, restriction of access, or termination of a business that has acted unethically, taken unfair advantage of customers, or posed unreasonable financial risks to customers.<sup>9</sup> This is a very welcome development, and has the potential to significantly improve the conduct of suppliers that deal with vulnerable social security recipients who rely on Centrepay to meet their essential service needs.

### Contact

17. The Legal Practice Section appreciates the opportunity to contribute to this consultation and would welcome further engagement with Services Australia on these matters, as appropriate.
18. If you require further information or clarification, please contact the Committee Co-Chairs, Ms Ursula Noye and Ms Dana Beiglari, at [ursulan@hnlaw.com.au](mailto:ursulan@hnlaw.com.au) and [dana.beiglari@legalaid.nsw.gov.au](mailto:dana.beiglari@legalaid.nsw.gov.au).

Yours sincerely



**Greg McIntyre SC**  
Chair

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<sup>7</sup> Ibid cl 21.

<sup>8</sup> Ibid cl 23.5, 26.5.

<sup>9</sup> Ibid cl 27.1.