

Services Australia
Department of Social Services
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Services Australia Centrepay Reform Discussion Paper

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission on the Services Australia ('SA') *Centrepay Reform Discussion Paper* ('Discussion Paper').

The AEC is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

While the AEC views Centrepay as one important tool that can be used by customers to self-manage their expenses, we recognise that reforms are necessary to both prevent overpayments and allow customers to pay off debt where they choose to do so:

1. **Preventing overpayments** – businesses currently do not have the ability to stop Centrepay deductions from landing on inactive accounts. Services Australia's system allows businesses to cancel and suspend Deductions for up to 13 weeks, but the customer can keep re-setting the Deduction up. This means that some overpayments cannot be prevented from occurring. The AEC supports changes to the system which would allow service providers, including energy retailers, to block payments from inactive accounts. This would also prevent customers re-setting up Deductions multiples times on their old inactive accounts.
2. **Allowing customers to pay off debt where they choose to do so** – the framework should be expanded to allow Deductions to go towards services that a customer has used with their retailer, where they choose to do so. The AEC understands that a significant proportion of inactive overpayments are the result of customers in good will re-establishing their Centrepay Deduction through Services Australia to pay off their debt. This is potentially an important way for customers to pay off their debt, as otherwise they may not have any other financial means to pay it.

In addition to the above reforms, the AEC supports the improvement of the technical administration of the system to facilitate bulk suspensions, cancellations and returns of overpayments. For example, at present when active customers with high Centrepay credit balances do not accept a retailer's request for them to take a refund, the retailer is only able to cancel and suspend 6 accounts per day through the Centrepay Help desk.

Any questions about this submission should be addressed to Jo De Silva, General Manager Retail Policy by email to jo.desilva@energycouncil.com.au or by telephone on 03 9205 3100.

Yours sincerely,

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