

Monday 8 July 2024

Centrepay Reform Consultation
Services Australia, Department of Social Services
By website submission: <https://engage.dss.gov.au/centrepay-reform>

To Whom It May Concern,

I am writing on behalf of Financial Counselling Victoria (FCVic) on the Department's consultation on Centrepay Reform.

As the peak body and professional association for financial counsellors in Victoria who collectively assist more than 23,000 Victorians every year, FCVic is uniquely positioned to understand systemic issues experienced by the most vulnerable, especially those related to government services. Further, FCVic has a dedicated Centrelink Working Group who have been working in this space for some time and we have been represented in the Centrepay Reform Design Workshop by Annette Devereaux.

We are keeping our submission short as the core opportunities for reform have already previously been detailed in official correspondence to Minister Shorten on 21 March 2023, and further canvassed in the Centrepay Reform Design Workshop. **We reiterate and support all the recommendations of this previous correspondence especially those relating to preventing abuse by businesses and empowering financial capability**, and encourage the Department to enact these opportunities for reform where action has not already been taken.

Further, we make the following recommendations, grouped per topics in the discussion paper:

1. **2.1. Centrepay Objective:** The reform process should not only *identify* high-risk products, services and business practices, but also create sanctions and financial penalties for businesses who do not meet their obligations.
2. **3.2. Complaints:** Per recommendations made in other FCVic submissions relating to government services, we recommend that:
 - a. Services Australia should implement a free telephone hotline specifically for financial counsellors who work with vulnerable communities to increase efficiencies and tailored supports for those who need it most.
 - b. Services Australia should have toll-free 1800 numbers given existing wait times.
 - c. Services Australia office staff should be trained and empowered to assist people in-person in the office rather than telling people to do self-service online.
3. **4.1. Becoming a Centrepay Registered Business:** The Centrepay Policy and Terms should be extended to clearly specify that businesses should be required to demonstrate that they have appropriately sized customer hardship and complaints teams, high-standard hardship and complaint policies and processes, regular quality training for their staff on these issues, and a dedicated contact for financial counsellors who work with vulnerable clients.

4. **5.1. Current Compliance Processes:** A standard annual audit process of all Centrepay businesses should be undertaken, made up of 10% of randomly selected businesses, ensuring that there is an even spread across all categories of approved goods and services. The results of this audit process should be actively communicated through annual reporting by the Department.
5. **6. Overpayments:** Businesses should be required to undertake an annual audit of all Centrepay accounts and payments to ensure that accounts are balanced, and to take appropriate remedial action when any overpayments or underpayments are found. The results of this audit should be required to be provided to the Department, and any relevant businesses flagged for auditing by the Department in the following year.

Additionally, outside of the topics in the discussion paper, we have the following recommendation:

6. Where Centrepay is used for services where eligibility for concessions may be available (e.g. utilities, transport), then the business should be automatically required to apply these concessions without requiring the customer to proactively request the concession. Use of Centrepay as a payment method should be evidence enough of eligibility. This may require integration of business and Services Australia systems for verification purposes.

We encourage the Department to continue engagement with Financial Rights Legal Centre and other consumer advocates leading in Centrepay reform. Consumer advocates are on the frontline of presenting issues in government services, and are able to provide important insights into reform that will truly make a measurable and significant positive impact on the most vulnerable communities.

Thank you for your consideration of our submission. To discuss this letter further or for any further queries, please contact FCVic's Advocacy Coordinator Amanda Chan on achan@fcvic.org.au.

Yours sincerely,



Zyl Hovenga-Wauchope
Executive Officer
Financial Counselling Victoria