

## **Senate Community Affairs Legislation Committee**

### **ADDITIONAL ESTIMATES – 26 FEBRUARY 2015 ANSWER TO QUESTION ON NOTICE**

#### **Department of Human Services**

**Topic:** Centrepay – Independent Review

**Question reference number:** HS 46

**Senator:** Cameron

**Type of question:** Written

**Date set by the committee for the return of answer:** 17 April 2015

**Number of pages:** 2

#### **Question:**

I refer to HS 119 from Additional Estimates in 2014 concerning the independent review of Centrepay.

- a) Please provide an updated DHS response to each of the recommendations contained in Chapter 11 Recommendations for future action of the Report.
- b) Has any policy work been undertaken by the Department about the appropriateness of “consumer leases” for Centrepay, given other interest-bearing credit products are barred from Centrepay?

#### **Answer:**

- a) In response to the Report of the 2013 Independent Review of Centrepay, the department has delivered a range of enhancements to improve and strengthen Centrepay. As outlined in the department’s response to a question on notice following the Committee’s October 2014 hearings, the department has:
  - implemented agreements with the Australian Securities and Investments Commission, the Australian Competition and Consumer Commission and the Australian Energy Regulator for the exchange of information to assist with assessing relevant business applicants’ eligibility and their compliance;
  - provided additional resources to undertake more compliance reviews of participating businesses;
  - introduced a comprehensive Deduction Statement to improve information for customers (released 14 June 2014); and
  - included Centrepay options in the department’s new customer feedback tool (released 1 July 2014) to ensure prompt and relevant responses by the department.

Currently, the department is:

- reviewing and updating the Centrepay policy, including the reasons for which Centrepay can be used;

- reviewing the business application, contract and operational aspects of the Centrepay business model, including the programme assurance framework;
- reviewing notifications to customers; and
- undertaking and planning activities to raise awareness and promote the benefits of Centrepay to customers, businesses, non-government organisations, staff and other stakeholders.

b) Yes. As noted above, the department is reviewing and updating the Centrepay policy. This activity has included consideration of issues in relation to use of Centrepay for consumer leases. In undertaking this work, the department has consulted closely with relevant agencies, including the Treasury, the Australian Securities and Investments Commission and the Australian Competition and Consumer Commission, and has also engaged with other relevant stakeholders such as Financial Counselling Australia and the Consumer Action Law Centre.