Proposals for Centrepay reform

Centrepay is a free regular bill paying service that helps customers manage their finances.

Customers’ Centrepay deductions come out of a range of Centrelink payments.

Customers can use Centrepay to pay for things like utilities and accommodation.

Throughout 2024, Services Australia consulted broadly on how we can improve Centrepay.

We heard real life examples from customers and businesses and used these insights to inform a range of proposed changes.

The proposed reforms will strengthen safeguards and protections for customers to reduce financial harm and bring Centrepay in line with its original purpose as a regular bill paying service.

# Public consultation

In March 2025, we'll begin a round of public consultation which explains how these proposed changes might affect you or your business.

The consultation will be hosted on the Department of Social Services’ Engage platform.

You can find more information on the consultation below on this web page.

We value your input and want to get any feedback you may have through this channel.

# Policy

We're proposing changes to strengthen policy, such as introducing new guidelines which will outline the kinds of payments that Centrepay can be used for.

Removing higher risk and lower usage service reasons such as:

* rent-to-buy of household goods
* lease and hire
* funeral expenses
* motor vehicle registration
* employment expenses
* social and recreational commitments
* basic household items
* savings
* food provisions.

We are considering what transition arrangements will be needed to ensure customers and businesses are supported by removing these service reasons.

Providing clear advice on eligible goods and services across the broad range of remaining service reasons, so it's clearer for businesses.

Businesses will need to satisfy all legal, licensing and authorisation requirements to be able to provide their goods and services.

Adding new conditions to deductions such as target deduction amounts and end dates. For selected service reasons.

We're standardising fees businesses are charged to use Centrepay.

A standard fee of $0.99 inclusive of GST for each payment made will apply to all businesses currently being charged a fee.

Requiring all businesses use an approved deduction authority form for every new deduction, including a ‘for business use only’ section on the deduction authority, where businesses record details of the date, time and name of the business representative who received the customer authorisation to make a Centrepay deduction.

There will also be a section to record how the customer's identity was checked, adding a new section on the deduction authority for customers to acknowledge they've been informed of all alternative payment options offered by the business.

This will also include an understanding that businesses will act on overpaid amounts.

# Complaints

The proposed policy changes will set clear expectations for businesses on how to manage complaints about Centrepay.

Businesses will need to show that they have Centrepay complaint processes in place that meet minimum standards set by us.

This includes clear and easy processes to record and action complaints from Centrepay customers.

# Compliance

Under our proposed compliance framework we will be contacting businesses more often to check that they understand and are meeting Centrepay obligations.

This will include more targeted activities for businesses approved to use Centrepay and continued cooperation with relevant compliance and regulatory authorities.

The proposed policy framework will make obligations clearer, detail the actions we’ll take to address non-compliance and improve the integrity of Centrepay.

We'll take decisive action to address concerns, so it's important that businesses understand and adhere to the Centrepay policy and terms.

Following the consultation period key decisions will be made about the future of Centrepay, particularly around the changes to eligible service reasons and any revised conditions.

We'll work with you to support you through any such changes.

We'll also help you to understand these changes, including what's expected of you and alternative options to using Centrepay.

We anticipate that most changes will come into effect from 1 July 2025.

Some changes relating to existing deductions will need additional support and may have a longer transition period that extends past 1 July 2025.

We'll keep you up to date with changes as they happen and work with you to get the best possible outcomes for customers.

It's important that you continue to adhere to the current policy and terms during this transition period.

You can find these on our website. Search **how to manage your business for Centrepay**.

Remember you must always get customer consent every time you start or restart a deduction and increase a deduction or target amount.

It's important that you understand your obligations as a Centrepay registered business and keep your details up to date.

And don't forget to tell us when anything about your business changes.

We'll keep our Centrepay reform pages updated as we make decisions about Centrepay. This includes how Centrepay reform may impact your business.

You can contact our Business helpdesk on 1800 044 063 or email centrelink.business.support@servicesaustralia.gov.au if you'd like to withdraw your business from Centrepay or make changes to your existing Centrepay business details.

For more information, go to www.servicesaustralia.gov.au/centrepay-for-businesses.