

## Senate Community Affairs Legislation Committee

### SUPPLEMENTARY ESTIMATES - 21 NOVEMBER 2013 ANSWER TO QUESTION ON NOTICE

#### Department of Human Services

**Topic:** Centrepay – Independent Review

**Question reference number:** HS 78

**Senator:** Cameron

**Type of question:** Written

**Date set by the committee for the return of answer:** 24 January 2014

**Number of pages:** 2

#### **Question:**

The 2012-13 DHS Annual Report at page 186 discusses the independent review of Centrepay. Please outline the department's response to each of recommendations of the *Report of the Independent Review of Centrepay*.

#### **Answer:**

The Report on the Independent Review of Centrepay (the Review) has 10 key recommendations.

The department accepted, in principle, eight of these key recommendations.

There are two recommendations for establishing voluntary codes of conduct for Centrepay which imply a regulatory role for the department and a significant change to current operations.

The Department is of the view that it is not in a position to be a regulator. Regulatory responsibilities are better overseen by organisations such as the Australian Securities and Investments Commission and the Australian Competition and Consumer Commission. Options for better utilising existing regulatory mechanisms and other policy and operational compliance options are being examined. The department is mindful of not adding to the existing regulatory burden.

In line with the recommendations, the department is implementing a number of financial, policy, operational and administrative enhancements aimed at improving the Centrepay service and strengthening its role in assisting customers to meet their long-term financial commitments.

There are a range of activities being delivered in the 2013–14 financial year. These activities focus on improving services for customers and ensuring the service providers participating in the Centrepay programme understand their contractual obligations and are compliant.

Thus far 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; and

- provided additional resources to undertake more compliance reviews of participating service providers.

In addition the department is currently:

- improving information provided to customers about their deductions:
  - by developing a new deduction statement for customers. This statement will assist customers to better understand and control their deductions;
  - by providing additional details about deductions through the customer's account in the online services channel; and
- updating customer feedback mechanisms to ensure prompt and relevant responses by the department;
- reviewing the Centrepay policy, service streams and risk profiles, including the process by which businesses apply to join Centrepay. Linked to this will be a review of the contract and compliance framework; and
- developing a communication strategy to provide information, education and promotion to customers, businesses, organisations, stakeholders and staff.