

Factsheet: Centrepay Deductions

This factsheet focuses on Centrepay, a free bill paying service for people who receive Centrelink payments.

What is Centrepay?

Centrepay is a free and voluntary bill paying service that automatically takes money out of your Centrelink payments and puts it towards an outstanding debts or expenses.

If you receive Centrelink payments, you can use Centrepay to arrange regular deductions for your bills and expenses such as rent and utilities, as well as any outstanding fines.

What are instalment deductions?

If you are unable to pay a fine or debt in a lump sum, you can use Centrepay to pay by regular instalment deductions. This involves paying the fine or debt in several smaller amounts and paying it off over time.

What can you use Centrepay deductions for?

You can use Centrepay deductions to pay:

- rent or accommodation;
- education and employment expenses including childcare, uniforms or equipment;
- healthcare, including medical, veterinary or funeral expenses;
- some financial products, including home contents or motor vehicle

insurance, no interest and low interest loans or saving plans;

- fines and infringement notices from Court, councils and Revenue NSW;
- professional services such as legal expenses or accounting expenses;
- utilities like electricity, gas, water or phone expenses;
- some travel and transport expenses, including car registration, compulsory third-party insurance, fuel, car repairs or furniture removal and storage;
- household expenses such as clothing, food, household maintenance or household goods (whitegoods, small appliances and furniture); and
- social and recreational expenses, for example, sports training, sports equipment or music lessons.

You can only use Centrepay to pay businesses that are approved by Centrelink. You can ask the business directly or find approved businesses in your area by entering your location in the **find a business or organisation** search tool on the Services Australia website.

What can't you use Centrepay deductions for?

You cannot use Centrepay to pay for:

- renting or leasing household goods if the agreement is for less than four months, does not have an end date or the provider does not hold an Australian Credit License;
- some financial products, including short-term loan repayments to cash or

- payday lenders, pawnbrokers, debt collectors, or credit card payments;
- certain types of insurance, for example, income protection, funeral or life insurance;
 - alcohol, tobacco, pornography, gambling, gift cards, vouchers or home brew products;
 - hamper style goods, like a layby or payment plan arrangement;
 - some travel and transport expenses, including motor vehicle leasing payments, taxi or hire car payments; or
 - payments to any broker, arranger or similar that acts as a 'middle man', rather than being the provider of a good or service.

How do you set up Centrepay deductions?

To set up deductions, you will need:

- your Centrelink Customer Reference Number (CRN);
- the business name and CRN of the business you owe your fine or debt to;
- the account or billing number of your fine or debt.

Your next step would be to contact Services Australia in person, via phone or online. Once the instalment deduction has been approved and set up by Centrelink, you will receive a notice confirming the details. You can also check your deduction summary online.

What control do you have over Centrepay deductions?

You can:

- set the fortnightly deduction amount (minimum \$10);
- choose which Centrelink payment the deduction comes from, if you have multiple payments;

- prioritise the order of deductions to businesses if you have multiple fines or debts;
- set a start date and end date;
- set an ongoing amount, one-off amount, or a target amount (once this target is reached the deductions will stop);
- pause or change the deductions for a maximum of 13 weeks; and
- cancel deductions at any time.

What are your Centrepay obligations?

If you set up Centrepay you should:

- regularly check the deductions;
- ensure Centrelink payments will cover both your Centrepay deductions and your other living expenses;
- be aware that a change to Centrelink payments will affect Centrepay. If you are moving to another Centrelink payment, check that Centrepay is transferred at the same time;
- notify Centrelink if you wish to suspend or vary your Centrepay deductions; and instruct the business to stop Centrepay deductions if you are not using them anymore.

Published in February 2023.

Produced by Redfern Legal Centre.

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