# Centrepay reform frequently asked questions for Advocates

## When is Services Australia starting the Centrepay reform changes?

Services Australia will apply the changes gradually from 3 November 2025 with a transition period until 1 November 2026.

## How will customers know if their deductions are impacted?

Services Australia will contact customers to tell them if they need to take any action.

For many customers deductions won’t change and most customers don’t need to do anything.

We’re sending either an SMS or a letter to customers who will be impacted by the changes telling them about the changes.

Customers who are subscribed to electronic messaging will get an SMS telling them of the changes and directing them to the Services Australia website for further information.

## What are the changes to Centrepay?

Some of the changes are:

* new deduction authority form
* strengthened compliance and complaints processes
* new mandatory conditions such as mandatory end dates and target amounts for some deductions
* expanded list of excluded items, including mobile phones, laptops and tablets unless purchased through the No Interest Loans Scheme (NILS)
* new Centrepay Terms of Use and Centrepay Policy for Business
* new application and onboarding process.

Services Australia is also removing:

* 7 higher risk and less-used service reasons
* some goods and services such as self-storage, fuel, and items from butchers.

## Why is Services Australia making changes to Centrepay?

We're updating Centrepay to make it better for both customers and businesses.

We got clear feedback from the community that we needed to improve Centrepay so it could continue operating as an effective budgeting tool for customers. This includes the need for stronger safeguards to reduce the risk of financial harm.

We’re acting on this feedback by improving customer protections and making sure Centrepay businesses understand their obligations when using Centrepay.

For more information learn about [Centrepay reform](https://www.servicesaustralia.gov.au/centrepay-reform?context=23256)

## What do customers need to do if their goods or services have new rules or conditions?

**Businesses will contact customers**

Businesses should contact their customers to discuss the changes to their deductions.

The business must make sure all deductions meet their Centrepay obligations including adding any mandatory conditions.

**Self-managing deductions**

Encourage customers to self-manage their deductions to make sure they’re up to date. Customers can check and manage their deductions by:

* signing into their Centrelink online account
* using the Express Plus Centrelink mobile or myGov app.

If customers need assistance they can:

* call Services Australia on their regular payment line
* visit Services Australia at their nearest service centre.

## What are the new mandatory rules or conditions?

**The new mandatory conditions are:**

* mandatory end date - this is the date the deduction will stop
* mandatory target amount - this is the maximum amount the customer will pay the business through their Centrepay deductions.

Services Australia will apply the mandatory conditions to some service reasons. The service reasons with new mandatory conditions are outlined below.

**Mandatory conditions applied to service reasons**

Mandatory end dates

Mandatory end dates must be added to deductions for the following goods and services:

|  |  |
| --- | --- |
| **Service Reason** | **GoodS or serviceS** |
| Home care and trade services | Rehabilitation services or trade services provided in a residence, meal delivery services |
| School meals program | Payment for nutrition programs for students in school |
| Education expenses | Includes school uniforms, schoolbooks, school equipment, workshops and excursions |
| Disability and community services | Disability services such as travel, therapy, and support |
| Child care services | Includes daycare, before and after school care costs |

For more information, learn more about [Centrepay goods and services](https://www.servicesaustralia.gov.au/centrepay-goods-and-services?context=22366)

Mandatory target amounts

We’re adding mandatory target amounts, or the total amount payable, to deductions for the following goods and services:

| **Service Reason** | **GoodS or services** |
| --- | --- |
| Community group loan repayment | Loan repayments |
| Court fines | Repayment of court fines |
| Infringements | Repayment of infringements such as parking or speeding |
| Medical services and equipment | Medical, dental, hospital services or equipment such as wheelchairs |
| Ambulance | Costs of patient transport services, includes royal flying doctor |
| No interest loans | No interest loan repayments |
| Community group loan repayment | Repayment of a housing loan |
| Transport services | General transportation costs excluding removal services |
| Legal services | Includes Legal Aid or discounted legal services |
| Food provision for remote areas | Payments for food and personal items for remote and very remote locations |
| Veterinary services for up to a maximum deduction of $50 per fortnight | Goods and services for domestic pets |

For more information, learn more about [Centrepay goods and services](https://www.servicesaustralia.gov.au/centrepay-goods-and-services?context=22366)

**Example**

Brodie has $500 worth of court fines they must pay.

Brodie logs into to their Centrelink customer online account and sets up a Centrepay deduction for $100 per fortnight to pay off the fines. Brodie adds a target amount of $500 to their deduction to ensure the deduction will stop once this amount has been taken out of Brodie’s payment.

## Do customers have to do anything if the name of their goods and services for Centrepay has changed?

Customers don’t need to do anything.

Name changes for service reasons are automatic. A customer will only notice a change to the service reason name.

We have renamed the following Centrepay service reasons:

* ‘Food provision’ to ‘Food provision for remote areas’
* ‘Professional services’ to ‘Legal services’
* ‘Real estate agents’ or ‘Property management’ to ‘Real estate and property agents’
* ‘Indigenous community housing’ to ‘General community housing’
* ‘Indigenous community housing loans’ to ‘General community housing loans’
* ‘Indigenous Short-term Accommodation’ to ‘Short term accommodation’
* ‘Local council community service’ to ‘Council services’.

**Example**

Alice has a long-term Centrepay deduction set up under the ‘Property Management’ service reason. Following the changes to Centrepay, Alice notices that her Centrepay deduction is now called ‘Real estate and property agents.’

Alice goes to the Services Australia web site and reads about the changes; her deductions will continue for her payments under the ‘Real estate and property agents’ service reason.

Alice knows that this is just a change in name and there is nothing else for her to do.

## What do customers and businesses need to do if a business is no longer eligible for Centrepay?

Changes to Centrepay include the removal of some service reasons and some goods and services.

Businesses registered under one of these service reasons, or offering goods and services that will be removed, have from 3 November 2025 to 31 October 2026 to transition off Centrepay.

A business also may choose to transition off Centrepay any time throughout this 12-month period voluntarily.

If a customer’s deduction with a business stops before they’re removed from Centrepay, they don’t need to do anything. If the deduction will stop on or after 1 November 2026, then the customer should speak with the business about alternative payment options to fulfill their obligations with the business.

**Services Australia is removing the following service reasons from Centrepay:**

| **SERVICE REASON** | **GoodS or serviceS** |
| --- | --- |
| Household goods lease and rental | Renting whitegoods, furniture, or electrical appliances |
| Basic household items | Purchase items such as clothing and footwear |
| Funeral expenses | Funeral plans and bonds and general funeral costs |
| Employment expenses | Tools, work uniforms, footwear, and training |
| Social and recreational commitments | Fees for sporting or musical activities, equipment, church donations or sponsorships |
| Savings | Deposits for microfinance savings plans provided by not-for-profit organisations and financial institutions |
| Motor vehicle registration | Registration of cars, motorbikes, caravans and third-party insurance |

**Services Australia is removing the following goods or services from Centrepay:**

| **SERVICE REASON** | **CUSTOMERS CAN NO LONGER USE CENTREPAY TO PAY FOR** | **CUSTOMERS CAN STILL USE CENTREPAY TO PAY FOR** |
| --- | --- | --- |
| Transport | Self-storage, removalists, fuel and car repairs | Costs for travel, including return to country, general transport costs such as a bus service |
| Legal services | Non-legal professional services | Legal aid or legal services offered at a discounted rate |
| Food provision for remote areas | Food or grocery items customers buy from butchers or non-remote grocery stores. | Food or grocery items customers buy from grocery or community stores located in remote or very remote locations. |

## What are the changes to ‘Food provision for remote areas’?

The service reason ‘Food provision’ is now called ‘Food provision for remote areas’.

This means Centrepay is removing the following types of businesses:

* butchers or businesses that mostly sell meat or meat-products
* businesses not located in a remote or very remote area.

From 3 November 2025, these businesses have 12 months to transition these services off Centrepay. They can choose to transition off anytime up to 1 November 2026.

Services Australia considers stores to be remote or very remote when they are in a location with a population centre of less than 10,000 people. Services Australia uses the ARIA+ map and confirms the population of the location using the Australian Bureau of Statistics – Statistical Area Level 2 (SA2) data.

**Grocery stores staying on Centrepay**

Below is a list of the stores staying on Centrepay. This list is accurate as of 10 September 2025.

| **TRADING NAME** | **SUBURB** |
| --- | --- |
| AMATA ANANGU STORE | Belyuen |
| APUTULA STORE | Finke |
| BAGALA COMMUNITY STORE | Katherine |
| BARDI ARDYALOON STORE PTY LTD | One Arm Point |
| BAYULU SUPERMARKET | Fitzroy Crossing |
| BELYUEN COUNCIL STORE | Belyuen |
| BESWICK STORE | Beswick |
| BLACKSTONE STORE | Papulankutja |
| Central Desert Regional Council Lajamanu | Katherine |
| DOCKER RIVER STORE | Kaltukatjara |
| FINKE RIVER MISSION | Hermannsburg |
| IGA LOCAL GROCER HALLS CREEK | Halls Creek |
| INDULKANA COMMUNITY STORE | Indulkana |
| IRRUNYTJU STORE | Braitling |
| JARLMADANGAH BURRU ABORIGINAL CORPORATION | Derby |
| KALTJITI ANANGU STORE | Fregon |
| KANYPI STORE | Nyapari |
| KUNAWARRITJI STORE | Newman |
| KURURRUNGKU STORE | Halls Creek |
| LOOMA STORE | Derby |
| MACDONALD DOWNS STATION STORE | Hart |
| MANTJILJARRA STORE | Wiluna |
| MIMILI MAKU STORE | Mimili |
| NGUKURR GENERAL STORE | Ngukurr |
| OAK VALLEY COMMUNITY STORE | Ceduna |
| PAPUNYA COMMUNITY STORE | Papunya |
| PARNNGURR STORE | Newman |
| PIPALYATJARA PATILPA STORE | Pipalyatjara |
| PUKATJA ROADHOUSE | Ernabella (Pukatja) |
| PUKATJA STORE | Ernabella (Pukatja) |
| ROPER BAR PARK & STORE | Limmen |
| RUSTYS IGA | Derby |
| TARUNDA IGA & TAKEAWAY | Fitzroy Crossing |
| TENNANT CREEK SERVICE STATION | Tennant Creek |
| TI TREE FARM GARDEN | Ti Tree |
| TUCKERBOX KUNUNURRA | Kununurra |
| TUCKERWAY CAFE | Hope Vale |
| URAPUNGA COMMUNITY STORE | Katherine |
| WANARN STORE | Wanarn |
| Wangkatjungka Community Inc | Fitzroy Crossing |
| WANGKATJUNGKA STORE | Fitzroy Crossing |
| WAY OUT BUSH STORE | Ti Tree |
| YAKANARRA COMMUNITY STORE | Fitzroy Crossing |
| YALATA COMMUNITY STORE | Ceduna |
| YUENDUMU BIG SHOP | Yuendumu |
| YUNGNGORA STORE | Fitzroy Crossing |
| Yurmulun Aboriginal Corporation | Derby |

## Can customers set up deductions to businesses they have used before?

Yes, customers can set up deductions to business they have used before, if the business or goods or services are staying on Centrepay.

Some deductions may look different as they may need a mandatory condition applied, depending on the service reason.

New deductions cannot be set up where the business or the goods or services are going to be removed, or the business voluntarily withdraws.

Customers can continue current deductions until the business is removed from Centrepay. But if a deduction ends during this time, it cannot be restarted.

Where Centrepay is no longer an available option, customers and businesses can set up alternative payment options.

**Example 1**

Julie has a Centrepay deduction set up to SharkFin Clothing Store under the Basic Household Items service reason. Julie regularly buys clothing, with a deduction set up for $150 per fortnight. Julie cancels this deduction in June 2026, which is during the transition period from 3 November 2025 to 31 October 2026.

After the transition period, Julie wants to set up a new deduction with the clothing store. The business tells Julie that they are not offering Centrepay as a payment method. Julie discusses her options with the store and decides to purchase her clothing through lay-by.

**Example 2**

After purchasing a washing machine, David has a deduction with Tim’s Fridge Store under the Household goods lease and rental service reason. He has a lease agreement with the business, and his payment arrangement finishes on 7 March 2027.

David can choose to keep paying with Centrepay up until 31 October 2026. David needs to have alternative payment arrangements in place from 1 November 2026, as Centrepay is no longer a payment option from that time.

David decides to settle his remaining payments with a fortnightly bank transfer which he set up himself.

## How can customers view their deductions?

Customers can view their deductions including details such as the amount, end date and service reason by:

* using their Centrelink online account under ‘manage deduction.’
* logging in to the Centrelink Express Plus or myGov mobile app
* contacting us via their [regular payment line](https://www.servicesaustralia.gov.au/phone-us?context=64107), or
* visiting us in person at a [service centre](https://findus.servicesaustralia.gov.au/).

[Indigenous Service Officers](https://www.servicesaustralia.gov.au/indigenous-service-officers?context=21) are also available to help people from Aboriginal and Torres Strait Islander communities.

Customers in rural, regional or remote areas can also visit their local [Agents and Access Points](https://www.servicesaustralia.gov.au/agents-and-access-points).

Note that staff at Agents and Access Points are not Services Australia staff. They cannot:

* make any payments or decisions about payments
* review, assess or vary payments
* complete or submit claims on a customer’s behalf.

## How do customers start, stop, or update deductions with a business?

Customers can change their deductions in many ways.

Customers can deal with a Centrepay business directly to:

* ask them to set up their deduction
* give their consent before the business can set up or increase deductions
* fill in a Centrepay Deduction Authority form (SA501). The business can give customers this form. The customer should sign and complete it.

Approved Centrepay businesses may at any time, *without customer consent*:

* reduce, cancel, or suspend deductions if a customer’s account is in credit
* refund Centrepay deduction amounts if a customer is in credit.

Customers can also change their deductions. Refer to question 5.

## What should I tell a customer who has credit sitting with a business

If a customer asks a business to refund their credit, the business must return it.

Customers do not have to use the credit they built up with that business.

Businesses should honour any existing credit with a customer. The business and customer should discuss how:

* the business can return their money
* the credit can be used.

If a customer is concerned that a business is holding credit or refusing to repay it, contact Services Australia to discuss it further.

**Example**

Marissa comes into town to buy some meat from KD Butchery using existing credit from her last Centrepay deduction. Marissa learns she has $175 credit with the butcher.

Marissa discusses her options with the business. She decides to spend $110 on meat which she is going to take home with her. She also asks the butcher to refund the remaining $65 to her bank account.

## What payment options do businesses offer other than Centrepay?

All Centrepay approved businesses must offer customers other payment options. These methods vary from business to business.

Customers should talk to a business directly about the other payment options they can get.

Customers wishing to continue their arrangements should discuss alternative options with the business. These may include:

* bank card
* BPAY
* bank transfer.

If the customer is concerned about managing their money, they can talk to a financial counsellor for help. We have several [resources to assist customers](https://www.servicesaustralia.gov.au/getting-financial-help-and-information?context=60271).

**Example**

Joshua wants to buy clothes for an upcoming event.

He goes into JMB Clothing Store and wants to pay using Centrepay.

The store manager tells him he can’t use Centrepay to pay for clothing. The manager tells Joshua about other payment options. Joshua decides to buy the items using his debit card.

## What happens if a customer doesn’t make a new payment arrangement with a business that has been removed from Centrepay?

The business and customer should discuss how the customer can settle the remaining balance if:

* there’s still an amount owed to the business for goods or services
* a business is no longer eligible for Centrepay from 1 November 2026.

This may include using alternative payment methods or paying off the remaining amount as a lump sum.

If a customer has paid off the remaining amount before the transition period ends on 1 November 2026, the deduction should be cancelled. In this case, customers do not need an alternative payment arrangement.

Both customers and businesses can cancel the deduction. Refer to question 5 for the ways a customer to do this.

## My client wants to make a complaint about a Centrepay business. How do I help them?

If a customer has a complaint or feedback about Centrepay, they can:

* go to servicesaustralia.gov.au and search for ‘Centrepay feedback and complaints’
* call Services Australia Feedback and Complaints line on 1800 132 468
* call Services Australia on their regular payment line
* visit one of Services Australia’s service centres.

All Centrepay approved businesses must comply with the Centrepay Terms of Use and Centrepay Policy for Business. Failure to do so will result in possible suspension or withdrawal from Centrepay. If a customer has problems with a business, get in touch with Services Australia immediately through [Centrepay complaints and feedback](https://www.servicesaustralia.gov.au/centrepay-complaints-and-feedback?context=22366).

If you or a customer think a business is committing fraud against Centrepay, you should report it. Find out more information on [how to report fraud](https://www.servicesaustralia.gov.au/reporting-fraud).

## How is Services Australia making sure businesses comply with the Centrepay Terms of Use?

Services Australia is strengthening Centrepay compliance processes by:

* expanding and increasing compliance reviews
* contacting more businesses and making sure they are complying with their obligations
* improving how we use data to identify current and emerging risks
* improving how we use data to identify non-compliance
* improving how we share information and cooperate with other government agencies.

## A customer thinks a business has changed their deductions. What should I tell them if they don’t agree with the change?

Customers may see some changes particularly around the addition of mandatory conditions. Businesses must make changes to some deductions. By making the changes they ensure compliance with the Centrepay Terms of Use.

A customer should talk to the business if they have feedback or concerns. They can also contact Services Australia on 1800 132 468 or submit a complaint [online](https://www.servicesaustralia.gov.au/centrepay-complaints-and-feedback?context=22366).

Remind customers that a business must get their consent before:

* starting or increasing a deduction
* increasing a target amount or extending an end-date.

The following examples show what could happen if a deduction is changed by the business.

**Example 1**

Loz has a $50 deduction to pay for a whitegoods purchase. Loz notices the deduction has stopped. The business has stopped the deduction because Loz has fully paid for the purchase. Loz is now accruing credit with the business through the recurring deductions.

The business can stop the deduction without Loz’s consent but should talk with them before making the changes to the deduction.

As the deduction is for a service reason that is no longer eligible for Centrepay, the deduction cannot be restarted.

**Example 2**

Jimmy notices that their deduction for food has not been taken from their Centrelink payment by the RR Community Store. Jimmy contacts the business, who tells them that the deduction has stopped because the credit balance has reached $1,000.

Jimmy has not purchased goods from the store for 3 months and the balance is too high.

Jimmy can use the credit to purchase food. Alternatively, they can ask the business to refund their credit.

**Example 3**

Zac has a recurring utilities deduction for $100. Over time, Zac has built up a credit of $1,500 with the business.

The utility provider has cancelled the deduction and contacts Zac to refund his credit. Zac requests that the provider keep the credit for future bills, so they are ahead of their repayments.

## Can a customer increase their existing deduction amount to finish their payments earlier for goods and services in service reason being removed?

From 3 November 2025, existing deductions cannot be increased. They can only be maintained or decreased. Customers should carefully consider any changes they make to their deductions.

Customers can use alternative methods to pay money to the business at any time.

Note that by decreasing deduction amounts, it will take a customer longer to pay off the goods or services they bought.

For a deduction aligned to a removed service reason, this may extend their deduction past 1 November 2026. If this happens, the business and customer will need to make other arrangements to pay off the remaining amount. Centrepay cannot be used from 1 November 2026.

## Are there further reforms planned for Centrepay?

Services Australia wants to make sure that Centrepay keeps serving as an effective budgeting tool.

As such, Services Australia will keep looking at ways to improve the service.