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Attention: Centrepay Program & MDT Branch  
Working Age and Pension Programs Division  
Services Australia  
By Online Submission via DSS Engage

21 April 2025

Dear Sir or Madam,

### Centrepay Reform Consultation Paper

AGL Energy (**AGL**) welcomes the opportunity to provide responses to the consultation questions posed by Services Australia in the abovementioned Consultation Paper (the **Paper**).

At AGL, we believe energy makes life better and are passionate about powering the way Australians live, move, and work. Proudly Australian for more than 185 years, AGL supplies around 4.5 <sup>1</sup> million energy, telecommunications, and Netflix customer services. AGL is committed to providing our customers simple, fair, and accessible essential services as they decarbonise and electrify the way they live, work, and move.

AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and storage assets. We are building on our history as one of Australia's leading private investors in renewable energy to now lead the business of transition to a lower emissions, affordable and smart energy future in line with the goals of our Climate Transition Action Plan. We'll continue to innovate in energy and other essential services to enhance the way Australians live, and to help preserve the world around us for future generations.

AGL recognises the significant role that Centrepay plays in enabling Centrelink customers to take control of their financial situation, improve their financial independence and better manage their expenses for essential goods and services. We agree with the need to ensure the framework remains fit for purpose and is responsive to the diverse and changing needs of the consumers it supports, some of which may be experiencing a range of vulnerabilities. In this regard, it is equally important that the framework provides adequate levels of protection for these consumers as well as clarity to registered businesses on how best to meet their obligations.

AGL is committed to supporting Services Australia's ongoing efforts to deliver the proposed reforms to Centrepay and improve the levels of support and protections for customers. AGL's detailed responses to the consultation questions are set out within **Appendix A** attached herewith. Where relevant, we have sought to affirm our support for the existing framework as well as highlighting any areas of concern or potential refinement.

If you have any questions in relation to this submission, please contact Liam Jones on [ljones3@agl.com.au](mailto:ljones3@agl.com.au).

Yours sincerely,

A handwritten signature in black ink that reads 'Liam Jones'.

Liam Jones  
Senior Manager Policy and Market Regulation

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<sup>1</sup> Services to customers number as at 31 December 2024.



## Appendix A – AGL’s Responses to Consultation Questions

### Part 2 - Service Reasons

#### 2.1 Eligible Service Reasons

- a. Would the removal of one or more of these Service Reasons impact you, or your business?

No – AGL would not be impacted by the proposed removal of specified Service Reasons.

- b. If so, which Service Reason/s?

Not applicable.

- c. How would the removal of the Service Reason/s affect you, or your business?

Not applicable.

#### 2.2 Service Reasons - Conditions

- a. Would the introduction of proposed mandatory conditions (such as target amounts or end dates), set out in Schedule 1 of the draft Centrepay Terms of Use, impact you, or your business?

Yes – AGL would be impacted by the introduction of the proposed mandatory conditions contained within Schedule 1 of the draft Centrepay Terms of Use (the **CTOU**).

- b. If so, which Service Reason/s?

AGL delivers electricity, gas and telecommunications services to our residential customers across Australia. As such, we would be impacted by the following specific conditions:

| Centrepay Category | Service Reason  | Description of Payments | Specific Conditions   |
|--------------------|-----------------|-------------------------|---|
| 8 - Utilities      | 8.2 Electricity | 8.2.1                   | <ol style="list-style-type: none"> <li>You must hold all necessary authorisations to provide the service.</li> <li>You must provide the service as a business.</li> </ol>   |
|                    |                 | 8.2.2                   | <ol style="list-style-type: none"> <li>If you are the supplier of the electricity to the residence: <ol style="list-style-type: none"> <li>you must hold all necessary authorisations to provide the electricity and</li> <li>you must supply the electricity as a business.</li> </ol> </li> <li>If you are not the supplier of the electricity to the residence you must be engaged by the supplier of the electricity to arrange for and manage the supply.</li> <li>You must hold all necessary authorisations to arrange and manage the supply.</li> </ol> |
| 8 – Utilities      | 8.4 Gas         | 8.4.1                   | <ol style="list-style-type: none"> <li>You must hold all necessary authorisations to provide the service.</li> <li>You must provide the service as a business.</li> </ol>   |
|                    |                 | 8.4.2                   | <ol style="list-style-type: none"> <li>If you are the supplier of the gas to the residence: <ol style="list-style-type: none"> <li>you must hold all necessary authorisations to provide the gas and</li> <li>you must supply the gas as a business.</li> </ol> </li> <li>If you are not the supplier of the gas to the residence:</li> </ol>   |



|               |                        |       |   |
|---------------|------------------------|-------|---|
|               |                        |       | <ul style="list-style-type: none"> <li>a. you must be engaged by the supplier of the gas to arrange for and manage the supply of gas to the residence and</li> <li>b. you must hold all necessary authorisations to arrange and manage the supply.</li> </ul> |
| 8 – Utilities | 8.5 Telecommunications | 8.5.1 | <ul style="list-style-type: none"> <li>1. You must hold all necessary authorisations to provide the service.</li> <li>2. You must provide the service as a business.</li> </ul>   |
|               |                        | 8.5.2 | <ul style="list-style-type: none"> <li>1. You must hold all necessary authorisations to arrange for the provision of the services.</li> <li>2. You must arrange for the provision of the services as a business.</li> </ul>                                   |

c. **How would the introduction of mandatory conditions affect you, or your business?**

AGL anticipates minimal impacts from the introduction of these mandatory conditions as we already meet (and will continue to meet) these requirements through the respective licencing regimes in which we operate.

d. **Are there any other conditions or suggestions to further support customers using Centrepay?**

No – AGL does not recommend any further mandatory conditions.

## 2.3 Redefined Service Reasons - Excluded expenses

a. **Would the proposed changes to the excluded expenses impact you or your business?**

Yes – AGL would be impacted by the proposed changes to excluded expenses.

b. **If yes, how would the proposed changes to excluded expenses impact you, or your business?**

AGL provides the following feedback in relation to excluded expenses:

- i. **Debt collection:** AGL understands that clause 4(c) of Schedule 2 of the CTOU is intended to exclude payments made *directly* to a debt collection agency that charge fees for collection of a debt. This is in contrast with payments directly to an authorised business that may (from time-to-time) retain the services of an outsourced service provider or debt collection agency to assist with credit management activities. For the avoidance of any doubt, these payments made direct to authorised businesses should be allowed to continue where they relate to a permitted Service Reason.
- ii. **Product bundling:** AGL notes that multiple products and services may be bundled and could conceivably include a combination of permitted Service Reasons and excluded expenses. A common example of this may be a telecommunications plan bundled with a mobile phone handset device. AGL anticipates that bundling will also become more prominent in the electricity and gas space in relation to both additional benefits and consumer energy resources. As such, AGL recommends drawing a distinction between *standalone* excluded services and those that might be bundled with permitted services. Where it is not possible to differentiate between the sub-products in a bundle (i.e. a consolidated price), then it would not be feasible or beneficial to require customers to make a part contribution with Centrepay and a part contribution with their own funds, nor would it be preferable to exclude Centrepay customers from these products or services.



## Part 3 – Business Registration

### 3.1 Business approval and ongoing requirements

- a. Having reviewed the new Business application form and Centrepay Policy for Business, will the additional requirements proposed by the agency have an impact on you, or your business?

Yes – AGL would be impacted by the proposed changes to the business approval process and ongoing requirements.

- b. If yes, how will the new business approval process affect you, or your business?

AGL provides the following feedback in relation to the new business approval process:

- i. *Compliance history*: as part of the fit and proper requirements, the disclosure of relevant civil penalties and investigations (Q73) should be limited to those that occurred within a reasonable and relevant timeframe. AGL recommends that this should be set at 5 years.
- ii. *Complaints definition*: the fit and proper requirements require the disclosure of “complaints about the applicant” (Q75). AGL recommends that this terminology should be clarified and better defined to exclude low-level customer dissatisfaction e.g. a customer who raises concerns with their energy retailer about a high bill.

- c. Are there any other changes that could help better protect customers?

AGL recommends changes to either the Centrepay Policy for Businesses (the **CPF**) and/or CTOU to allow for the ‘transfer’ of customer deduction authorities in two scenarios: (1) from one legal entity within a corporate group to another legal entity within the same corporate group and (2) in relation to ‘Retailer of Last Resort’ events under the *National Energy Retail Law*. The first scenario most commonly occurs where the authorised business acquires additional customers from another authorised business or restructures its internal legal entities. The second scenario occurs in the event of an energy retailer failure and allows that retailer’s customers to be transferred to a default retailer.

Under the current arrangements, authorised businesses have no option but to cancel customers’ existing deductions and then seek consent to reestablish the deduction under the new legal entity, even if on the same terms as the original deduction. This process will place an administrative burden on customers and is likely to cause confusion regarding which AGL legal entity to set up new deductions with. Despite best efforts to inform and engage with customers, some may fail to re-establish their deductions, potentially leading to arrears, credit collections activity and ombudsman disputes.

In contrast and as an example of better practice, the Centrelink Confirmation eServices (CCeS) Policy permits the transfer of consent obtained by one legal entity to another. With approval from Services Australia, businesses can notify customers 14 days in advance that their consent will be transferred. Customers retain the right to withdraw their consent if they disagree. This policy ensures that customers continue receiving their concession entitlements without unnecessary barriers or disruptions. Noting the clear customer benefits, AGL recommends allowing the transfer or reassignment of deduction authorities using a similar mechanism to the CCeS Policy.

### 3.2 Centrepay transaction fees

- a. Would you like to provide any feedback on the proposed fees?

Yes - AGL would be impacted by proposed changes to Centrepay transaction fees.



b. If yes, how would the changes to fees affect you or your business?

AGL provides the following feedback in relation to proposed changes to Centrepay transaction fees:

- i. *Special Conditions*: Services Australia has historically permitted bespoke Special Conditions to be agreed with authorised businesses ( [REDACTED] ). AGL strongly recommends that: (a) any existing special conditions should continue be honoured and (b) the mechanism to negotiate and agree new special conditions should be retained.
- ii. *Disproportionate increase*: [REDACTED]  
[REDACTED]  
[REDACTED] Furthermore, there is a lack of explanation around what has driven the increased costs - AGL urges more transparency around the basis of the increase. AGL argues that the transaction fees charged to authorised businesses should be cost reflective.
- iii. *Disincentive*: in circumstances where the recovery of transaction costs from consumers remains prohibited, increased transaction fees may further disincentivise businesses from promoting or offering Centrepay as an option to the detriment of the consumers who may benefit from it. Furthermore, there is no incentive to increase the volume of Centrepay payments through a pricing mechanism such as tiered or volume-based pricing. AGL expects that there are a high-degree of fixed costs in the delivery of Centrepay – as transaction volumes increase, the cost per transaction should decrease.

## Part 4 – Deduction Authority

### 4.1 Mandatory deduction authority form

a. Would the introduction of a mandatory Deduction Authority form, set out at Centrepay Terms of Use at Schedule 3 'Form of deduction authority' impact you, or your business?

Yes - AGL would be impacted by the introduction of a mandatory Deduction Authority Form.

b. If yes, how would the changes to fees affect you or your business?

While AGL is supportive of the policy intent behind the introduction of a standardised Deduction Authority Form – namely increased consistency and consumer protection - AGL is very concerned that the proposed approach will actually lead to worse consumer and business outcomes for the following reasons:

- i. *Double-handling* – it is AGL's interpretation of Part B of the CTOU that if a customer or authorised business elects to utilise the oral consent option (clause 8.3 or 9.3) for a new deduction or amendment, then the authorised business is still required to complete a written Deduction Authority Form on behalf of the customer<sup>2</sup>. Incidentally, AGL points to the Information Sheet which provides inconsistent information that businesses *cannot* complete the form on behalf of customers. Authorised businesses will already be capturing multiple records of the interaction – (1) an audio / audio-visual recording, (2) a record in the authorised businesses' systems as well as (3) the record in Centrelink electronic systems and as such, AGL argues there is no additional or incremental value in making or keeping a written record – this information is already captured in multiple points elsewhere.
- ii. *Average handling time* – the additional time required to complete the written Deduction Authority Form will add significant time to customer interactions, increasing the cost to serve

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<sup>2</sup> See for example clauses 8.3(b)(iv), 9.3(b)(i) or 9.3(d) of the CTOU.



and reducing the customer experience. AGL has simulated completing a Deduction Authority Form over the phone with a customer and anticipates it would take *at least* five (5) minutes per form and potentially much longer depending on individual customer circumstances (AGL would also need to complete separate forms for electricity and gas services).

- iii. *Mandatory scripting* – clause 8.3(b)(ii) requires business personnel to read the content of the completed form and the information sheet. Clause 8.4(a) also requires a range of mandatory disclosures. AGL has also simulated this task and anticipates that it would take *at least* ten (10) minutes to read the form at a legible, reasonable pace; this would take even longer with a translator or if the customer asks questions or seeks clarifications. The net effect of this requirement (in addition to the written form requirement) is that it would take in excess of twenty-five (25) minutes to complete Deduction Authority Forms for an AGL electricity and gas customer<sup>3</sup>. AGL argues this is unacceptable for the following reasons:
  - It will result in poor customer experiences and outcomes
  - It is too long for customers, especially those who are vulnerable
  - The drafting language is still complex and may not be appropriate for some customers
  - Customers won't want to engage – both on this call and then potentially in the future
  - Customers can't give proper informed consent if they do not listen or understand
  - It will impact the volume of customers signing up and utilising Centrepay
- iv. *Other regulatory requirements* – the above timing simulation should also be considered in the context of other regulatory obligations that authorised businesses often need to discharge. In an energy setting, there are rigorous and comprehensive regulatory obligations to support customers experiencing payment difficulties. These calls will often require at least twenty to thirty (20-30) minutes of talk time in their own right, suggesting that when coupled with a Centrepay deduction, the total call duration could conceivably approach and even exceed one hour. This is manifestly excessive and will impact the ability of energy retailers to support customers – directly (loss of engagement and comprehension) and indirectly (longer wait times for all customers).
- v. *Partial Consent* – AGL is concerned that customers may not wish to consent to the full range of terms, most notably the bank account sharing provision. While AGL is supportive of efforts to simplify refund processes by capturing customer consent to share bank details with businesses (this has its own risks and drawbacks as will be discussed herein), AGL is concerned that this may be an impediment to customers agreeing to the Centrepay terms – this will result in wasted effort commencing and aborting the deduction process as well as customers not benefitting from the service.
- vi. *Data Retention* – the requirement to accept, complete and store written Deduction Authority Forms will require businesses to have robust data retention systems and processes, especially as the forms will contain government identifiers and customer personal information. Separately, AGL questions how customer bank account information would be shared between Services Australia and businesses and whether the current file transfer arrangements are secure enough for this purpose. AGL points to the Commonwealth Data Retention Review currently being conducted by the Department of Home Affairs and notes the observation that “unnecessarily retaining data risks creating ‘honey pots’ of information which are an attractive target for cyber-attacks, and may also increase the number of affected individuals in the event of a data breach”<sup>4</sup>. That review urges for recognition that “any policy or legislation that requires

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<sup>3</sup> Allows for half the time to read the second form as Information Sheet only needs to be read once

<sup>4</sup> Department of Home Affairs, ‘Discussion Paper for the Data Retention Review’ (February 2025).



data retention must consider the risks associated with data collection". AGL is concerned that these risks do not appear to have been considered in this context.

- vii. *Disincentive* – the factors above will likely result in businesses declining to accept Deduction Authority Forms or process oral deductions on behalf of customers and instead push them to self-service channels as allowed by clause 8.2(d).
- viii. *Holistic support* - if customers 'give up' and terminate the call halfway through the deduction process, AGL's overall ability to support the customer will have been impacted as we may not have had the opportunity to provide other mandatory support to the customer.

c. **Do you have any feedback on the draft mandatory Deduction Authority form?**

To address AGL's feedback outlined in (b) above, we recommend the following changes:

- i. Omit the requirement to complete a written or hard-copy Deduction Authority Form where an oral deduction authority is captured by the authorised business – the audio/audio-visual recording should be sufficient record of customer consent as is common practice in other comparable transactions e.g. signing up for a new energy service.
- ii. Remove the requirement to read the full content of the Deduction Authority Form and information sheet. Instead, Services Australia should provide amended or short-form verbal scripts and allow the full version to be sent to customers afterwards (customers still retain the right to cancel the deduction if they choose).
- iii. Allow businesses the option or discretion to digitise the Deduction Authority Form through online channels if they choose (not a mandatory requirement).
- iv. Clarification on how transitional arrangements will be managed – will customers be required to re consent to the new Deduction Authority Form requirements? How will authorised businesses differentiate between customers on legacy and new Deduction Authority Form arrangements?
- v. The requirement to nominate the benefit type on the Deduction Authority Form should be omitted. It is AGL's experience that customers often don't know the specific benefit they are receiving resulting in rejections and errors. Additionally, if the customer changes benefit type, how will the authorised business know? This will cause issues when we seek to make amendments/cancellations as we are required to know which benefit type it applies to. The Deduction Authority Form recognises that if the customer changes eligible Centrelink payment, then deductions will still continue and as such, the deduction authority should come out of the net payment, agnostic of the benefit sub-type(s).

d. **If yes, what content do you suggest is contained within the form?**

AGL provides the following feedback in relation to enhancements to the Deduction Authority Form :

- i. The Deduction Authority Form says "the business is not allowed to fill the form out for you", which is incompatible with the CTOU (notwithstanding that AGL recommends removing the obligation for authorised businesses to complete written Deduction Authority Forms).
- ii. There is no reference to the ability to unilaterally increase the deduction amount in accordance with clause 11.1(b) of the CTOU.





## Part 5 – Accommodation arrears and final utilities bills

### 5.1 Accommodation arrears

- a. Having reviewed Clause 9.6 (You must cancel customers' deduction authorities in some cases) within the Centrepay Terms of Use (with respect to accommodation arrears), will this have an impact on you or your business?

No – AGL will not be impacted by the proposed changes to accommodation arrears.

- b. If yes, how will the proposed changes to accommodation arrears impact you or your business?

Not applicable.

- c. Are there any other changes that could help better protect and support customers?

No – AGL does not have any further recommendations.

### 5.2 Accommodation arrears and final utilities bills

- a. Having reviewed Clause 9.6 (You must cancel customers' deduction authorities in some cases) within the Centrepay Terms of Use, (with respect to final utilities bills), will this have an impact on you or your business?

Yes – AGL will be impacted by the proposed changes to final utilities bills.

- b. If yes, how will the proposed changes to payments for final utilities bills impact you or your business?

AGL is supportive of the proposed changes that will allow customers to utilise Centrepay to pay for finalised utility bills. As outlined in AGL's response to the Discussion Paper, there is both consumer interest and benefits in allowing this feature and so its inclusion is welcomed.

AGL's only concerns relate to implementation of the changes, as this will require a modification to existing system controls that automatically cancel a deduction upon the customer's account being finalised. AGL notes however that the ability to continue the deduction for the final utility account is optional (rather than mandatory) as so, AGL does not necessarily need to have a solution in place from 1 July 2025 (which would not be possible), notwithstanding there are clear benefits to implementing this as soon as practicable. We estimate needing approximately six (6) months from the date of a final decision to implement these changes.

- c. Are there any other changes that could help better protect and support customers?

AGL has two recommendations to enhance this solution:

- i. *Concurrent deductions*: it is critical to ensure that Centrepay systems can accommodate concurrent deductions for utility accounts – for example, an electricity account deduction for the customer's active account in parallel with an electricity deduction(s) for their inactive account(s). This is in response to concerns that current functionality only allows one deduction per utility type at a time.
- ii. *Conversion to target amount*: in addition to the items considered in clause 9.5(a) of the CTOU, include an additional provision which allows a utility provider to unilaterally convert an ongoing deduction to a target amount deduction when a utility account changes from an active account to a final account. The customer's deduction amount would remain at the same amount as beforehand, but with the addition of a target amount, would automatically cease at the precise amount of the customer's remaining balance. This reflects the expectation that retailers would





need to cancel the deduction when the balance is paid, but with the added benefit of ensuring no overpayment and refund requirements.

### 5.3 Business obligations

- a. Would the proposed business obligations and compliance requirements set out in the Centrepay Terms of Use have an impact on you or your business?

Yes – AGL anticipates that it will be impacted by proposed changes to the business obligations and compliance requirements in Parts E, G and H of the CTOU.

- b. If yes, how would these impact you or your business?

AGL notes that it will be required to comply with and would therefore be impacted by all relevant provisions contained within Parts E, G and H of the CTOU. However, for the purposes of providing targeted feedback, AGL wishes to highlight the following specific business impacts:

- i. *Customer Accounts* – clause 17.1 of the CTOU requires authorised businesses to provide customers with a written record showing the information contained within clause 20.2(d) of the CTOU. AGL is already obligated to provide customers with bills pursuant to the requirements of the various regulatory frameworks under which it operates. While these rules largely cover the items considered in clause 20.2(d), AGL is concerned that this requirement may create a significant requirement to build systems and collateral, especially if current billing requirements are deemed insufficient or there are any changes to the types of data to be provided to customers. Furthermore, AGL notes that it would not be appropriate to store or disclose particulars relating to co-contributors as appropriate privacy consents are not held with those parties. AGL would welcome further discussion and engagement with Services Australia on this point.
- ii. *Record retention* – AGL recommends the avoidance of record retention obligations where the timeframes are open-ended and variable. This approach is significantly more complex than an alternative approach of fixed retention timeframes. AGL recommends that records should be retained for a period of no longer than 7 years from creation. AGL also refers to and repeats its earlier comments in relation to excessive data retention policies.
- iii. *Change in personnel* – clause 16(b)(v) requires authorised businesses to notify Services Australia of any changes to personnel, which under the definition in clause 38, includes a very broad range of people. We suspect this may have been a typographical error as there should be no policy requirement to be aware of every staff movement within the organisation and instead should be replaced with “authorised officer”.

- c. Do you have any suggestions in relation to business obligations?

No – AGL does not have any further recommendations.

- d. Are there any other changes that could help better protect customers?

AGL refers to its additional feedback in response to Part 9 (below).



## Part 6 - Incorrect Payments

### 6.1 Dealing with incorrect payments

- a. Having reviewed PART C 'Payments to you' and Clause 38 of the Centrepay Terms of Use, do you understand your obligations and rights with respect to incorrect payments?

Yes – AGL has read and understood its obligations and rights with respect to incorrect payments.

- b. Will this have an impact on you or your business?

Yes – AGL will be impacted by the proposed changes to dealing with incorrect payments.

- c. If yes, how will you be affected?

Due to the dynamic and seasonal nature of energy bills, AGL customers may from time to time accrue credit balances. However, this is advantageous to customers and is often recommended as it can help to smooth or normalise energy payments over the course of a year (in anticipation of high winter bills for example). This method is commonly applied to minimise or prevent payment difficulties.

AGL welcomes Services Australia's approach of defining "incorrect payments" for utility accounts in such a way as to acknowledge the important role of being able to accrue an appropriate and reasonable 'safety net' to protect against unforeseen or seasonal energy costs.

AGL has already implemented robust system controls and functionality to manage incorrect payments and anticipates substantial impacts from the new requirements. AGL anticipates that it will need to make the following changes:

- i. Modification to existing processes to automatically cancel deductions for inactive accounts to include an assessment as to whether there is a residual debt or not (see above).
- ii. Modification to existing processes to manage accrued credit balances for active accounts to reflect the new 12 month threshold and associated notification requirements.

AGL seeks clarity in relation to the timeframes and/or process for notifying Services Australia pursuant to clause 13.2(b). It is our recommendation that this process be allowed to occur on a monthly consolidated or batch basis as is current practice.

An additional new area is the expected position that Services Australia may provide AGL with customer banking details in order for AGL to facilitate a direct refund to the customer. While this is not expressly set out within Part C of the CTOU, it is referenced in the Deduction Authority Form.

- d. Do you have any suggested improvements you would like to provide about your obligations and rights with respect to incorrect payments?

AGL provides the following feedback in relation to incorrect payments:

- i. We understand the policy intent of the definition of 'incorrect payment' is to ensure that customers do not accrue more than 12 months of forecast or anticipated energy charges. On its current drafting, the definition in clause 38 references "goods or services that it is reasonable to conclude are unlikely to be provided within... 12 months after the payment". In the case of energy, the 'goods and services' are provided on an ongoing basis and so, the construction of this definition does not accord – the goods and services are already being provided and it's not possible to link the payment to the specific supply of electricity or gas. As such, consideration could be given to redrafting the definition as follows:

*An amount paid to you under or apparently under your Centrepay contract, to the extent that it is reasonable to conclude:*



*(i) if the amount relates to utilities (see Schedule 1 Centrepay category 8) – where the customer has accrued a positive balance equivalent to an amount exceeding 12 months' worth of anticipated of forecast goods or services or is otherwise no longer receiving goods or services.*

- ii. If, as expected, AGL may be directed to refund incorrect payments to customers' bank details held by Services Australia, then AGL recommends that the Deduction Authority Form and CTOU should be bolstered to provide specific provision for retailers to receive, store and act on the bank details provided by the customer (via Services Australia). AGL would also welcome additional information on the means by which this data will be shared with businesses.
- iii. AGL seeks clarification on what should happen if the retailer-initiated refund is unsuccessful – should authorised businesses then follow the applicable unclaimed monies framework that applies within the customer's jurisdiction?
- iv. AGL recommends there should be a minimum credit balance threshold of between \$10.00-\$20.00 for initiating refund processes for inactive customers, noting the costs involved in issuing communications and refunds. AGL proposes that for customers with small balances, that normal unclaimed monies processes should apply.
- v. AGL notes the role of co-contributors and the difficulties this creates in relation to obligations to contact customers, in circumstances where authorised businesses often have no relationship with or contact details for co-contributors.
- vi. Under Clause 13.4(a) of the CTOU, AGL may be required to cancel a customer's deduction. AGL should retain discretion as to which of changing, suspending or cancelling is the most appropriate course of action for a given customer's circumstances.

## Part 7 - Complaint resolution

### 7.1 Feedback policy/procedure

- a. Having read Centrepay Terms of Use at PART F - Complaints, does this impact you or your business?

Yes – AGL will be impacted by proposed changes to complaints handling processes.

- b. If yes, how would this impact you or your business?

AGL is largely supportive of the proposed changes to complaints handling save for the following:

- i. Where possible, avoiding any Centrepay specific provisions that will require businesses to adopt a standalone or separate complaints handling policy (in addition to any pre-existing complaints policies they may hold) – it is preferable for consumers to have these in a single document.
- ii. The requirement in clause 4.6(a)(ii) of the CPFEB to nominate “the authorised officer who has power to deal with complaints is” onerous and inappropriate for an organisation of AGL's size where there are large teams of personnel tasked with supporting complaints handling.
- iii. The requirement to provide written responses – the “unless practicable” provision should be replaced to give customers the option to receive verbal or oral responses to their complaint (including requesting a written response if they choose)



- iv. In clause 4.6(c)(i) of the CPFB, there is a requirement for staff to be “familiar with the current TOU and Centrepay Policy for Businesses”. This should be reframed to reference a business’s obligations under those instruments, noting that frontline processes are often drafted and built in order to be compliant with those documents but without specific reference to them. This is to ensure the maximum customer experience and reduce complexity.
- c. With regards to Centrepay Terms of Use at PART F - Complaints, do you have any additional feedback you would like to provide the agency?

AGL does not have any further feedback to provide other than that provided in response to (b) above.

## Part 8 – Transition

### 8.1 Transition plan for implementing Centrepay reforms

- a. Does the proposed transition plan outlined in Centrepay Terms of Use at Schedule 4 ‘Transition’ impact you or your business?  
No – AGL does not anticipate being impacted by the Transition arrangements in Schedule 4 of the CTOU.
- b. If yes, how does it impact you or your business?  
Not applicable.
- c. Are there any other considerations or suggestions you would like to put forward to better support customers?  
No – AGL does not have any further recommendations.

## Part 9 - Further feedback

- a. Do you have any further feedback on the proposed reforms?

AGL provides the following specific feedback in relation to the proposed reforms:

- i. *Suspensions*: AGL seeks clarification as to whether authorised businesses will now have the ability to lodge suspensions in Centrelink electronic systems pursuant to clause 9.5 of the CTOU? We currently only have an option to suspend by phoning the Service Australia helpdesk. If so, is there a maximum duration for suspensions?
- ii. *Termination Notifications*: when a customer’s deduction ceases under clause 9.7(c), Services Australia should send the authorised business a termination notification so they can update their records – AGL has observed that this does not currently occur in all circumstances.
- iii. *Automatic Increases*: under clause 11.1(b), there is provision for deductions to automatically increase in accordance with the specified formula. However, there is no corresponding provision contained in the Deduction Authority Form to inform customers of this mechanism. Other than those specified, are there any other relevant factors or considerations for authorised businesses? Is their discretion when the variation is applied (or not)? Are there any limits on frequency or notification requirements?
- iv. AGL seeks further clarification as to the role of BHUB?



In addition to the above recommendations, AGL also refers to and repeats its suggestions contained within the Discussion Paper which do not appear to have been considered in the draft CTOU or CPFB:

- v. Registered business ABN – customers are required to know the registered business' ABN as part of the deduction setup process which can be problematic, especially where the business has multiple ABNs, licenced entities or corporate structures. This can result in data errors requiring amendment or cancellation (and reestablishment).
- vi. Confusing terminology – the use of the Centrelink Reference Number (CRN) terminology interchangeably to reference both the customer and registered business' CRN can be confusing, resulting in incorrect details being entered.
- vii. Co-contributors – we note that some customers may choose to co-contribute to payment of services using Centrepay. For processes that require the registered business to communicate with the 'customer' this can be problematic where the co-contributor is not readily identifiable.
- viii. Information statements – we recommend the use of clear account statements from Services Australia which state exactly where deduction payments are going, for what purpose and information on how to cancel or vary those arrangements.
- ix. Annual reauthorisation process – there may be benefit in having customers re-authorise any perpetual deductions on an annual basis to ensure customers remain engaged with and aware of their deductions.
- x. Hierarchy of deductions – customers would benefit from clearer information about the hierarchy of different payment deductions, what happens when a customer has more than one Centrepay deduction for the same service reason and/or if there are insufficient benefits available to pay all the deductions in place.
- xi. Accessible support channels – customers have the means to speak or interact with Services Australia staff without significant call wait times, across a range of channels including digital.
- xii. Responsive processes – a focus on reducing friction and making processes easy to interact with, including incorporation of lived experience and human centred design concepts.
- xiii. Better practice guidelines – there would be benefit in Services Australia providing registered businesses with guidelines that support compliance with the framework including examples of better practice to support consumers.