

## **Senate Standing Committee on Economics**

### **INQUIRY INTO NATIONAL CONSUMER CREDIT PROTECTION AMENDMENT (SMALL AMOUNT CREDIT CONTRACT AND CONSUMER LEASE REFORMS) BILL 2019 (NO. 2)**

#### **ANSWER TO QUESTION ON NOTICE**

Services Australia

**Topic:** Product and Risk Definitions

**Question reference number:** IQ20-000001

**Member:** Jenny McAllister

**Type of question:** Written

**Date set by the committee for the return of answer:** 16 April 2020

**Number of pages:** 1

#### **Question:**

The Centrepay Policy and Terms prohibits registered providers from offering:

“goods, services or payment arrangements that, in the Agency’s view –

- have significant potential for high cost but low value goods or services
- are unsolicited goods or services within the meaning of the Australian Consumer Law
- contain unfair contract terms within the meaning of the Australian Consumer Law
- expose Customers to unacceptable risks of financial stress or exploitation
- are for goods or services that are no longer received by the Customer”

a) How does the Department define a “high cost, low value product”?

b) How does the Department define “risk of financial stress or exploitation”?

#### **Answer:**

a-b) Services Australia (the Agency) does not further individually define each of the categories of goods, services and payment arrangements excluded for Centrepay deductions. These terms are not considered in isolation. This provides the Agency a broader scope to request additional information from businesses when assessing Business Applications and undertaking compliance audits.

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#### **ANSWER TO QUESTION ON NOTICE**

Services Australia

**Topic:** Provider Complaint Process

**Question reference number:** IQ20-000005

**Member:** Jenny McAllister

**Type of question:** Written

**Date set by the committee for the return of answer:** 16 April 2020

**Number of pages:** 1

**Question:**

- a) Would a business subject to a complaint continue to operate offer the goods and services within Centrepay while a complaint was resolved?
- b) Would a business be suspended while a complaint was resolved?
- c) Which officer in the department has the authority to make this decision?

**Answer:**

- a-b) This would depend on the type of complaint.
- c) Any decision to suspend a Centrepay business is made by an Executive Level 2 officer in the Deduction and Confirmation Branch, within Services Australia.

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**ANSWER TO QUESTION ON NOTICE**

Services Australia

**Topic:** ASIC Report

**Question reference number:** IQ20-000007

**Member:** Jenny McAllister

**Type of question:** Written

**Date set by the committee for the return of answer:** 16 April 2020

**Number of pages:** 1

**Question:**

ASIC report 447 found that customers on Centrepay end up with longer-term lease arrangements and are likely to be charged higher rental payments for the same goods than non-Centrepay customers. What actions has the department taken in response to this report?

**Answer:**

Regulatory matters under the *National Consumer Credit Protection Act 2009* are the responsibility of the Australian Securities Investment Committee (ASIC).