

Senate Community Affairs Legislation Committee

ADDITIONAL ESTIMATES – 11 FEBRUARY 2016 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: Centrepay consumer leases

Question reference number: HS 127

Senator: Cameron

Type of question: Written

Date set by the committee for the return of answer: 4 April 2016

Number of pages: 2

Question:

- a) Please provide details of the number of companies engaged in consumer leasing operating in the Centrepay system.
- b) How many Centrelink customers are having deductions made to consumer leasing companies? Please provide a monthly breakdown since May 2015.
- c) What is the total value of consumer leases under the Centrepay system?
- d) What is the trend in terms of consumer leases and Centrepay? Are the number of customers using Centrepay to pay consumer leases going up or down? Is the amount being paid going up or down?

Answer:

- a) There were 251 consumer lease businesses using Centrepay in the month of January 2016.
- b) The change to exclude unregulated consumer leases from Centrepay was announced on 22 May 2015. The implementation of these changes for new businesses took effect from 1 July 2015 and for existing businesses from 1 September 2015. During transition to the new Centrepay Policy and Terms, an audit was undertaken on businesses approved for Household Goods, to identify those businesses using consumer leases. Figures provided for the months prior to completion of the audit (May to August 2015) include customers with other household goods deductions (not for consumer leases).

Table 1: Unique Centrepay Customers with Deductions to Household Goods/Consumer Lease Businesses#

Month	Customers* with relevant deductions
May 2015	121,338
June 2015	122,268
July 2015	123,804
August 2015	123,401
September 2015	123,135

October 2015	122,681
November 2015	122,204
December 2015	121,817
January 2016	119,812

- # For May-August 2015, the count is of customers of all household goods businesses – it is not possible to isolate businesses that were using consumer leases. From September 2015, the count is of customers using consumer leases.
 - * Customers in Table 1 are only counted once even though they may have had deductions to more than one consumer lease business.
- c) The total amount disbursed by Centrepay in January 2016 to consumer leasing businesses was \$23,613,698.
- d) The trend for the number of customers using Centrepay to pay for consumer leases, for the period September 2015 to January 2016, is going down. The trend for the amount being disbursed by Centrepay for consumer leases, for the period September 2015 to January 2016, is going down.