



Finalising unpaid fines

Report 10: 2017–18



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Front cover image is an edited photograph of Queensland Parliament, taken by QAO.

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Reference to comments

In accordance with section 64 of the *Auditor-General Act 2009*, we provided a copy of this report to the Department of Transport and Main Roads, the Queensland Police Service, the Department of Justice and Attorney-General and Queensland Treasury. In reaching our audit conclusions, we have considered their views and represented them to the extent we deemed relevant and warranted when preparing this report.

Responses were received from the Department of Transport and Main Roads, the Queensland Police Service, the Department of Justice and Attorney-General, and Queensland Treasury. The responses are in Appendix A.

Report cost

This audit report cost \$450 000 to produce.

Your ref:
Our ref: 2017-9159P



22 February 2018

The Honourable C Pitt MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

Dear Mr Speaker

Report to Parliament

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*, and is titled *Finalising unpaid fines* (Report 10: 2017–18).

In accordance with s.67 of the Act, would you please arrange for the report to be tabled in the Legislative Assembly.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B. Worrall', is positioned above the typed name.

Brendan Worrall
Auditor-General

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KEY FACTS

As at 30 June 2017:



**231 entities
issue fines in
Queensland**



**4.2 million fines
were unpaid**



**\$1.2 billion was
owing in unpaid
fines**



**1.5 million fines
were under a
payment plan**



**708 367 unpaid
fines were under
enforcement**

Source: Queensland Audit Office—using statistics reported on SPER's website.

Audit objective and scope

The objective of the audit was to assess the effectiveness and efficiency of public sector entities in finalising unpaid fines.

We assessed whether entities:

- collect sufficient, relevant and accurate debtor data
- are effectively managing their unpaid fines
- work together to effectively finalise unpaid fines
- use efficient practices and processes that prioritise timely finalisation.

Our scope included all fines issued between 2011–12 and 2016–17 by the Department of Transport and Main Roads (DTMR), the Queensland Police Service (QPS) including the Traffic Camera Office, and the Department of Justice and Attorney-General (DJAG).

It also included all unpaid fines referred to the State Penalties Enforcement Registry (SPER) between 2011–12 and 2016–17.

Summary

Purpose and types of fines

Public sector entities issue fines to penalise people who have deliberately or inadvertently broken the law, and to deter them from committing similar offences.

Most people pay their fines by the due date, but a small percentage do not. Some cannot afford to pay their fine; others wilfully choose not to.

The Sentencing Advisory Council report in 2014, *The Imposition and Enforcement of Court Fines and Infringement Penalties in Victoria*, stated:

until a fine is paid, the alleged offender has effectively avoided the penal consequence of their offending behaviour. Enforcement through payment, is therefore crucial to achieving the purposes of a fine.

To maintain the integrity of fines, timely and effective enforcement is critical. Delays by entities in issuing, referring, or enforcing fines reduce the chances of successful finalisation, diminishing the effectiveness of fines in the long term.

The challenge for the issuing and collection entities is in efficiently and effectively finalising those fines that remain unpaid, particularly for those people who refuse to cooperate or pay. These people account for a significant amount of outstanding fines debt owed to the state, and enforcing this debt can be difficult and costly.

Types of fines

Fine debts owed to the state can result from:

- infringement notices (infringements), such as penalty, traffic, and marine infringement notices. This includes tolling infringements issued to alleged offenders for failing to comply with a demand notice
- monetary orders, including court-ordered fines and restitution and compensation orders.

In this report, we refer collectively to infringements and monetary orders as fines.

Infringements

The *State Penalties Enforcement Act 1999* provides the legislative basis for public sector entities, such as the Queensland Police Service (QPS) and the Department of Transport and Main Roads (DTMR) to issue infringement notices, commonly referred to as fines or tickets. It defines a person issued with an infringement as an alleged offender.

Monetary orders

The *Penalties and Sentences Act 1992* provides the legislative basis for Queensland Courts to issue monetary orders, including court-ordered fines and compensation and restitution orders. It defines a person served with a monetary order as an offender.

End-to-end fines process

Many entities can be involved in the end-to-end process of a fine, depending on whether they issue the fine, refer the fine to an enforcement agency, or act to enforce and recover the fine. Different minimum requirements apply for issuing and finalising infringements and monetary orders, mainly due to which legislation applies.

In Queensland, 231 entities (issuing entities) issue fines, including:

- QPS, including the Traffic Camera Office
- DTMR
- Queensland Courts.

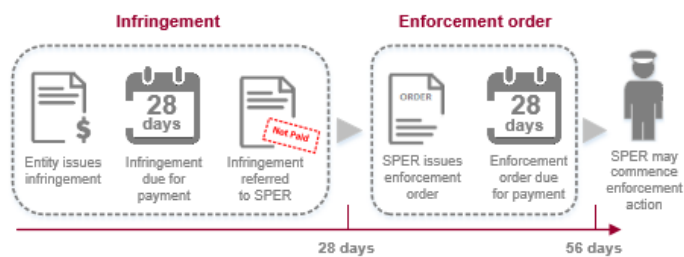
Of the 231 entities that issue fines, 71 (referring entities) refer unpaid fines to the State Penalties Enforcement Registry (SPER) for collection. QPS, the Traffic Camera Office, DTMR, and the Queensland Court Services account for 83 per cent of infringements referred to SPER between 2011–12 and 2016–17.

In 2000, the Queensland Government established SPER as part of the Department of Justice and Attorney-General (DJAG). In 2012, SPER moved to the Queensland Treasury and now forms part of the Office of State Revenue.

Queensland Court Services refer monetary orders to SPER immediately after the court makes the order. The process for infringements differs.

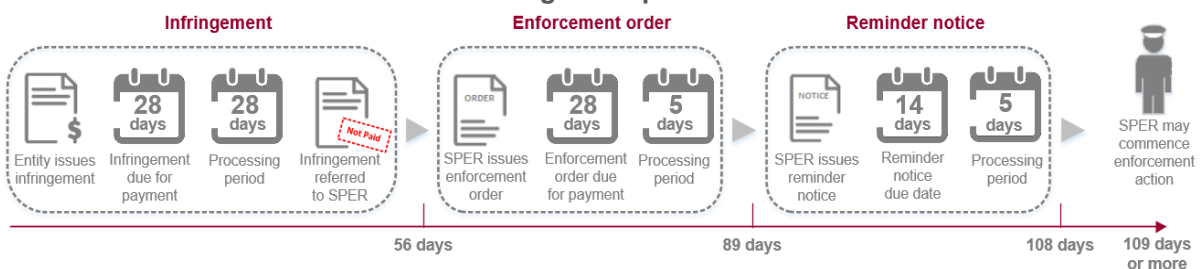
Figure A provides a basic overview of the infringement process in Queensland as required by legislation and Figure B shows how the entities put the process into practice.

Figure A
Infringement process according to legislation



Source: Queensland Audit Office.

Figure B
Infringement practice



Notes: The time when entities refer fines to SPER for collection vary. DTMR refers unpaid infringements it issues and those issued by QPS and the Traffic Camera Office to SPER after 56 days. The Queensland Court Services refers monetary orders issued by Queensland courts to SPER within 24 hours of being entered into the Queensland Wide Interlinked Courts database.

Source: Queensland Audit Office.

Roles and responsibilities

Queensland Police Service

QPS issues fines for various offences, including speeding, traffic, public order, marine, and fare evasion offences. It sends all fines it issues to DTMR to record in the Transport Registration and Integrated Licensing System (TRAILS) database.

Although the Traffic Camera Office forms part of QPS, we refer to it separately throughout this report, due to the specific role it plays in issuing infringements and its unique processes. It is responsible for issuing infringements for drivers detected by speed and red-light cameras under the Camera Detected Offence Program.

Department of Transport and Main Roads

DTMR is responsible for the operation and management of Queensland's road infrastructure. It issues fines for a range of offences, including, bus, rail, marine and vehicle offences. DTMR refers unpaid fines it issues, and those issued by QPS (including the Traffic Camera Office) to SPER.

Queensland Courts and Queensland Court Services

Queensland Courts is the branch of government that administers justice according to law. Queensland Courts issues monetary orders, which include compensation and restitution orders and court-ordered fines.

The Queensland Court Services is part of DJAG and provides administrative support to Queensland Courts. It generally refers monetary orders to SPER within 24 hours of entering them into the Queensland Wide Interlinked Courts database, for collection.

State Penalties Enforcement Registry

Since 2000, SPER has been the primary entity responsible for collecting unpaid fines for the Queensland Government. Since its establishment, SPER has experienced significant changes to its operating environment. Over recent years, the volume and type of fines issued have dramatically increased. In May 2014, the Queensland Government approved reform of SPER to improve its management of unpaid fines.

Audit conclusions

The debt owed to the state from unpaid fines is influenced by the effectiveness and efficiency of entities across the end-to-end fines process—from the entities who issue or refer fines, such as QPS, the Traffic Camera Office and DTMR, to SPER who is ultimately charged with enforcing and collecting unpaid fines.

The QPS, Traffic Camera Office and DTMR do not consider proactive follow up of fines to be their responsibility. So, they do not issue reminder notices unless the alleged offender has registered with DTMR to receive electronic notifications. DTMR holds on to the fines (it, QPS and the Traffic Camera Office issue) for much longer than it needs to before referring them to SPER for collection. Because of entity practices beyond the legislated requirements, it is generally more than 109 days after QPS, the Traffic Camera Office and DTMR issue a fine before SPER commences enforcement action. There is no value in holding fines longer than necessary if the entities are not actively following up the fines to collect payment. It is therefore not surprising that QPS, the Traffic Camera Office and DTMR have not improved their effectiveness in collecting payment for unpaid fines over the six years we examined. Between 2011–12 and 2016–17, QPS and DTMR collected payment for less than half the infringements they issued, and these rates showed no improvement.

Delays QPS and DTMR have built into the end-to-end fines process over time reduce the likelihood of effective and efficient payment. Delays in recording fines in the TRAILS database means that some people are unable to pay their fines unless they physically attend a DTMR customer service centre. Electronic issuing of fines and automation of fines processes is more efficient than manual processes. At present, QPS and TMR issue some infringements electronically. More automation could help alleviate this and other issues, such as the accuracy and completeness of fines information.

SPER's effectiveness in finalising fines remained relatively steady between 2011–12 and 2016–17, but it has not kept pace with the high volume of tolling fines in 2014–15 and 2015–16. Because of this, the percentage of debts referred to SPER that it collected payment for within 24 months decreased. Over this period, the old and potentially unrecoverable debt has also increased. As a result, the unpaid fines debt owed to the state continues to increase. It has grown to the point where further debt write-off is needed. In many cases, pursuing old debts and those that lack sufficient information is uneconomical to the state. SPER has implemented the mechanisms to write off this debt, and needs to continue using it.

In 2016–17, SPER put measures in place to reduce the number of tolling fines it receives. Nevertheless, unpaid tolling fines remain an issue for SPER and DTMR to manage, particularly if more roads are tolled in the future, usage increases and payment rates are not improved.

SPER, with the cooperation of issuing and referring entities, has driven legislative, administrative and structural changes to help improve the way it fulfils its role of collecting and finalising unpaid fines. Some of the benefits of these changes are starting to take effect (such as vehicle immobilisation) and others will take more time before the benefits are realised.

But, all entities can do more to improve the payment and finalisation rate for unpaid fines. Key to this, is all entities adopting a more integrated end-to-end (cross-agency) approach to the fines process. This has the potential to improve effectiveness (payment and finalisation rates), efficiency (time and cost) and provide a better customer experience.

The entities we audited have demonstrated a willingness to work together to improve the fine collection process. The Penalty Debt Management Council is a vehicle to discuss and address deficiencies in the fines process. The council's challenge now is to determine the business improvement projects it will prioritise and oversee further change across the end-to-end fines process.

Summary of audit findings

Please note this is a summary of the audit findings. More information is in the following chapters.

Recording infringements accurately and on time

DTMR records infringements it issues and those issued by QPS and the Traffic Camera Office in TRAILS. There is some integration of systems between QPS and DTMR for some infringements (for example Traffic Camera Office infringements), but not for others.

The QPS and DTMR have limited capability to issue infringements electronically. At present, only 600 hundred of the 14 500 police officers can issue electronic infringements. Very few DTMR officers can issue electronic infringements. At present, they have no plans to fully replace manual infringements, primarily due to cost.

Issuing infringements electronically can improve the quality of data and timely recording of infringements. In contrast, manual fines are more susceptible to error, misinterpretation, and recording delays. QPS and DTMR are not recording manual infringements in a timely manner. Forty-six per cent of all infringements they issue are manual and the entities are taking longer than 10 days to record 53 per cent of them. Delays recording infringements can cause delays in payment or finalisation (withdrawal or write off), or can make it difficult to finalise. Some infringements are not recorded in the system until after the payment period has expired.

Payment rates for infringements

Between 2011–12 and 2016–17, DTMR referred more infringements (including those issued by QPS and the Traffic Camera Office) to SPER for collection than it received payment for under its own collection processes. Between 2011–12 and 2016–17:

- seven per cent of infringements issued by DTMR were paid (includes tolling infringements which have the lowest payment rate compared to any other infringement)
- 49 per cent of infringements issued by QPS were paid
- 50 per cent of infringements issued by the Traffic Camera Office were paid.

These entities do not analyse payment rates for the infringements they issue before referring unpaid infringements to SPER. Infringement analysis can provide insights into the different payment rates for different types of infringements and should be used to prompt alternative actions for infringements with consistently poor payment rates. It may also provide insights into trends and the deterrent effect of infringements for different offences. This information can be useful to inform decisions on initiatives and campaigns to address offending.

Tolling infringements

The practice of referring unpaid tolling infringements to SPER is inefficient. It takes an average of 229 days from the time a person drives through a toll to the time SPER receives the unpaid tolling infringement. A delay of this extent reduces the likelihood of effective and efficient finalisation. The unpaid toll has been subject to multiple recovery efforts by the toll road operator (including sending a demand notice) by the time it is referred to DTMR. After issuing the infringement, DTMR waits 56 days before referring it to SPER. It does not follow-up with the alleged offender during the 56 days. As a result, few of the tolling infringements it issues are paid. Since 2011–12, the percentage of tolling infringements paid to DTMR has decreased from 17 per cent to five per cent in 2016–17. If DTMR referred these infringements earlier after the 28-day period, it would allow SPER to commence enforcement action sooner and potentially improve the payment rate.

Issuing entities following up and referring unpaid infringements

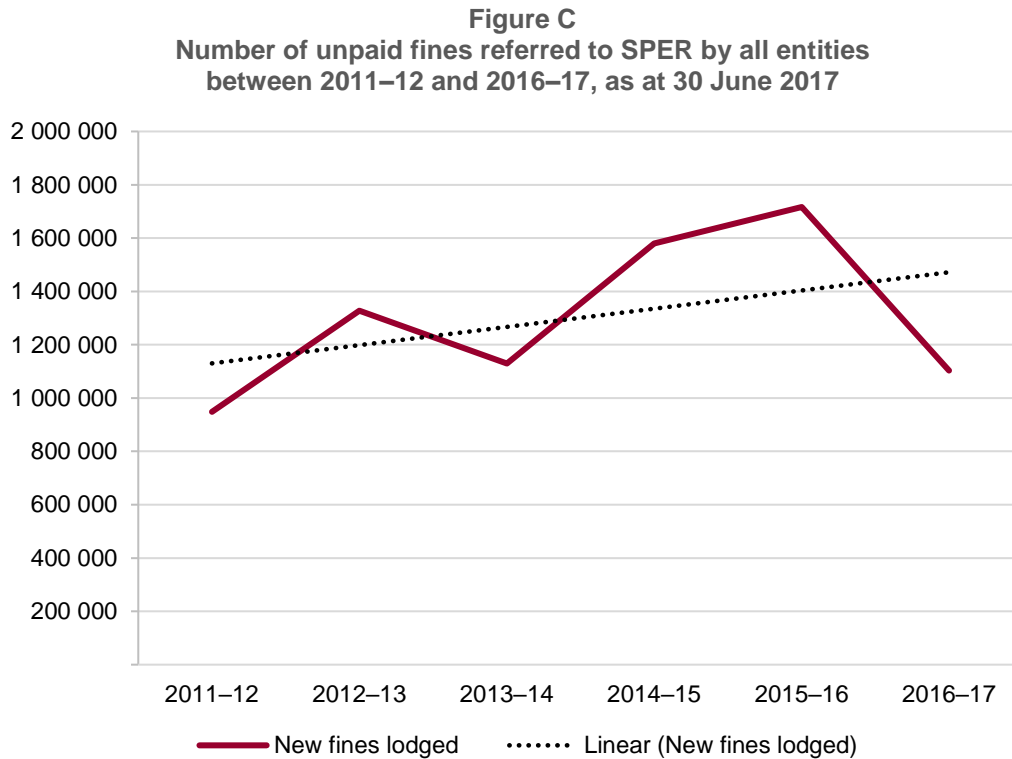
While DTMR, QPS and the Traffic Camera Office respond to customer queries, they do not actively follow up most of the infringements they issue before referring unpaid infringements to SPER. Thirty-eight per cent of infringements the entities issued remained unpaid after 56 days. They wait for people to pay their infringements and do not consider proactive management of infringements to be their responsibility. This results in delays and negatively impacts the finalisation of unpaid infringements.

The *State Penalties Enforcement Act 1999* requires these entities to provide an alleged offender with 28 days to pay an infringement. DTMR takes 56 days to refer fines it has issued and those issued by QPS and the Traffic Camera Office to SPER. While some days may be needed to process fines paid on the twenty-eighth day, the additional 28 days is an unnecessary delay, especially given that DTMR, QPS and the Traffic Camera Office do not use this time to follow up most of the fines they issue.

DTMR and QPS are starting to be more proactive with the introduction of electronic notices and reminders service, but at present only a small number of their customers are registered for this service. They are also collaborating on a project to develop an online portal through the DTMR webpage. Their intent is for the portal to provide people with information on the status of their infringements and the ability to conduct a range of queries and transactions.

SPER managing and enforcing unpaid fines

Figure C shows the number of unpaid fines referred to SPER by state and local government entities and other entities, such as universities, between 2011–12 and 2016–17, as at 30 June 2017.



Notes: This includes all unpaid fines referred by state and local government entities and other entities, such as universities, and finalised by SPER.

Source: Queensland Audit Office.

The marked increase in unpaid fines referred in 2014–15 and 2015–16 was the result of a high number of tolling fines, which has since decreased. Tolling fines have a low payment (collection) rate and contributed to fewer fines being finalised from those years.

Overall, SPER's effectiveness in finalising fines remained relatively steady between 2011–12 and 2016–17, but the money owed to the state through unpaid fines continues to grow. As of 30 June 2017, SPER had finalised 57 per cent (4 475 872) of fines issued by entities between 2011–12 and 2016–17 and an additional 1 686 294 fines from prior years. Most, but not all, were finalised through payment of the fine. It is finalising fewer within 12 and 24 months of referral and the overall number of unpaid fines grew from 2 832 167 in 2012–13 to 4 225 133 in 2016–17. SPER issues an enforcement order in a timely manner but its processes mean it can be slow to take enforcement action. For debtors with one fine, SPER commences enforcement action approximately 52 days after a fine has been referred, and 109 days after a fine was issued. SPER sends a reminder letter after it has issued the enforcement order despite having already given the debtor 28 days to pay and despite the reminder notices having little influence on a debtor's payment behaviour. This delay by SPER exacerbates the earlier delays by DTMR in referring the unpaid infringement. By this time, the offender has received numerous notifications of the outstanding infringement and has had extensive opportunity to pay.

SPER is starting to make greater use of the enforcement options available to it. For example, it has increased its Vehicle Immobilisation Seizure and Sale (VISS) activities. Between 30 May 2016 and June 2017, it collected approximately \$1.6 million from VISS field operations. It will take time before the full effectiveness of its reforms and recent increase in enforcement actions can be assessed. SPER does not routinely assess the cost and effectiveness of its specific enforcement actions. It is implementing a new information technology system in 2018, which will give it more information to assess the cost and effectiveness of its enforcement actions.

Since 2014, SPER has started analysing and reporting regularly the volume, value and type of fines entities issue and refer, and those it finalises. This analysis has given SPER a better understanding of Queensland's unpaid fines debt and where to focus its enforcement efforts. It has also provided entities that issue and refer fines with more information about the fines they issue and SPER's finalisation rates for those fines. The entities provided no evidence of them using this information to inform their practices and operations.

Working together to improve fines paid

Since 2014–15, the collaboration that has occurred through the Penalty Debt Management Council (PDMC) and various working groups demonstrates a willingness by entities to work together to improve the fine collection process.

Since its establishment, the PDMC has helped SPER with its recent reforms. It endorsed initiatives that contributed to SPER's legislative changes. It has also helped improve collaboration and monitored the performance of penalty debt management across the fine collection process. It has produced two annual reports which capture the performance of entities that issue, refer, and enforce fines and provides in-depth analysis of factors that influence payment behaviour. But entities could better use this analysis to improve the end-to-end fines process.

The PDMC is yet to determine the business improvement projects it will lead into the future to deliver greater penalty debt management outcomes across government.

Recommendations

All entities

We recommend that all entities, led by the Penalty Debt Management Council:

1. develop a plan to improve the end-to-end fines collection process to:
 - reduce the time taken to record, refer and enforce fines. The Department of Transport and Main Roads (DTMR) referring fines earlier will allow for more timely enforcement action (Chapters 2 and 3)
 - identify opportunities to further automate their processes and, in the interim, methods for reducing the time taken to record manual fines (Chapter 2)
 - provide a central (one-stop) point of reference for people fined to accurately track the location and status of their fines across the end-to-end fines process and to ensure ease of payment, nominations or finalisation of their fine (Chapter 2)
 - facilitate dispute management and debt recovery through further integration of entity systems. (Chapter 3)
2. analyse the payment and write-off rates of different fine types to identify opportunities to improve debt recovery and write-off rates. (Chapter 2)

This would also allow entities to consider trends and factors in offending and whether fines are an effective sanction for specific offences.
3. conduct further analysis and collaborate to develop options for managing problematic debtors who do not pay their debt, despite the use of all available enforcement actions (acknowledging imprisonment is the option of last resort). (Chapter 3)
4. develop processes and practices to provide magistrates with access to offender debt history to inform magistrates about a person's capacity to pay a fine, consistent with their obligations under the *Penalties and Sentences Act 1992*. (Chapter 3)

Department of Transport and Main Roads

We recommend that the Department of Transport and Main Roads:

5. reviews the tolling framework, in collaboration with Transurban Queensland and the State Penalties Enforcement Registry, to better manage tolling debts. (Chapter 2)

This should include:

- improving information sharing to enable Transurban Queensland to better communicate with customers to recover tolls and avoid referring them to DTMR to issue infringements
 - earlier referral by Transurban Queensland to DTMR of those alleged offenders that have failed to comply with their demand notice—in accordance with the agreed tolling arrangements.
6. establishes clear business rules, in accordance with legislation, to manage fines where it receives a driver nomination and ensure it is not unnecessarily withdrawing these fines. (Chapter 2)

This should include clarifying the legislation and assessing the need for legislative amendment.

State Penalties Enforcement Registry

We recommend that the State Penalties Enforcement Registry:

7. develops processes and measures to assess the cost and effectiveness of its enforcement actions. (Chapter 3)
8. seeks from the minister revised and updated debt write off guidelines in accordance with Section 150B of the *State Penalties Enforcement Act 1999*.

The revisions should include guidance to ensure regular and timely assessment of the suitability of aged and unrecoverable debt for write off. The assessment should be based on the cost of pursuing the debt and likelihood of collecting it. (Chapter 3)

9. assesses and writes off aged and unrecoverable debt in accordance with the revised debt write off guidelines.

Records should be maintained to support the amount written off and a clear explanation of the reasons for the debt write off. (Chapter 3)

1. Context

This chapter provides the background to the audit and the context relevant to the audit findings and conclusions.

Purpose and types of fines

Debts owed to the state can result from:

- infringement notices (infringements), such as penalty, traffic, and marine infringement notices. This includes tolling infringements issued to alleged offenders for failing to comply with a demand notice.
- monetary orders, including court-ordered fines and restitution and compensation orders.

In this report, we refer collectively to infringements and monetary orders as fines.

Infringements

The *State Penalties Enforcement Act 1999* provides the legislative basis for issuing infringement notices, commonly referred to as a fine or ticket. It defines a person on whom an infringement has been served, as an alleged offender.

Public sector entities issue infringements to penalise alleged offenders who have deliberately or inadvertently broken the law and to deter them from committing similar offences. If enforced efficiently, effectively, and fairly, infringements can have public safety and economic benefits. Entities can use infringements to quickly and more cost-effectively penalise offenders for less serious offences, compared to other costlier sanctions such as sending people to court.

Public sector entities issue infringements for a range of different offences, such as speeding, fare evasion and illegal parking. Figure 1A provides a list of some of the more common offence categories.

Figure 1A
Types of infringements

Offence category	Offence examples
Driving	Learner permit offence, red light offence, using mobile phone while driving, unlicensed driving, failure to wear seatbelt
Fare evasion	Failure to produce ticket, failure to supply name and address
Parking	Disobeying 'no parking' sign, double parking, parking in a bus zone
Speeding	Low range (less than 13kmh), mid-range (13–40kmh) and high range (more than 40kmh) speeding offences
Tolling	Failure of a registered operator of a vehicle to comply with a demand notice without reasonable excuse
Vehicle	Unregistered vehicle, uninsured vehicle, defective vehicle, heavy vehicle offence
Other	Failure to vote, littering, prohibited and regulated weapons offence

Note: This is not a comprehensive list of all offences that entities issue infringements for.

Source: Queensland Audit Office using offence categories reported by the State Penalties Enforcement Registry.

Monetary orders

The *Penalties and Sentences Act 1992* provides the legislative basis for the courts to issue monetary orders. It defines a person served with a monetary order as an offender.

Queensland Courts can order an offender to pay a monetary order, which includes compensation, restitution, and court-ordered fines:

- Compensation orders require an offender to pay compensation to a person for an offence that has resulted in loss, destruction or damage to property or for personal injury suffered.
- Restitution orders require an offender to restore property to an individual or the monetary value of the loss, for an offence committed.
- Court-ordered fines require an offender to pay a monetary fine; it may be in addition to, or instead of, any other sentence to which an offender is liable.

An offender ordered to pay a court-ordered fine, compensation and restitution, must first pay the compensation and restitution orders before paying the fine.

Roles and responsibilities

In Queensland, 231 entities (issuing entities) issue infringements and monetary orders, including:

- Queensland Police Service (QPS) (including the Traffic Camera Office)
- Department of Transport and Main Roads (DTMR)
- Queensland Courts.

Of the 231 entities that issue infringements and monetary orders, 71 (referring entities) refer unpaid fines to State Penalties Enforcement Registry (SPER) for collection. QPS, the Traffic Camera Office, DTMR and the Queensland Court Services account for 83 per cent of infringements referred to SPER between 2011–12 and 2016–17.

In 2000, the Queensland Government established SPER as part of the Department of Justice and Attorney-General (DJAG). In 2012, SPER moved to the Queensland Treasury and now forms part of the Office of State Revenue.

Figure 1B captures the roles and responsibilities of SPER and the other public-sector entities we audited as they relate to the issuing and enforcement of infringements and monetary orders.

Figure 1B
Roles and responsibilities

Entity	Role	Responsibilities
Queensland Police Service	<ul style="list-style-type: none"> issues infringements 	<ul style="list-style-type: none"> issues and processes infringements in accordance with the <i>Transport Operations (Passenger Transport) Act 1995</i>, <i>Tow Truck Act 1973</i>, <i>Liquor Act 1992</i>, and <i>Transport Operations (Marine Safety) Act 1994</i> refers infringements to DTMR for recording in TRAILS and collection
Traffic Camera Office*	<ul style="list-style-type: none"> issues infringements 	<ul style="list-style-type: none"> the Traffic Camera Office is part of Queensland Police Service issues and processes speed and red-light infringements in accordance with the <i>Transport Operations (Road Use Management) Act 1995</i> refers infringements to DTMR for recording in TRAILS and collection
Department of Transport and Main Roads#	<ul style="list-style-type: none"> issues infringements refers unpaid infringements 	<ul style="list-style-type: none"> numerous units in DTMR issue and process infringements in accordance with the <i>Transport Operations (Marine Safety) Act 1994</i>, <i>Transport Operations (Passenger Transport) Act 1994</i>, <i>Transport Operations (Road Use Management) Act 1995</i>, <i>Transport Operations (Marine Pollution) Act 1995</i>, <i>Transport Infrastructure Act 1994</i>, <i>Tow Truck Act 1973</i> and <i>Transport Operations (Marine Safety—Domestic Commercial Vessel National Law Application) Act 2016</i> receives payment for infringements refers infringements to SPER for enforced collection
Queensland courts and Queensland Court Services	<ul style="list-style-type: none"> issues and refers monetary orders 	<ul style="list-style-type: none"> Queensland Courts issues monetary orders in accordance with the <i>Penalties and Sentences Act 1992</i> the Queensland Court Services is a part of DJAG and provides administrative support for Queensland Courts. It processes and refers monetary orders to SPER for collection
State Penalties Enforcement Registry	<ul style="list-style-type: none"> enforces unpaid infringements and monetary orders 	<ul style="list-style-type: none"> collects and enforces unpaid infringements and monetary orders in accordance with the <i>State Penalties Enforcement Act 1999</i> manages debtors on a payment plan

Notes: *Although it is a part of QPS, we refer to the Traffic Camera Office separately throughout this report, due to the specific role it plays in issuing infringements and its unique processes.

#DTMR records infringements in the Transport Registration and Integrated Licensing System (TRAILS) database.

This is not a comprehensive list of all pieces of legislation that these entities issue fines in accordance with.

Source: Queensland Audit Office.

Appendix C provides a complete list of the processes used to issue infringements and monetary orders by the entities we audited.

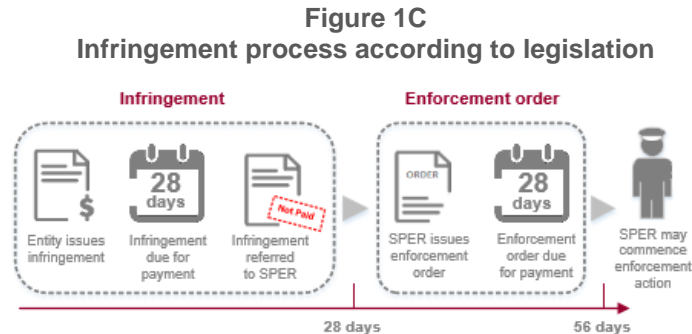
End-to-end process for issuing and finalising fines

Different minimum requirements apply for issuing and finalising infringements and monetary orders, mainly due to which legislation applies.

Infringement process

In Queensland, many entities can be involved in the end-to-end process of an infringement, from its issue through to the action taken to enforce and recover the infringement.

Figure 1C shows the infringement process as required by legislation.

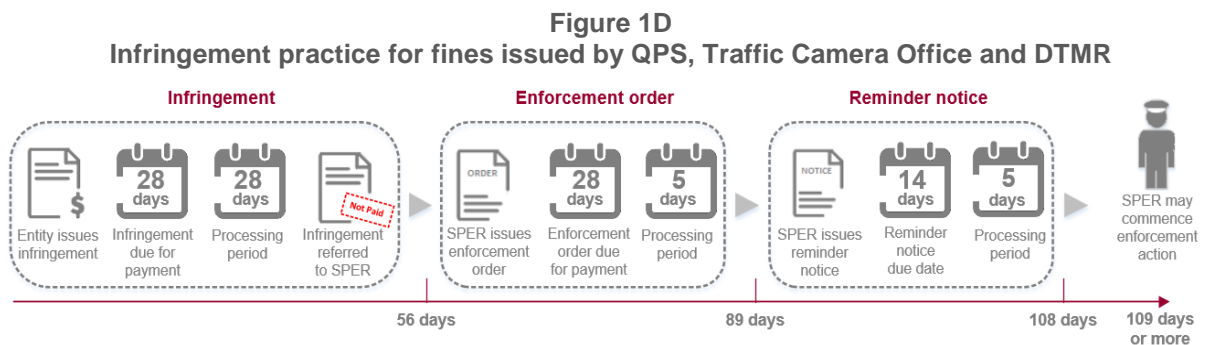


Notes: The first action SPER takes to enforce an unpaid fine is to issue an enforcement order.

Source: Queensland Audit Office.

In practice, DTMR and SPER apply additional steps to this process.

Figure 1D provides a basic overview of the infringements practice for infringements issued by QPS, the Traffic Camera Office, and DTMR.



Notes: DTMR gives itself the additional 28 days to process driver nominations, statutory declarations, demerit points, for example, before referring unpaid infringements to SPER.

Source: Queensland Audit Office.

Issuing infringements



Authorised officers of public sector entities who detect offences can issue infringements manually (on the spot or via post), or in some cases electronically. If a police officer, transport or shipping inspector issues a manual infringement, they post a copy of the infringement to DTMR, which manually records the infringement in its Transport Registration and Integrated Licensing System (TRAILS) database.

In limited circumstances, a small number of QPS officers and DTMR officers can issue electronic infringements:

- Six hundred police officers can issue electronic infringements on their iPads, which automatically record the infringement in the TRAILS database.
- DTMR's TransLink officers also issue electronic infringements using their smart phones for bus and rail offences.

Following up infringements



An alleged offender issued an infringement by QPS, the Traffic Camera Office or DTMR, can either:

- pay it in full
- request to have the offence heard by a court
- enter into a voluntary instalment plan, providing the infringement amounts to \$200 or more
- provide a statutory declaration nominating another driver, advising that the car had been sold, or advising that it had been stolen at the time of the offence.

In many cases, offenders pay their infringements before they are referred to SPER. Of the 10 780 122 infringements issued by the QPS, the Traffic Camera Office, and DTMR between 2011–12 and 2016–17:

- 42 per cent (4 526 143) were paid and did not go to SPER
- 37.5 per cent (4 046 588) remained unpaid and were referred to SPER
- 15.8 per cent were withdrawn (1 434 611 infringements were withdrawn due to a person nominating another driver of a vehicle and 265 522 were withdrawn for other reasons)
- four per cent (432 026) were on a voluntary instalment plan
- 0.7 per cent (75 232) resulted in another outcome, such as the fines were suspended or cancelled.

Referring unpaid infringements



Alleged offenders who fail to pay their infringement within the prescribed period, usually 28 days, may have their infringement referred to SPER. Most entities apply a grace period to allow for postal delays and bank clearances.

DTMR refers all unpaid infringements it issues, and those issued by QPS and the Traffic Camera Office, to SPER after 56 days.

The volume of unpaid infringements referred to SPER has almost doubled, from 574 131 in 2005–06 to 1 103 407 in 2016–17.

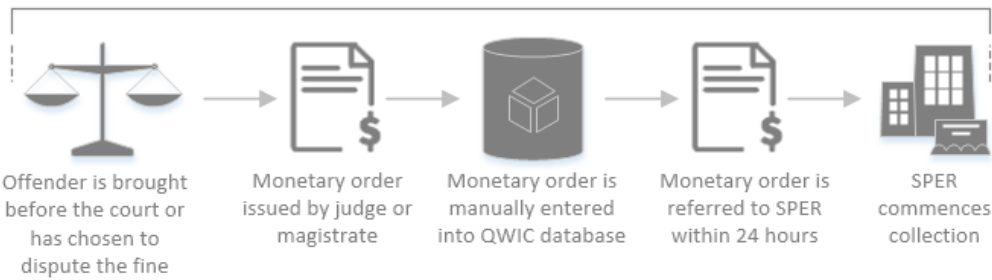
Monetary order process

The Queensland Court Services records all monetary orders issued by judges and magistrates manually in the Queensland Wide Interlinked Courts database (QWIC).

The Queensland Court Services refers monetary orders to SPER within 24 hours of being entered into QWIC for immediate collection.

An offender has 28 days to pay a monetary order before enforcement action commences, unless the court orders a different timeframe. Figure 1E provides a basic overview of the monetary orders process in Queensland.

Figure 1E
Monetary order process



Source: Queensland Audit Office.

Enforcing unpaid fines



SPER issues enforcement order

SPER commences enforcement action for unpaid fines (both infringements and monetary orders) referred by entities, other than those where the debtor is under a compliant payment arrangement (that is where the debtor has entered an arrangement to pay off the debt in instalments over time).

SPER sends the debtor an enforcement order to inform them they have 28 days to pay the fine before enforcement action starts. *The State Penalties Enforcement Act 1999* defines a person on whom an enforcement order has been served, as an enforcement debtor (debtor).

Enforcement action includes:

- suspending the debtor’s driver licence
- deducting money from the debtor’s income or bank account
- seizing or selling the debtor’s personal property
- imposing a charge on a specified property and registering that charge as an interest. A debtor seeking to sell their property must first pay SPER
- immobilising a debtor’s vehicle (wheel clamp)
- imprisoning a debtor (last resort option).

SPER’s existing database uses enforcement rules to commence enforcement action against a debtor automatically. When these rules are met, enforcement action is automatically triggered. The enforcement action taken depends on the value of the fine, type of offence, and the debtor’s circumstances, such as existing debts and compliance history.

Recording and exchanging information

The effectiveness of SPER’s enforcement strategies depends on the timely exchange of accurate and reliable information, including the debtor’s contact details. In some instances, issuing entities may need to withdraw a fine because it contains inaccurate or incomplete information.

Delays by entities issuing fines or referring them to SPER reduce the likelihood of effective and efficient payment. Subsequent delays by SPER to take enforcement action also reduce the likelihood of successfully recovering unpaid fines.

Finalisation and payment of fines

Throughout this report we refer to the finalisation and the payment of fines. Payment is only one of several ways that a fine can be finalised.

QPS, the Traffic Camera Office and DTMR can finalise fines by:

- receiving payment in full
- withdrawing the fine. In these cases, entities withdraw the fine and never reissue it.

SPER can finalise unpaid fines referred by QPS, the Traffic Camera Office, DTMR and the Queensland Court Services by:

- receiving payment in full, or part payment over time
- writing off the debt.

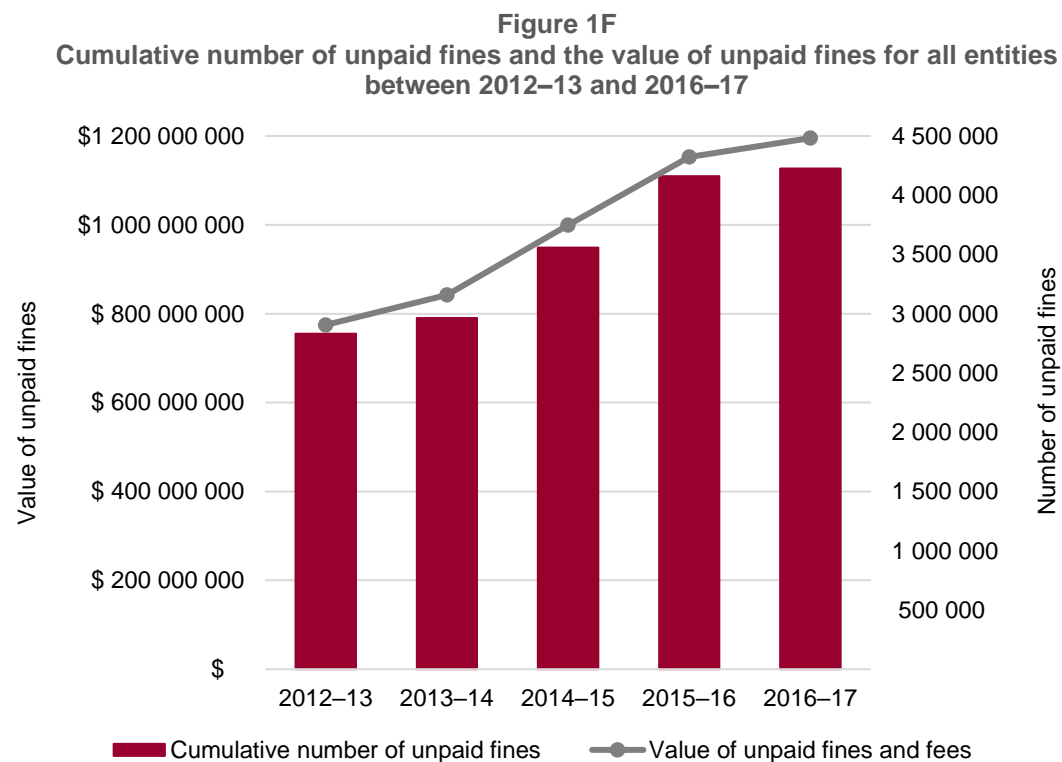
SPER also counts as finalised fines that entities have referred to it, but which the entity subsequently withdraws or recalls. This is where the issuing entity:

- effectively cancels the fine (withdrawn)
- recalls the unpaid fine from SPER for further action. The fine remains in the entity's database and is finalised in SPER's database (recalled). In some cases, the entity may later refer the fine back to SPER.

Value of Queensland's unpaid fines debt

To understand Queensland's unpaid fines debt and identify growth and trends, it is necessary to consider unpaid fines referred by all issuing entities, including the entities we audited and other entities, such as local councils and universities.

Between 2012–13 to 2016–17 the number of unpaid fines referred by all entities increased steadily from 2 832 167 to 4 225 133 in 2016–17—contributing to the state's growing pool of unpaid fines debt. Figure 1F displays the cumulative number of unpaid fines and the value for all entities between 2012–13 and 2016–17.



Notes: The sharp increase in fines issued from 2013–14 to 2014–15 is a direct result of an increase in tolling fines. DTMR revised its tolling arrangements in 2015–16 and now issues less tolling infringements. This graph includes unpaid fines issued by all entities, including Queensland courts, state government entities and other entities, such as local councils and universities. SPER did not record detailed data on the cumulative number of unpaid fines prior to 2012–13.

Source: Queensland Audit Office—using statistics reported on SPER's website.

Since 2012–13, the total value of Queensland's unpaid fines debt, including fees, has increased by 54 per cent, from approximately \$775 million to almost \$1.2 billion. Figure 1G shows the makeup of the unpaid fine debt. It shows that fines issued by state government entities represent the biggest percentage of unpaid fine debt.

Figure 1G
Total amount and percentage of unpaid fines by all entities, as at 30 June 2017

Entities	Amount (\$)	Percentage (%)
State government entities	739 562 973	62
Queensland Courts	363 837 338	30
Other entities (such as local councils and universities)	91 837 816	8
Total	1 195 238 127	100

Notes: State government entities include government departments, such as the QPS, DTMR, Electoral Commission Queensland, Department of Heritage and Protection and courts.

Source: Queensland Audit Office—using statistics reported on SPER's website.

Managing unpaid fines debt

Not all the unpaid fines debt is under active enforcement. Of the \$1.2 billion owing in unpaid fines, SPER is currently taking enforcement action on 18 per cent (\$220 million, as at 30 June 2017). The remaining debt is:

- under payment arrangement—debts under an active payment plan
- between processes—debts recently referred, within time-to-pay periods or awaiting other actions
- potentially unenforceable—the person dies; or the person is a corporation that is deregistered; or there is insufficient information known about the person to adequately identify them, differentiate them from another person or establish their liability for the fine
- suspended—enforcement action is suspended, either on a debtor's entire case (for example in response to a disaster event) or on individual debts (where SPER is investigating circumstances of a specific debt).

Figure 1H captures the status of Queensland's unpaid fines debt as reported by SPER, as at 30 June 2017.

Figure 1H
Status of Queensland's unpaid fines debt as at 30 June 2017

Debt status	Percentage (%)	Value (\$)
Under enforcement	18	220M
Under payment arrangement	30	364M
Between processes	18	209M
Potentially unenforceable	16	191M
Suspended	18	211M
Total	100	1.195B

Notes: SPER suspended enforcement action for 116 000 debtors living in areas affected by cyclone Debbie in March 2017.

Source: Queensland Audit Office—using statistics reported by SPER.

Potentially unenforceable

As at 30 June 2017, SPER categorised 718 890 unpaid fines as potentially unenforceable, which totalled \$191 million. It categorised these fines as potentially unenforceable for a variety of reasons, including:

- insufficient information to commence enforcement action automatically, for example no driver's license, car registration (42 per cent)
- no date of birth (32 per cent)
- no valid address (10 per cent)
- debt registered over 10 years ago (nine per cent).

The remaining seven per cent is potentially unenforceable because the debt is below the enforcement limit, the company has no Australian Business Number, or the alleged offender has no Queensland customer reference number.

SPER's enforcement limit varies depending on the enforcement action it's taking. For example, to suspend a driver's license the debtor must have a debt of \$15 or more, or to deduct money from a debtor's income or bank account they must have a debt of \$300 or more.

Unpaid fine debtors

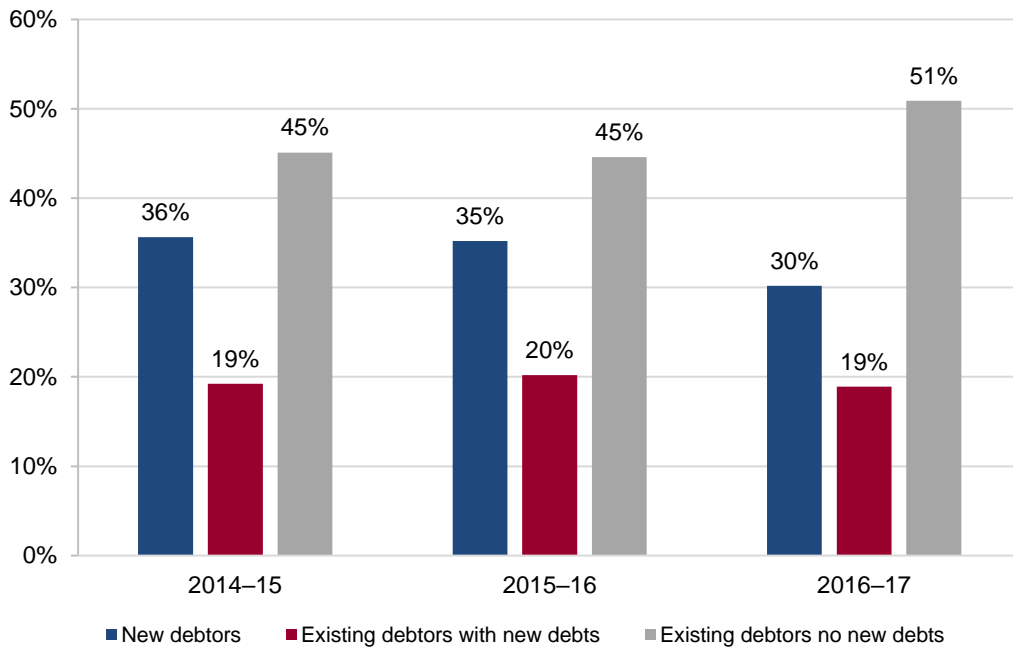
As at 30 June 2017, SPER is managing 776 000 debtors who, on average, have five unpaid fines totalling \$1 540.

Debtors managed by SPER can broadly be categorised into three groups, those with a:

- new debt and no pre-existing debt
- new debt and a pre-existing debt
- existing debt but no new debt.

Each group has different needs and level of complexities for SPER in its efforts to collect or finalise the debt. Figure 11 shows a breakdown of the debtors managed by SPER between 2014–15 and 2016–17.

Figure 11
Debtors managed by SPER between 2014–15 and 2016–17 by category



Source: Queensland Audit Office—using data provided by SPER.

Over this three-year period, 34 per cent were new debtors, 19 per cent were existing debtors who received a new fine (debt) during the period, and 47 per cent were existing debtors who did not receive additional fines during the period.

Almost 60 per cent of fines referred to SPER during this period were for people who had a pre-existing SPER debt. This means that over this period 19 per cent of debtors accounted for 60 per cent of new fines.

Some debtors cannot afford to pay their fines; others wilfully choose not to. SPER estimates that eight per cent (62 306) of the 776 000 debtors it manages are experiencing financial hardship. It estimates this figure based on the proportion of its debtors currently on a Centrelink or other concessional payment arrangement and acknowledges it may not accurately reflect the number of debtors experiencing financial hardship. These debtors have, on average, 12 unpaid fines totalling \$3 053. It is likely to take SPER longer to recover the \$190 million owed by these debtors. Tailoring enforcement strategies to debtors' circumstances is necessary to improve the finalisation of unpaid fines.

Age of the unpaid fines debt

SPER reports on the age of the unpaid fines debt annually from the time the fine was referred to it. Figure 1J captures the age of Queensland's unpaid fines debt as reported by SPER, as at 30 June 2017.

Figure 1J
Length of time debt has been with SPER, as at 30 June 2017

Age from referral to SPER	Number of debts	Value of debts (\$)	Percentage of the unpaid fines debt value (%)
Greater than 10 years	409 553	89.6M	7
8–10 years	171 114	50.1M	4
6–8 years	314 530	105M	9
4–6 years	592 689	187.4M	16
2–4 years	1 021 930	298.4M	25
1–2 years	951 376	239.5M	20
Less than 1 year	763 941	225.1M	19
Total	4 225 133	1.195B	100

Source: Statistics reported by SPER, as at 30 June 2017.

It shows that, as at 30 June 2017, 36 per cent (\$432.1 million) of Queensland's unpaid fines debt was more than four years old. The older the debt, the more difficult it is for SPER to recover.

Fees and charges

SPER applies fees to regulate debtor behaviour, rather than to recover costs expended to enforce unpaid fines. Fees offer an incentive to debtors to pay unpaid fines early and are necessary to maintain the integrity of fines.

Almost 12 per cent (approximately \$139.6 million) of Queensland's unpaid fines debt comprises fees and charges.

SPER applies a registration fee of \$67.45 for each new fine it registers, except for monetary orders referred by the Queensland Court Services. The debtor must pay the original fine and the registration fee. Some enforcement actions also result in an additional fee of \$112.90. For example, SPER does not apply this fee when it suspends a driver's license, but does apply a fee when it immobilises a debtor's vehicle.

The State Penalties Enforcement Registry reform

Since its establishment in 2000, SPER has experienced significant changes to its operating environment. The volume and type of fines issued have increased. Advances in technology have influenced the number of fines entities issue, and the way they are issued, recorded and paid.

In May 2012, a report commissioned by DJAG identified a range of issues with SPER's systems, processes, policy and legislation. In May 2014, the Queensland Government approved reform of SPER to address these issues.

The reform intends to improve SPER's management of unpaid fines, including:

- enabling more efficient and effective debt collection
- focusing on targeted enforcement
- enhancing its enforcement and debt collection capability.

Penalty Debt Management Council

As part of this reform, Queensland Treasury established the Penalty Debt Management Council in late 2014. The council's primary purpose is to improve end-to-end fine collection across government. Led by Queensland Treasury, members of the council include:

- Department of the Premier and Cabinet
- Department of Transport and Main Roads
- Department of Justice and the Attorney-General
- Queensland Police Service
- Electoral Commission of Queensland.
- Queensland Corrective Services.

The State Penalties Enforcement Amendment Act

In May 2017, the Queensland Parliament passed the *State Penalties Enforcement Amendment Act 2017*. It amended the *State Penalties Enforcement Act 1999* (the Act). The objectives of the amendments to the Act were to:

- provide improved non-monetary debt finalisation options for people in hardship
- facilitate case management of debtors rather than the management of their individual debts
- establish fairer, simpler, and more consistent fee arrangements
- create efficiencies in the management of disputes
- enhance information sharing between SPER and other prescribed agencies for penalty debt management purposes and improve SPER's information collection and disclosure provisions
- assist SPER's enforcement functions.

Some provisions from the *State Penalties Enforcement Amendment Act 2017* have already taken effect, for example information-sharing arrangements, but most will commence with the implementation of SPER's new system in 2018.

Some of the changes resulting from the *State Penalties Enforcement Amendment Act 2017* that are relevant to this audit aim at adopting a case management approach to debtors, providing options to people experiencing hardship, and improving the fee structure.

Case management

Approximately 60 per cent of fines referred to SPER accrue to existing debtors. SPER is increasingly managing debtors with a mix of fines rather than debtors with a single fine. SPER's existing system and processes were designed to manage individual debts and do not comprehensively support management of debtors at a case level. Its new information technology system and processes are being designed to better support management of debtors at a case level.

Alternative options for hardship

Some debtors experiencing hardship cannot pay their unpaid fines. People experiencing hardship may include people that have a disability, are homeless, or are experiencing domestic or family violence, financial hardship, mental illness, or serious substance addiction. SPER is in the process of expanding its non-financial options offered to debtors experiencing hardship to finalise their debt through work and development orders involving:

- treatment programs and counselling
- development programs (for example educational and life skills courses, mentoring)
- unpaid work.

Reviewed fee structure

Currently, SPER applies some fees to the total debt owed and other fees to individual debts. When the relevant provisions of the *State Penalties Enforcement Amendment Act 2017* take effect, SPER will apply fees to a debtor's overall balance based on the action it is taking. It will also have greater capacity to waive or revoke fees in appropriate circumstances, such as hardship.

Reform status

Beyond these legislative changes, SPER is also reforming its policy and business processes, its engagement with stakeholders and customers, and its enforcement capability.

SPER is transitioning to its new systems and processes in a phased approach with its new technology system estimated to go live in 2018. It is too early to assess the outcomes of its reform.

2. Recording, following up, and referring infringements

This chapter assesses the efficiency and effectiveness of the Department of Transport and Main Roads and the Queensland Police Service's, including the Traffic Camera Office's, processes to record, follow up, and refer unpaid infringements to the State Penalties Enforcement Registry.

Introduction

Public sector entities who issue infringements are well placed to influence the likelihood of payment. They are the first point of contact and reference for the alleged offender. The efficiency and effectiveness of their processes and practices for issuing, following up, and referring infringements can influence payment or finalisation rates.

The State Penalties Enforcement Registry (SPER), relies on issuing entities to provide accurate, reliable, and timely information when referring unpaid infringements. Unnecessary delays by entities in referring unpaid infringements limit the effectiveness of SPER's enforcement strategies.

For these reasons, we expected the Queensland Police Service (QPS), the Traffic Camera Office and the Department of Transport and Main Roads (DTMR) to have efficient and effective processes and practices to maximise the rate of infringements finalised. Specifically, we expected that they would:

- record the infringements they issue in a timely and accurate manner
- proactively follow up infringements to maximise payment rates
- refer unpaid infringements to SPER in a timely manner.

Although the Traffic Camera Office is part of the QPS, we refer to it separately throughout this report. The Traffic Camera Office issues a significant volume of infringements and its process and practices for referring infringements differ from other units of the QPS.

We examine monetary orders issued by Queensland Courts and SPER's efficiency and effectiveness in finalising them in Chapter 3.

Recording infringements issued

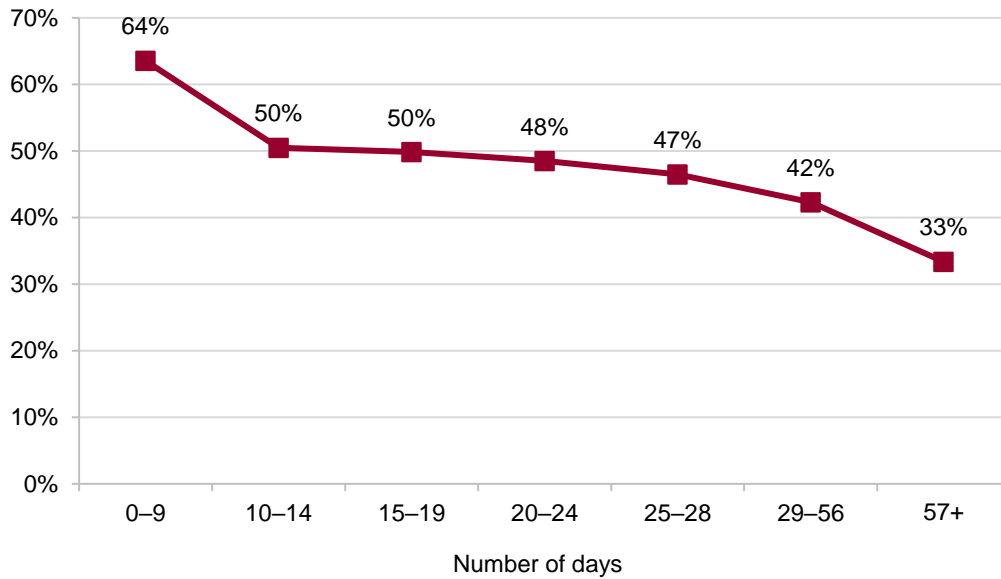
The QPS and DTMR have integrated some of their systems for issuing and recording of infringements (for example Traffic Camera Office infringements), but others remain unintegrated and manual.

Recording infringements in a timely manner

The sooner entities record infringements they have issued, the quicker people can pay.

Figure 2A shows the percentage of infringements paid compared with when they were recorded in DTMR's Transport Registration and Integrated Licensing System (TRAILS) database.

Figure 2A
Percentage of infringements paid compared with when they were entered into TRAILS

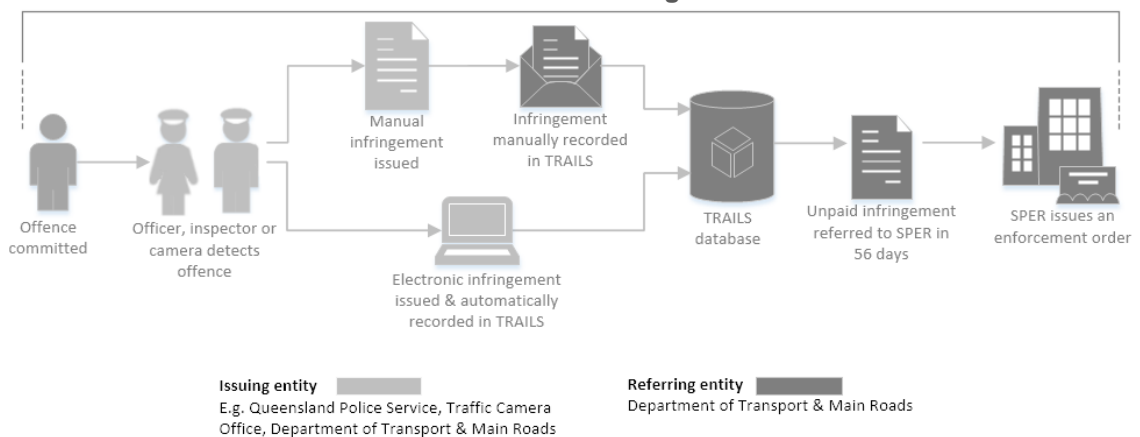


Source: Queensland Audit Office using data from the TRAILS database.

How entities issue infringements can influence how quickly they are recorded in the database.

The QPS, Traffic Camera Office, and DTMR can issue infringements manually or automatically as displayed in Figure 2B.

Figure 2B
Manual and automated infringements



Notes: Transport Registration and Integrated Licensing System (TRAILS).

Source: Queensland Audit Office.

DTMR records infringements it issues and those issued by QPS and the Traffic Camera Office in TRAILS. Timely entry of the infringement into TRAILS is necessary to maximise payment success.

Timeliness and automated infringements

Automated infringements are those infringements issued electronically using handheld devices, or which are recorded in the TRAILS database by an automated interface, such as traffic camera offences.

Electronic infringements are instantly recorded in the TRAILS database and can be paid online immediately. These are infringements issued by police officers using iPads, or by TransLink's senior network officers using smart phones. Other infringements, such as those issued by the Traffic Camera Office, are automatically recorded in the TRAILS database and can be paid online immediately.

Timeliness and manual infringements

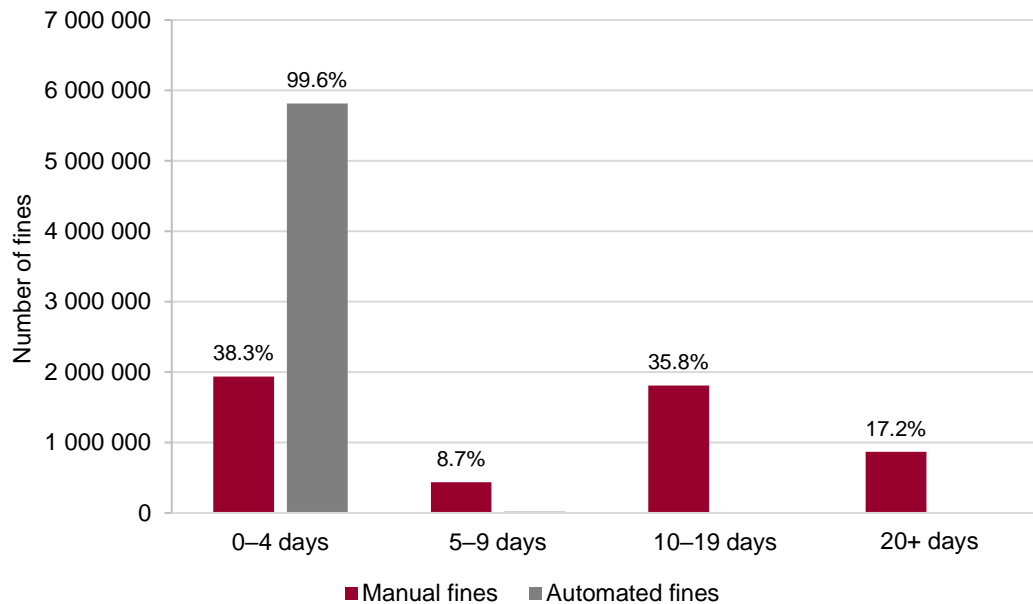
When police officers, or transport or shipping inspectors manually issue infringements, they mail them in batches to the Customer Service Branch of DTMR. Customer Service Branch staff manually record the infringements into the TRAILS database.

This manual process is time consuming, resource intensive, increases the potential for error, and restricts alleged offenders from making timely payment. Alleged offenders cannot pay their infringement online until it is recorded in the TRAILS database. To make payment before it is entered into the database, they must visit one of the Department of Transport and Main Roads customer service centres.

In November 2013, DTMR led a workshop which identified this delay. It recommended that entities scan and email manual infringements to its customer service branch, to alleviate delays caused by posting manual infringements. The QPS and DTMR did not implement the recommendation, meaning that these delays have continued unnecessarily for the past four years. This was because DTMR believed that scanning and emailing manual infringements became obsolete with the implementation of electronic infringements. However, DTMR and QPS issue very few electronic infringements (issued using iPads and smart phones) and they have no plans to fully replace manual infringements, primarily due to cost. At present, only 600 hundred of the 14 500 police officers can issue electronic infringements. Very few DTMR officers can issue electronic infringements.

Figure 2C shows, for infringements issued between 2011–12 and 2016–17, the time it took for issuing entities to record manual and automated infringements in the TRAILS database, as at 30 June 2017.

Figure 2C
Number of days between entities issuing infringements and entering them into the TRAILS database for infringements between 2011–12 and 2016–17



Notes: Infringements categorised as automated include infringements issued electronically by police officers and TransLink’s senior network officers and infringements issued by the Traffic Camera Office. The data displayed in this graph was extracted from the TRAILS database on 11 July 2017 and may not capture all infringements issued and paid in 2016–17.

Source: Queensland Audit Office.

Ninety-nine per cent of all automated infringements issued between 2011–12 and 2016–17 were automatically recorded in the TRAILS database within four days. But the entities took 10 days or more to record 53 per cent of all manual infringements in the TRAILS database.

Manual infringements issued by the QPS take significantly longer to record in the TRAILS database compared to those issued by DTMR. This is because QPS batches up manual infringements before posting them to the Customer Service Branch of DTMR to record in the TRAILS database.

We found that 85 per cent (2 528 400) of the manual infringements issued by the QPS took 10 days or more to record in the TRAILS database, compared to only 2.7 per cent (53 995) of manual infringements issued by DTMR.

Seven per cent (203 328) of manual infringements issued by the QPS took more than 28 days to record in TRAILS. Of these, one per cent (31 759) were recorded after 56 days. These manual infringements were primarily for driving and speeding offences. These delays mean that these people had little opportunity to pay their infringement on time and before the infringements were referred to SPER.

Accurately and completely recording infringements



Public sector entity issues infringement

Entities increase the likelihood of infringements being paid or enforced if they collect sufficient, relevant and accurate information when issuing them. Depending on the circumstances, the information can include the alleged offender’s full name, date of birth, address, contact and driver licence details. It can also include information such as vehicle registration and description.

Infringements issued manually can be more susceptible to error than those issued electronically. Infringements issued electronically are often subject to controls, both at the point the information is recorded in the electronic device, and at the point the information is automatically transferred into TRAILS. These controls reject infringements that contain inaccurate and incomplete information and automatically return the infringement to the issuing entity.

DTMR's Customer Service Branch checks the accuracy and completeness of manual infringements it issues, and those issued by the Queensland Police Service, before recording them in TRAILS. Infringements that have errors, such as the issue date being earlier than the offence date, are returned to the issuing entity for correction. The Customer Service Branch also undertakes random quality assurance audits, reviewing the hard copy infringement against the details recorded in TRAILS, to ensure staff accurately record all infringement details.

Infringement errors identified by the Department of Transport and Main Roads

Between 2011–12 and 2016–17, DTMR identified 48 544 manual infringements that were either inaccurate or incomplete. The Queensland Police Service issued 96 per cent (46 623) of these infringements.

Of the infringements that were inaccurate, the more common errors included:

- inaccurate penalty amount (26 962)
- inaccurate date (10 759).

The penalty amount for a fine can change due to legislative amendments or increases in the consumer price index. As such, entities slow to update their systems may record the penalty amount incorrectly. Entities that issue electronic infringements can update their systems to reflect the current penalty amount, however those that issue manual infringements rely on the issuing officer to record the current penalty amount.

Of the infringements that were incomplete, the most common information missing included:

- incomplete date (4 932)
- incomplete personal details (1 792).

Infringement errors identified by the State Penalties Enforcement Registry

In limited circumstances SPER can reject infringements that entities refer. For example, if the infringement contains errors such as the offence date is in the future.

Between 2011–12 and 2016–17, SPER rejected a total of 47 260 infringements referred by all entities, including state government entities, local councils, universities and others (excludes monetary orders issued by Queensland Courts).

Of these, it rejected 7 792 unpaid infringements issued by DTMR, the Traffic Camera Office and QPS—less than one per cent of all the infringements they referred. SPER rejected these infringements for a variety of reasons, including:

- invalid offence code
- penalty amount exceeds the maximum amount
- infringement is for a deceased person.

SPER also writes off unpaid infringement debt for various reasons, including where the infringement notice has insufficient details for it to contact the alleged offender. We discuss SPER's fines debt write-off practices in more detail in Chapter 3.

Following up and referring unpaid infringements



When DTMR, QPS, or the Traffic Camera Office issue an infringement, the *State Penalties Enforcement Act 1999* requires them to provide the offender with 28 days to pay from the date of issue.

Alternatively, the alleged offender must, within 28 days:

- declare that another person was driving the vehicle at the time of the offence, or advise that the vehicle was stolen or sold
- elect to have the matter heard in court.

SPER relies on the timely referral of unpaid infringements by public sector entities. Delays by entities to refer unpaid infringements limit the effectiveness of SPER's enforcement strategies.

DTMR manages payment for all infringements it issues and those issued by the QPS and the Traffic Camera Office. Its practice is to refer unpaid infringements 56 days from the date of issue to SPER for recovery. DTMR does not use the additional 28 days (in addition to the legislated 28 days) to follow up with alleged offenders prior to referring unpaid infringements. We found that 88 per cent of unpaid infringements referred by DTMR were registered by SPER from 56 to 59 days of being issued.

New South Wales, Western Australia and Victoria have a different process to Queensland. They all provide alleged offenders with a reminder when their infringement is due for payment and inform them they have an additional 28 days to pay. Appendix D displays the infringements process for each of these jurisdictions.

The *State Penalties Enforcement Act 1999* is clear that entities can act to enforce an unpaid infringement.

Section 16 of the *State Penalties Enforcement Act 1999* says that an infringement must state:

that if the alleged offender does not pay their infringement, enforcement action may be taken to recover the amount, including by registering it with SPER, and additional fees may be payable.

While enforcement action can include registering the unpaid infringement with SPER, it is not limited to this. We found, however, that this was the only action taken by DTMR, QPS, and the Traffic Camera Office, and only after the 56-day period had elapsed. They make no contact with alleged offenders (such as sending reminder notices—other than for the small number (125 037) of Queenslanders who have registered for electronic reminders) and make no attempt to enforce the infringement.

The entities do not consider it their responsibility to follow up or recover an infringement once it has been issued. DTMR, QPS and the Traffic Camera Office told us they were only responsible for detecting offences and issuing infringements and that it was SPER's responsibility to finalise or recover unpaid infringements. Unless the alleged offender contacts them (to pay or challenge the infringement), the entities do not act to follow up on infringements during the 56 days. This results in unnecessary delays in efforts to enforce and finalise infringements.

Prior to the establishment of SPER, DTMR sent reminder notices to alleged offenders 28 days after it issued an infringement. After SPER was established DTMR stopped issuing reminder notices. Instead, it relies on the enforcement order (which SPER issues once the unpaid infringement is referred to it) to serve as a reminder to alleged offenders.

For this change to be effective, DTMR would need to promptly refer unpaid infringements to SPER after the initial 28-day period. However, although DTMR stopped issuing reminder notices, it continued to take 56 days to refer unpaid infringements to SPER for collection. It did not analyse whether stopping reminder notices altered payment rates.

In June 2016, DTMR introduced its electronic notices and reminders system. This allows people to receive registration and licence renewal reminders electronically. Customers who register for the reminder service can also receive any infringements they incur (including QPS issued infringements) by email and are sent a reminder notice advising them that their infringement is due for payment three days before the due date. Currently three per cent (125 037) of the department's customers receive both electronic notices and reminders.

This is a positive initiative which is still in its early stages. To increase the take-up rate, DTMR has promoted the electronic service through a range of media, including:

- digital ads for six months on a variety of websites, including its own website, *The Courier-Mail*, *Brisbane Times* and *taste.com.au*
- flyers describing the service and how to sign up in each registration renewal from September 2016 to August 2017
- variable message sign boards across Queensland for two weeks
- a video loop on televisions displayed in its customer service centres
- social media posts on Facebook and Twitter.

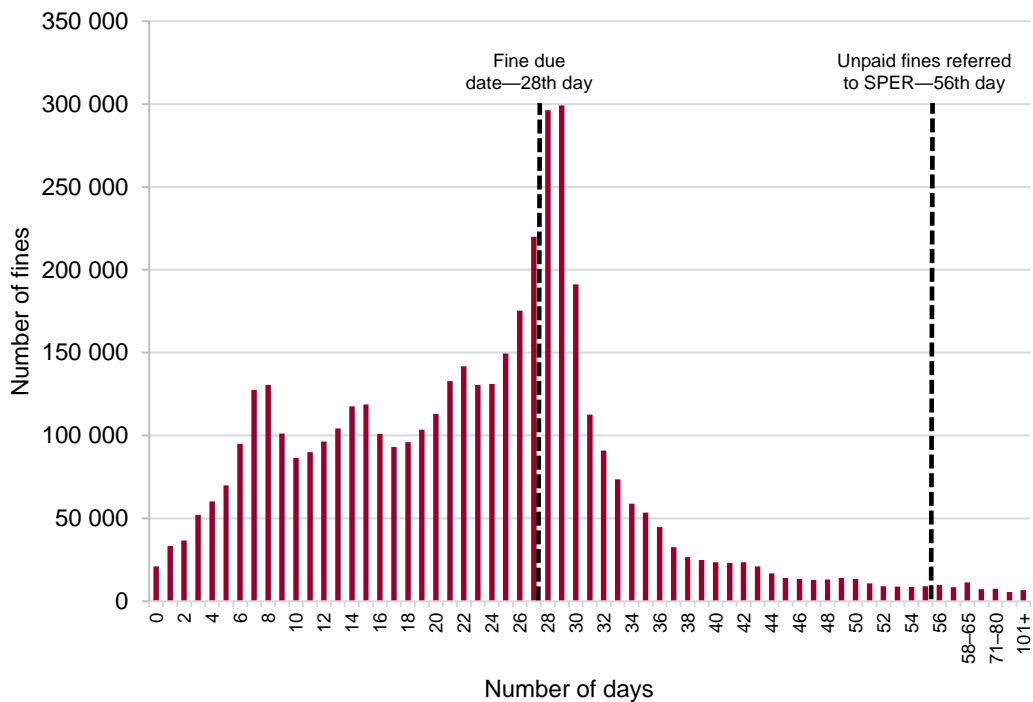
It is too early to assess whether the electronic notices and reminders will improve payment rates. It has the potential to also improve timeliness of payment. However, this initiative is unlikely to improve the payment rate of those people who habitually offend and refuse to pay their infringements. DTMR, QPS and the Traffic Camera Office will need other initiatives to address this cohort of alleged offenders, who are smaller in number but accrue large debts.

The QPS and DTMR are also collaborating on a project to develop an online portal through the DTMR web page. Their intent is for the portal to provide people with real time status of their infringements and the ability to conduct a range of queries and transactions.

When do people pay their infringements?

Figure 2D shows the infringements issued between 2011–12 and 2016–17 by the QPS, Traffic Camera Office, and DTMR that were paid and therefore not referred to SPER, as at 30 June 2017. It shows the number of days alleged offenders took to pay their infringements, from the date of issue to the date of payment.

Figure 2D
Number of days taken by alleged offenders to pay their infringement between 2011–12 and 2016–17



Notes: In some instances, DTMR may recall an unpaid infringement from SPER due to a processing error. In these cases, an alleged offender may pay an infringement after the 56-day period. The data displayed in this graph was extracted from the TRAILS database on 11 July 2017 and may not capture all infringements issued and paid in 2016–17.

Source: Queensland Audit Office.

Not surprisingly, most alleged offenders who pay their infringement without it being referred to SPER do so within 28 days after the issue date. Between 2011–12 and 2016–17:

- 71 per cent (3 224 977) of alleged offenders who paid their infringements did so within 28 days
- 28 per cent (1 254 370) who paid their infringements did so between 29 to 56 days
- one per cent (46 796) who paid their infringements did so after 57 days.

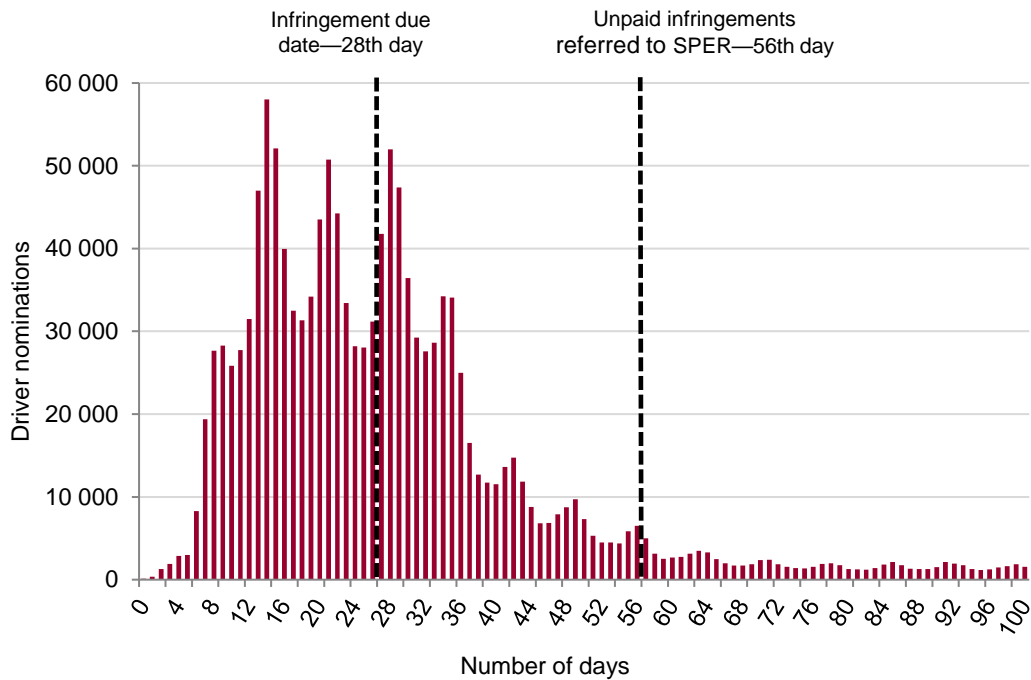
Ninety-one per cent of alleged offenders who paid their infringement did so within 36 days of the infringement being issued. Only a small portion (8.3 per cent) paid after the 36th day.

The additional 28 days that DTMR takes to refer unpaid infringements is an unnecessary delay, given that issuing entities do not use this time to actively follow up on unpaid infringements to improve finalisation. This delay can limit the effectiveness of SPER's enforcement strategies. A shorter period may be more appropriate, given that most alleged offenders who pay their infringements do so within 36 days. This would involve some adjustment to DTMR's TRAILS system and some cost. However, it would have the advantage of unpaid infringements being referred to SPER and actively managed almost three weeks earlier than they currently are. The 7.3 per cent of people who pay between 37 and 56 days would still be able to pay their infringement after it is referred to SPER.

Similarly, the number of people who nominate a driver outside the 28-day period, decreases significantly around the 36-day period.

Figure 2E captures the number of days taken by alleged offenders to nominate a driver within the 56-day payment period between 2011–12 and 2016–17, as at 30 June 2017.

Figure 2E
Number of days taken by alleged offenders to nominate a driver within the 56-day payment period between 2011–12 and 2016–17



Notes: An alleged offender issued an infringement by QPS or DTMR must nominate the driver of a vehicle to DTMR. An alleged offender issued an infringement by the Traffic Camera Office must nominate the driver of a vehicle to the Traffic Camera Office. The data displayed in this graph was extracted from the TRAILS database on 11 July 2017 and may not capture all infringements issued and paid in 2016–17.

Source: Queensland Audit Office.

Although alleged offenders do need adequate time to nominate the driver for a transport related offence, we found that most alleged offenders made their nomination within 36 days. So, shortening the extension period to 36 days is also unlikely to inhibit alleged offenders from nominating alternative drivers.

Between 2011–12 and 2016–17, DTMR withdrew 63 486 infringements due to alleged offenders nominating alternative drivers. Of these:

- 89 per cent (56 546) were for tolling infringements
- 11 per cent (6 789) were for vehicle offences
- 0.2 per cent (151) were for driving and other offences.

DTMR withdrew these infringements, but did not reissue them to the nominated drivers. Effectively the alleged offenders were never penalised by DTMR for the offences. The 63 486 infringements that DTMR withdrew, totalled \$12 281 078.

Payment rates for infringements

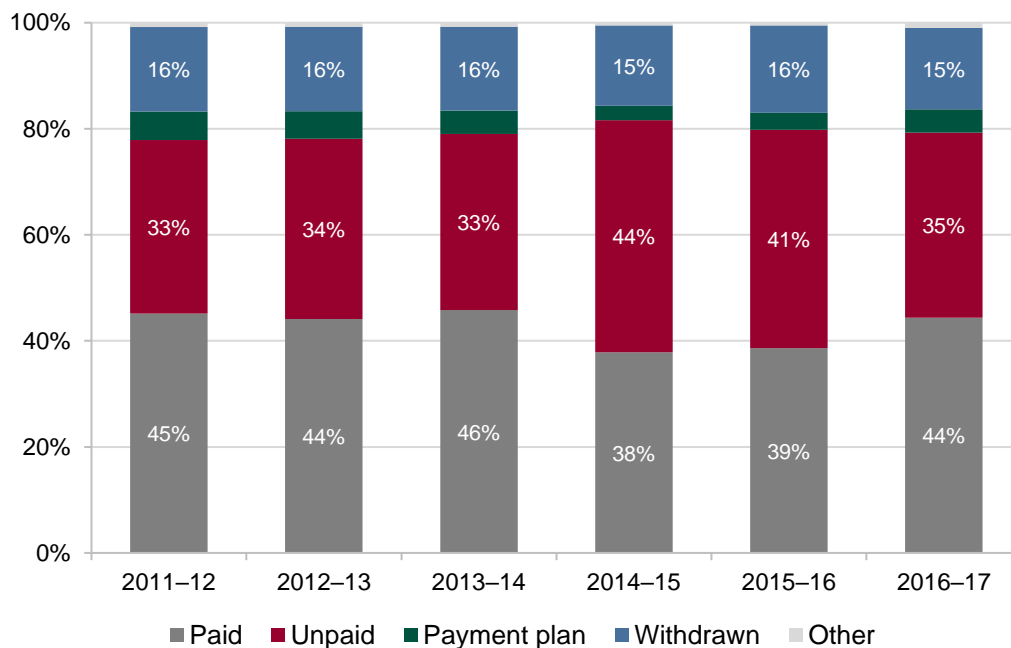
Between 2011–12 and 2016–17, 42 per cent (4 526 143) of alleged offenders paid their infringements within the 56 days. The QPS, Traffic Camera Office and DTMR referred approximately 37.5 per cent (4 046 588) of infringements they issued to SPER for finalisation. Of the remaining 20.5 per cent (2 207 391):

- 15.8 per cent were withdrawn (1 434 611 infringements were withdrawn due to a person nominating another driver of a vehicle and 265 522 were withdrawn for other reasons)
- four per cent (432 026) were on a voluntary instalment plan
- 0.7 per cent (75 232) resulted in another outcome, such as the infringements were suspended or disputed).

Across this period the percentage of infringements not paid during the 56 days has marginally increased from 33 per cent (461 452) to 35 per cent (527 742). But it spiked in 2014–15, with almost 44 per cent (1 056 069) of infringements issued by these entities not being paid within 56 days. This was influenced by an increase in unpaid tolling infringements.

Figure 2F shows the status of infringements issued by the QPS, Traffic Camera Office, and DTMR before they were referred to SPER, between 2011–12 and 2016–17, as at 30 June 2017.

Figure 2F
Status of infringements issued by the entities we audited, before they were referred to SPER, between 2011–12 and 2016–17



Notes: Includes the status of infringements issued by the entities we audited, before they were referred to SPER. Infringements categorised under 'other' include various classifications, such as infringement suspended, under external prosecution or an appeal, for example. The data displayed in this graph was extracted from the TRAILS database on 11 July 2017. Some infringements issued after the 13 June 2017 had not been paid, but the 28-day payment period had not passed. This represents approximately 3.8 per cent (57 950) of the 1 511 379 infringements issued by DTMR, QPS and the Traffic Camera Office between 2016–17.

Source: Queensland Audit Office.

The QPS, Traffic Camera Office, and DTMR can withdraw infringements for various reasons, including:

- A person issued an infringement has nominated another person as the driver of the vehicle at the time of the offence in accordance with section 19 of the *State Penalties Enforcement Act 1999*.
- An alleged offender has chosen to have their infringement disputed in court.

Between 2011–12 and 2016–17 the percentage of infringements withdrawn by these entities fluctuated between 15 and 16 per cent.

Over this period, 75 232 infringements resulted in another outcome, such as the alleged offender being prosecuted by another agency. The number of infringements categorised as 'other' has remained steady at one per cent over this period.

The Department of Transport and Main roads payment rates

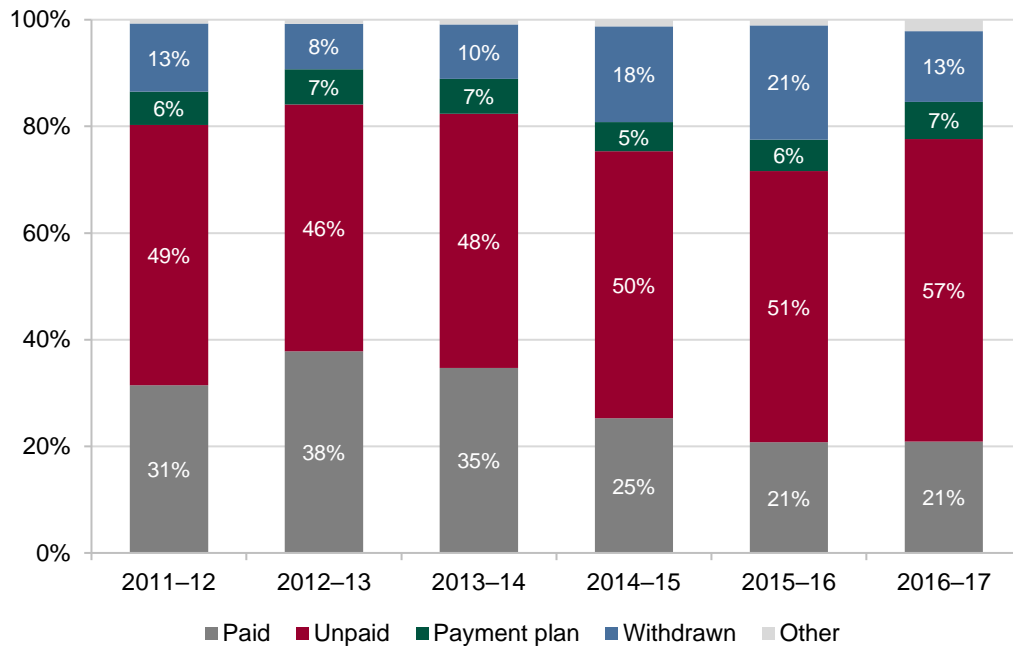
DTMR has the lowest number of infringements paid within 56 days when compared to the QPS and the Traffic Camera Office.

Eighty-four per cent of all infringements (including tolling infringements) issued by DTMR between 2011–12 and 2016–17 remained unpaid after 56 days, compared with 40 per cent of infringements issued by the QPS and 19 per cent of infringements issued by the Traffic Camera Office.

Tolling infringements significantly influence its payment rate. Just five per cent of tolling infringements issued by DTMR are paid within the 56 days.

Figure 2G shows the status of infringements issued by DTMR, excluding tolling infringements, before they were referred to SPER, between 2011–12 and 2016–17, as at 30 June 2017.

Figure 2G
Status of infringements issued by DTMR, excluding tolling infringements, before they were referred to SPER, between 2011–12 and 2016–17

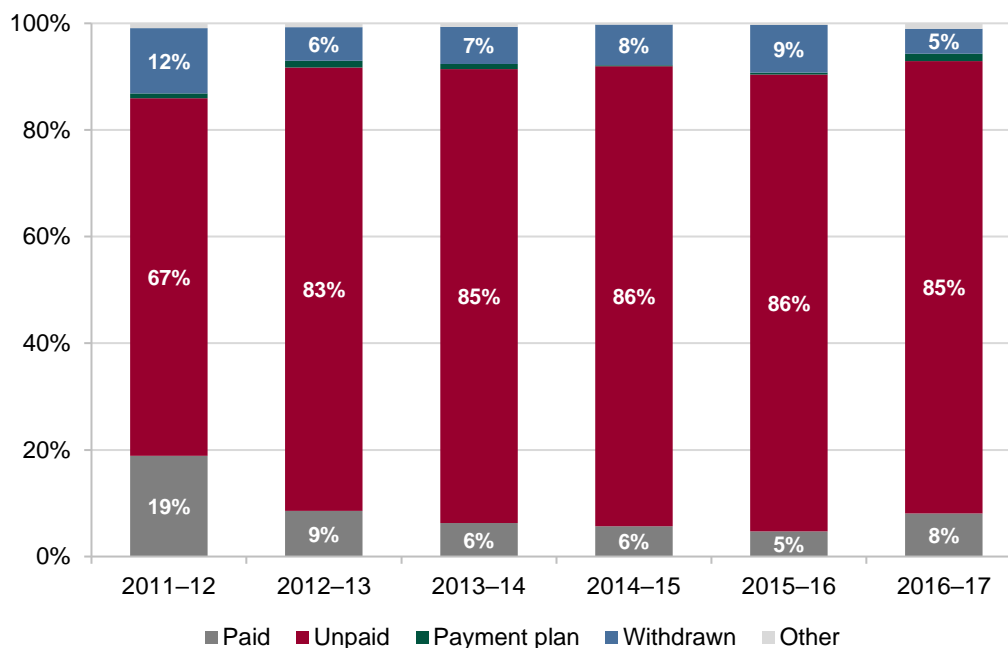


Notes: Includes the status of infringements issued by DTMR, excluding tolling infringements, before they were referred to SPER (that is, while they are the responsibility of DTMR). Infringements categorised under ‘other’ include various classifications, such as infringement suspended, under external prosecution or an appeal, for example. The data displayed in this graph was extracted from the TRAILS database on 11 July 2017. Some infringements issued after the 13 June 2017 had not been paid, but the 28-day payment period had not passed. This represents approximately one per cent (1 251) of the 131 899 infringements issued by DTMR between 2016–17.

Source: Queensland Audit Office.

Figure 2H shows the status of all infringements, including tolling infringements, issued by DTMR, before they were referred to SPER, between 2011–12 and 2016–17, as at 30 June 2017.

Figure 2H
Status of infringements issued by DTMR, including tolling infringements, before they were referred to SPER, between 2011–12 and 2016–17



Notes: Includes the status of infringements issued by DTMR before they were referred to SPER. Infringements categorised under 'other' include various classifications, such as infringement suspended, under external prosecution or an appeal. The data displayed in this graph was extracted from the TRAILS database on 11 July 2017. Some infringements issued after the 13 June 2017 had not been paid, but the 28-day payment period had not passed. This represents approximately one per cent (1 251) of the 131 899 infringements issued by DTMR between 2016–17.

Source: Queensland Audit Office.

Its payment rate after tolling infringements are excluded remains lower than those of the QPS and the Traffic Camera Office. Excluding tolling infringements, 51 per cent of all infringements DTMR issued between 2011–12 and 2016–17 remained unpaid after 56 days.

Tolling infringements

Most people pay for the use of Queensland’s toll roads. For those that don’t pay, Transurban Queensland, the toll road operator, can issue a demand notice requiring the registered operator of a vehicle to:

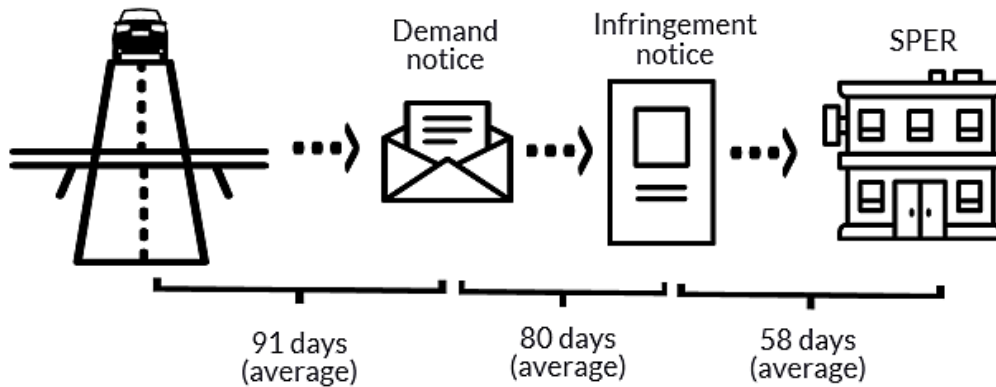
- pay the toll road operator the amount owing within 30 days from the date of issue
- provide a statutory declaration to the toll road operator nominating the person driving the vehicle within 30 days from the date of issue.

A registered operator of a vehicle that fails to comply with the demand notice has committed an offence. Transurban Queensland can refer those that fail to comply with the demand notice to DTMR for it to issue an infringement.

Transurban Queensland refers to DTMR the people it has repeatedly tried to contact and prompt to pay their unpaid toll. DTMR and SPER give Transurban Queensland up to six months (approximately 180 days) to refer a demand notice to DTMR.

Figure 2I shows that it takes an average of 229 days from the time a person drives through a toll to the time SPER receives the referral of the unpaid infringement.

Figure 2I
Average days before SPER receives unpaid tolling infringements



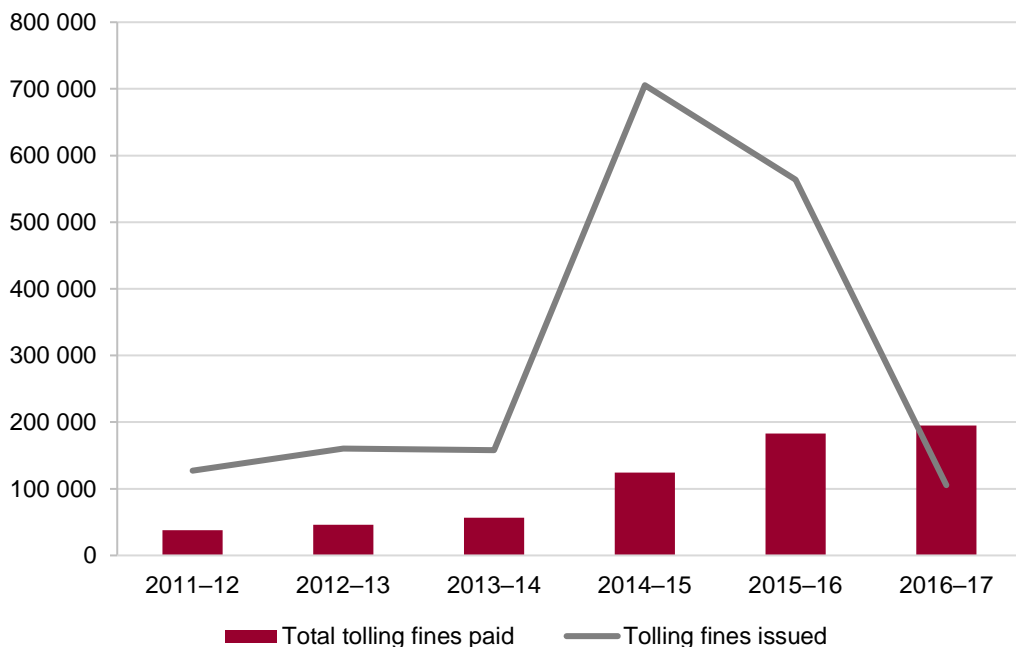
Source: Queensland Audit Office.

A delay of this extent affects the alleged offender’s association with the offence and the reliability of information for contacting the alleged offender. It ultimately reduces the likelihood of effective and efficient finalisation.

Between 2011–12 and 2016–17, DTMR issued 1 819 875 tolling infringements, of which 35 per cent (643 324) were either paid to DTMR or collected by SPER.

Figure 2J shows the number of tolling infringements issued between 2011–12 and 2016–17 and the number paid to DTMR and SPER, as at 30 June 2017.

Figure 2J
Number of tolling infringements issued and paid between 2011–12 and 2016–17



Notes: Includes tolling infringements paid to DTMR and those paid to SPER between 2011–12 and 2016–17. The data displayed in this graph was extracted from the TRAILS database and SPER’s database on 11 July 2017. Some infringements issued after the 13 June 2017 had not been paid, but the 28-day payment period had not passed.

Source: Queensland Audit Office.

Only 5.3 per cent (96 875) were paid to DTMR, which was less than the number it withdrew—7.4 per cent (135 239). The number of tolling infringements paid to DTMR has decreased from 17 per cent (21 482) in 2011–12 to five per cent (5 221) in 2016–17. It was as low as three per cent (5 504) in 2013–14. The low payment rate is not surprising considering the earlier unsuccessful efforts of the toll road operator to get the alleged offender to pay and that DTMR does not actively pursue payment during the 56-day period.

Between 2011–12 to 2016–17, SPER finalised 38 per cent (622 149) of the 1 653 265 tolling infringements DTMR referred to it:

- 88 per cent (546 449) were paid
- 12 per cent (75 700) were withdrawn, recalled or written off.

Timely referral to SPER aids in improving the recoverability of these infringements. Nothing, other than its practices, prohibits DTMR from referring tolling infringements (or any other infringements) to SPER after the infringements' due date (28 days after the infringement was issued).

In April 2016, DTMR, Transurban Queensland, and SPER put in place arrangements to reduce the requirement to issue tolling-related infringements. Subsequently, the volume of tolling infringements has decreased significantly.

DTMR is taking steps to address these deficiencies. In February 2017, it began a review of tolling to identify opportunities to streamline the end-to-end process and improve debt recovery. It engaged a private firm to lead the review and consulted with Transurban Queensland, SPER, and Brisbane City Council. The review identified opportunities to improve customer communication and process improvements but did not address the delay in referring unpaid tolling infringements. DTMR is in the process of implementing the review recommendations.

While these initiatives have lowered the number of unpaid tolling infringements, they have not addressed the underlying problem—the amount of time that passes between the unpaid toll and SPER starting enforcement action. These are also difficult debts to recover. The toll road operator makes numerous efforts to encourage the person to pay the unpaid toll, before referring it to DTMR to issue an infringement. The payment rates for these infringements are low and collecting payment may not be cost-effective to the state. Neither DTMR or SPER capture their cost of recovering infringements to do this analysis.

Withdrawn tolling infringements

Section 99 of the *Transport Infrastructure Act 1999* places the onus on the registered operator of the vehicle who receives a demand notice to either pay the amount owing or provide a statutory declaration nominating the person driving the vehicle within 30 days from the date of issue.

DTMR issues tolling infringements when a person fails to comply with a demand notice. Under the legislation, the offence that it issues the infringement for is for failing to comply with the demand notice, not for failing to pay the toll.

Between 2011–12 and 2016–17, DTMR incorrectly withdrew 56 546 tolling infringements because the alleged offender nominated an alternative driver. The nomination of another person as the driver of the vehicle was irrelevant to the offence of failing to comply with the demand notice. The infringements DTMR withdrew for failing to comply with demand notice amounted to \$8 940 048.

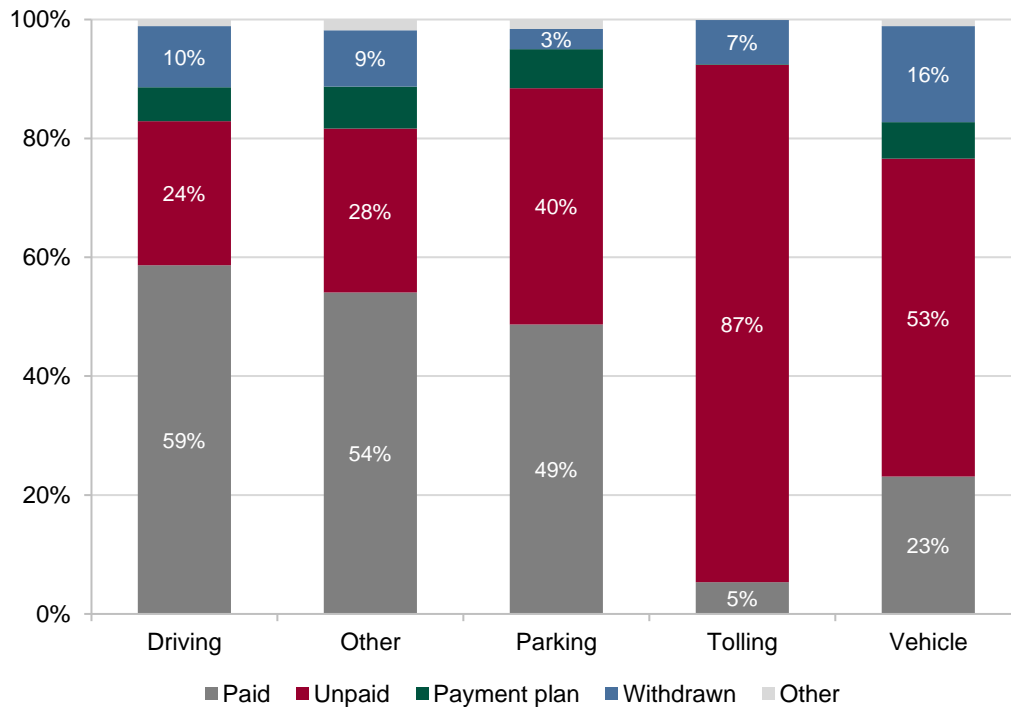
Other infringements

The payment rate within 56 days for other infringements varies between 23 per cent for vehicle offences (such as vehicle registration and insurance offences) and 59 per cent for driving offences (such as unlicensed driving and not wearing seatbelt offences).

Because DTMR does not analyse or report the number, type, and status of infringements it issues it cannot develop effective strategies to improve payment rates.

Figure 2K shows the status of infringements issued by offence type by DTMR, before they were referred to SPER, between 2011–12 and 2016–17, as at 30 June 2017.

Figure 2K
Status of infringements issued by offence type by DTMR, before they were referred to SPER, between 2011–12 and 2016–17



Notes: Includes the status of infringements issued by DTMR before they were referred to SPER. Infringements categorised under 'other' include various classifications, such as infringement suspended, under external prosecution or an appeal. The data displayed in this graph was extracted from the TRAILS database on 11 July 2017. Some infringements issued after the 13 June 2017 had not been paid, but the 28-day payment period had not passed. This represents approximately one per cent (1 251) of the 131 899 infringements issued by DTMR between 2016–17.

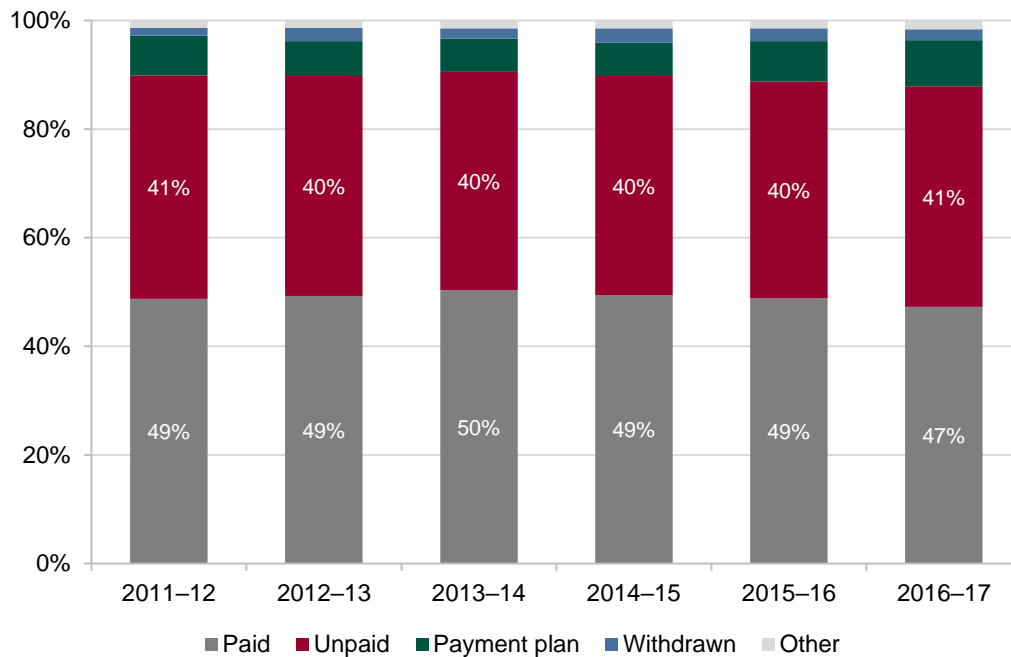
Source: Queensland Audit Office.

Queensland Police Service payment rates

Since 2011–12 the percentage of infringements issued by the QPS that remained unpaid after 56 days remained relatively constant at 40 per cent. Similarly to DTMR, the QPS does not analyse the number of infringements it issues nor their status. It is unaware of the factors contributing to its payment rate.

Figure 2L shows the status of infringements issued by the QPS, before they were referred to SPER, between 2011–12 and 2016–17, as at 30 June 2017.

Figure 2L
Status of infringements issued by QPS, before they were referred to SPER, between 2011–12 and 2016–17



Notes: Includes the status of infringements issued by QPS before they were referred to SPER. Infringements categorised under 'other' include various classifications, such as infringement suspended, under external prosecution or an appeal. The data displayed in this graph was extracted from the TRAILS database on 11 July 2017. Some infringements issued after the 13 June 2017 had not been paid, but the 28-day payment period had not passed. This represents approximately 3.1 per cent (14 772) of the 480 658 infringements issued by QPS between 2016–17.

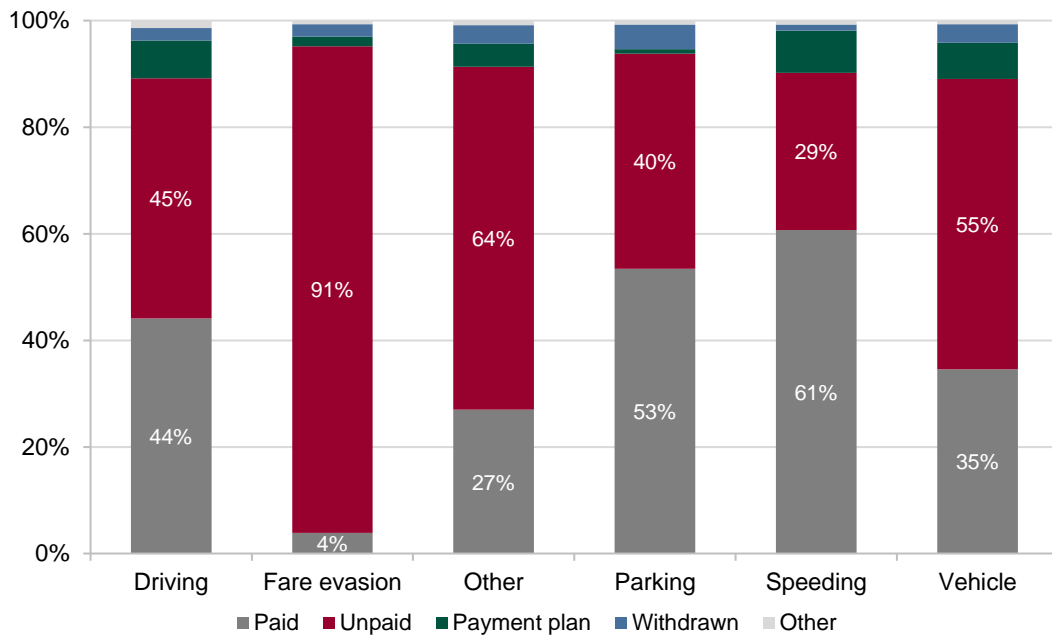
Source: Queensland Audit Office.

The influence of different types of infringements on payment

As with infringements issued by DTMR, some types of infringements issued by police have better payment rates than others.

Figure 2M shows the status of infringements issued by the QPS (excluding the Traffic Camera Office) by offence type, before they were referred to SPER, between 2011–12 and 2016–17, as at 30 June 2017.

Figure 2M
Status of infringements issued by offence type by QPS, before they were referred to SPER, between 2011–12 and 2016–17



Notes: Includes the status of infringements issued by QPS before they were referred to SPER. Infringements categorised under 'other' include various classifications, such as infringement suspended, under external prosecution or an appeal. The data displayed in this graph was extracted from the TRAILS database on 11 July 2017. Some infringements issued after the 13 June 2017 had not been paid, but the 28-day payment period had not passed. This represents approximately 3.1 per cent (14 772) of the 480 658 infringements issued by QPS between 2016–17.

Source: Queensland Audit Office.

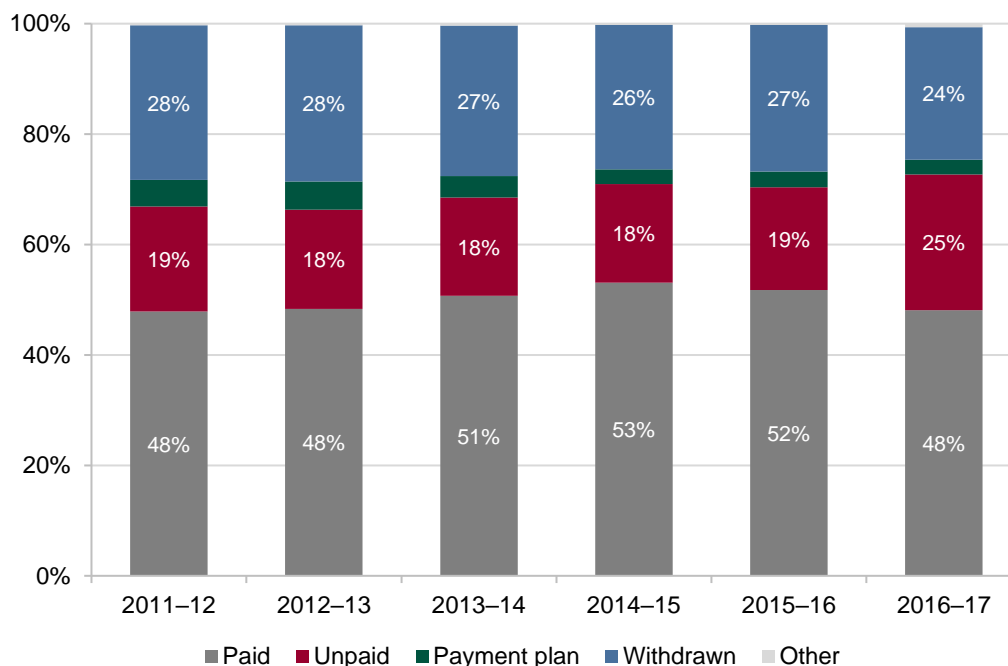
The QPS's overall payment rate is significantly influenced by the percentage of alleged offenders who don't pay infringements issued for fare evasion. Of the 21 566 fare evasion infringements issued by the QPS between 2011–12 and 2016–17, only four per cent (839) were paid.

Traffic Camera office

The Traffic Camera Office has the highest percentage of infringements paid within 56-days when compared to infringements issued by the QPS and DTMR. Since 2011–12 the percentage of unpaid infringements issued by the Traffic Camera Office has increased from 19 per cent to 25 per cent.

Figure 2N shows the status of infringements issued by the Traffic Camera Office, before they were referred to SPER, between 2011–12 and 2016–17, as at 30 June 2017.

Figure 2N
Status of infringements issued by the Traffic Camera Office, before they were referred to SPER, between 2011–12 and 2016–17



Notes: Includes the status of infringements issued by the Traffic Camera Office before they were referred to SPER. Infringements categorised under 'other' include various classifications, such as infringement suspended, under external prosecution or an appeal. The data displayed in this graph was extracted from the TRAILS database on 11 July 2017. Some infringements issued after the 13 June 2017 had not been paid, but the 28-day payment period had not passed. This represents approximately 4.7 per cent (41 927) of the 898 822 infringements issued by the Traffic Camera Office between 2016–17.

Source: Queensland Audit Office.

The Traffic Camera Office does not analyse the number of infringements it issues and their status. Without this analysis, it cannot identify why its payment rate is higher than QPS and DTMR. This information may be useful in identifying practices or factors that could be applied more broadly to improve the payment rate of other infringements.

A variety of factors may be influencing the Traffic Camera Office's payment rate, including:

- It records its infringement automatically into the TRAILS database enabling alleged offenders to make online payment immediately.
- It validates the infringements it issues, so the quality and accuracy of information is most likely better than manual infringements issued.
- Its speeding infringements include a photographic image of the person committing the offence.

The Traffic Camera Office's payment rate may also be influenced by the types of infringements it issues. It primarily issues speeding infringements which have the highest payment rate when compared to any other type of infringement issued by QPS or DTMR. Fifty-one per cent of speeding infringements issued by the Traffic Camera Office between 2011–12 and 2016–17 were paid within the 56 days. Sixty-one per cent issued by QPS between 2011–12 and 2016–17 were paid within 56 days (excluding those issued by the Traffic Camera Office).

3. Managing and enforcing unpaid fines

This chapter examines the effectiveness and efficiency of the State Penalties Enforcement Registry in managing and enforcing unpaid fines referred to it from issuing entities.

It also covers how effectively entities, including the State Penalties Enforcement Registry, share information and collaborate to finalise unpaid fines.

Introduction

The State Penalties Enforcement Registry (SPER) is responsible for finalising unpaid fines referred by entities.

Prompt action from SPER increases the chances of successfully finalising unpaid fines. At times, it may need to take enforcement action to get debtors to pay their fines, such as suspending driver licences, seizing property, or immobilising vehicles.

We expected to find that SPER had processes and practices that were efficient and effective in finalising unpaid fines, specifically that it:

- promptly issues enforcement orders and acts to collect unpaid fines
- is effective in enforcing and finalising unpaid fines
- shares information and collaborates to finalise unpaid fines.

Managing unpaid fines



SPER issues enforcement order

SPER can finalise unpaid fines issued by public sector entities, including monetary orders by:

- receiving payment in full or part payment over time
- writing off the debt.

It also counts as finalised, fines that the issuing entity withdraws or recalls. This is when the issuing entity had referred the unpaid fine to SPER, but the issuing entity subsequently:

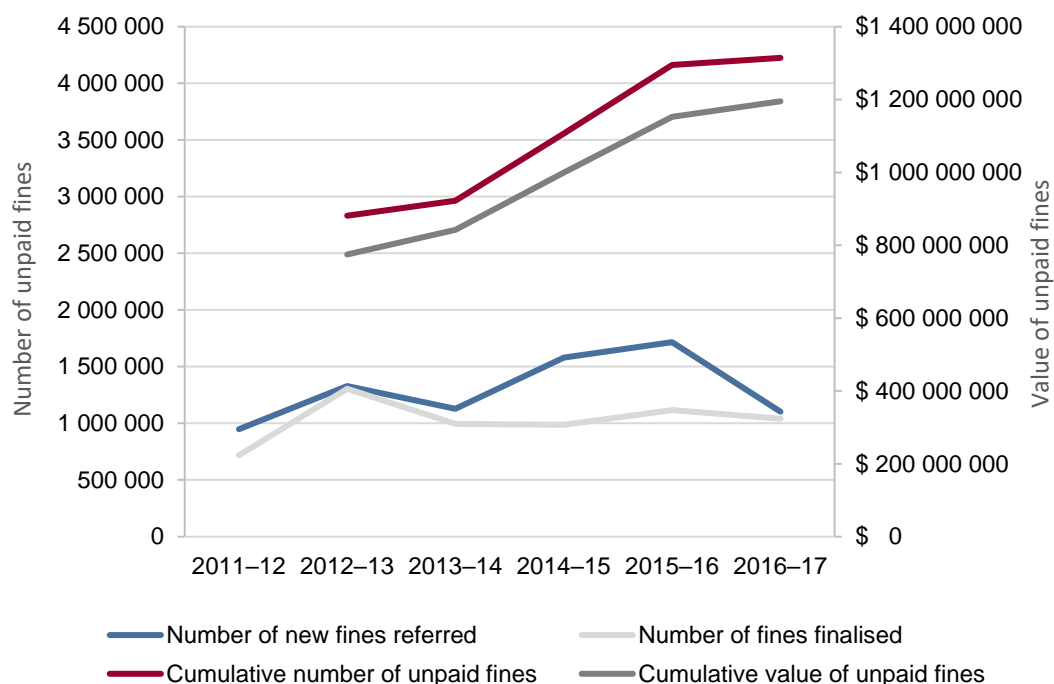
- withdraws the unpaid fine (the entity effectively cancels the fine. In some cases, it may issue a new fine in its place)
- recalls the unpaid fine (SPER returns the fine to the issuing entity for further action). The fine remains in the entity's database and is finalised in SPER's database. In some cases, the entity may later refer the fine back to SPER.

Unpaid fines referred and finalised

Between 2011–12 and 2016–17, SPER received 7 805 808 unpaid fine referrals from all entities, including public sector and other entities (such as universities). As at 30 June 2017, it finalised 57 per cent (4 475 872). It also finalised 1 686 294 fines referred prior to 2011–12.

Figure 3A shows the number of new debts referred by all entities (public sector and other entities), and the total number of debts finalised between 2011–12 and 2016–17, including those referred prior to 2011–12, as at 30 June 2017. It also shows the cumulative number and value of unpaid fines referred to SPER between 2012–13 and 2016–17, as at 30 June 2017.

Figure 3A
Number of fines referred to, and finalised by SPER between 2011–12 and 2016–17 and the cumulative number and value of unpaid fines from 2012–13 and 2016–17, as at 30 June 2017



Notes: This includes all unpaid fines referred by state and local government entities and other entities, such as universities, and finalised by SPER. Debts finalised includes fines withdrawn, written off, recalled and paid in that and past financial years. SPER did not record detailed data on the cumulative number of unpaid fines prior to 2012–13.

Source: Queensland Audit Office.

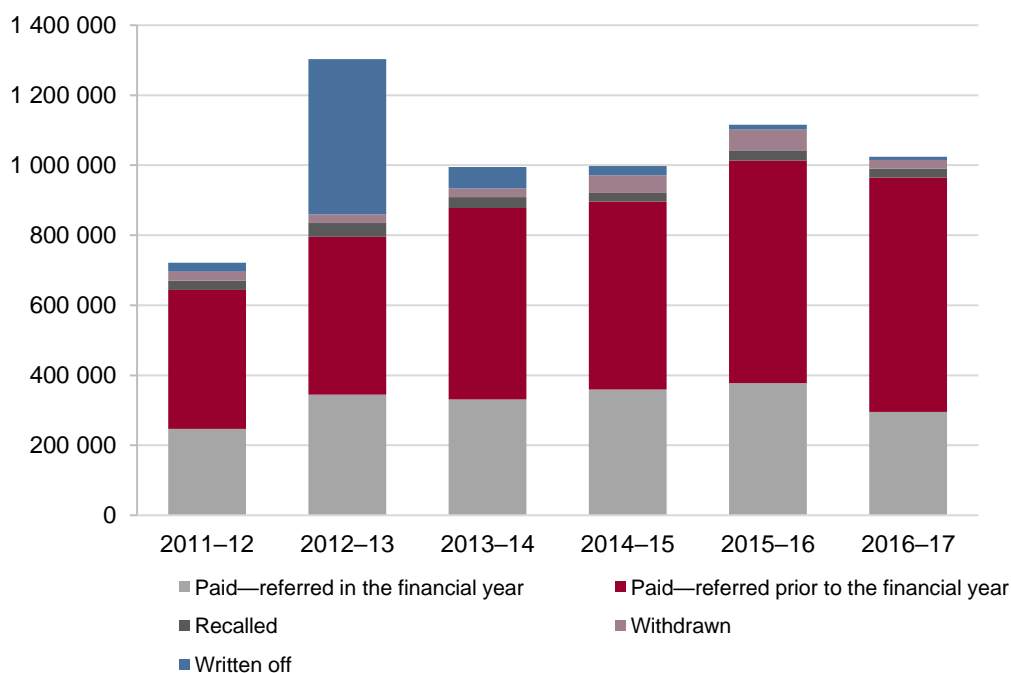
The increase in the cumulative number and value of unpaid fines indicates SPER’s processes and efforts to finalise fines have not kept up with the increasing volume of fines referred to it. However, the increase in new fines referred in 2014–15 and 2015–16 represents a substantial increase in tolling fines issued by DTMR. This increase, has affected SPER’s finalisation rate. Excluding tolling fines, SPER finalised 63 per cent of fines referred to it between 2011–12 and 2016–17. The 63 per cent that SPER finalised in 2011–12 and 2016–17 was influenced by a significant debt write off in 2012–13.

Payment

In total, SPER finalised 6 162 166 fines between 2011–12 and 2016–17. Of these, 4 475 872 were referred to SPER between 2011–12 and 2016–17 and 1 686 294 were referred before 2011–12.

Figure 3B shows the status of all unpaid fines SPER finalised between 2011–12 and 2016–17, including those referred prior to 2011–12.

Figure 3B
All fines finalised by SPER between 2011–12 and 2016–17, and prior to 2011–12, as at 30 June 2017



Notes: This includes the status of all unpaid fines referred by state and local government entities and other entities, such as universities, between 2011–12 and 2016–17 and all fines finalised in this period and from previous financial years.

Source: Queensland Audit Office.

Figure 3B shows most fines are finalised by receiving payment, and the percentage of payments has increased over the period we audited. It shows that SPER finalised by receiving payment, more of the older debts compared to the newer debts over the last six financial years. This is to be expected, given that SPER has had more time to recover these debts.

Of the 4 475 872 fines referred and finalised between 2011–12 and 2016–17:

- 90.7 per cent (4 061 472) were paid
- 4.7 per cent (208 359) were withdrawn by the issuing entity
- 3.7 per cent (165 424) were recalled by the issuing entity
- 0.9 per cent (40 617) were written off by SPER.

Timeliness of payment

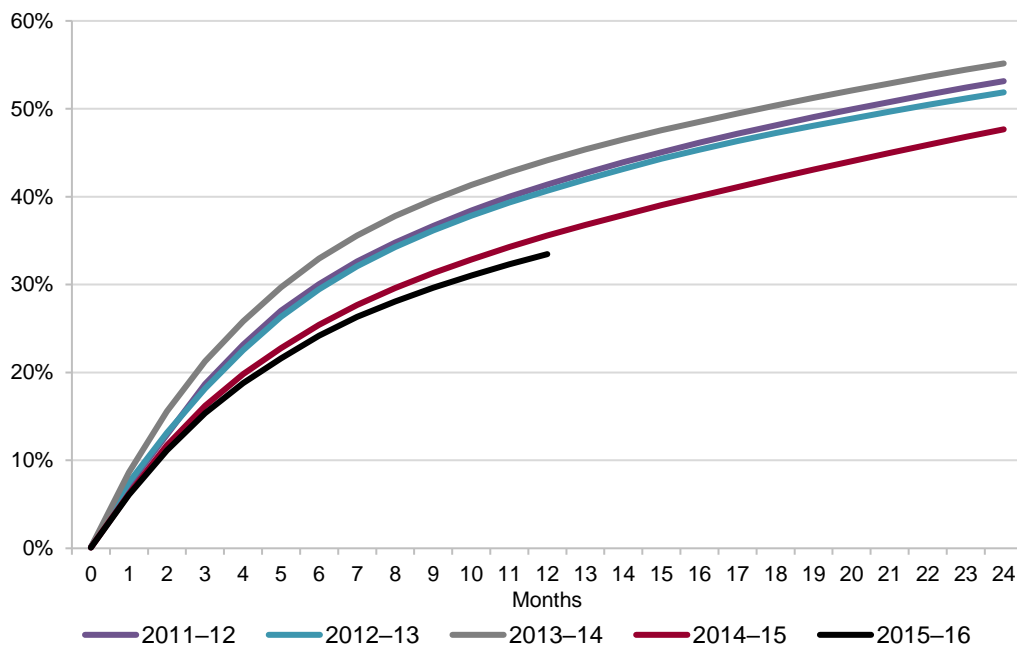
On average, SPER took 310 days after the referred date to recover payment for fines referred by DTMR and 234 days for fines referred by the Queensland Courts Service between 2011–12 and 2016–17. The rate at which SPER recovers payment of fines decreases notably after about 12 months.

Various factors influence the time taken by SPER to recover payment for unpaid fines, including the:

- type of offence and value of the debt
- number of debtors that are on a payment plan and length of the payment plan
- time needed to locate and contact people
- time required to take enforcement action and recover the unpaid fine
- legislated requirement to prioritise payment of monetary orders over infringement fines. This means, where a debtor has multiple debts outstanding, court monetary orders are prioritised for payment allocations over infringement fines regardless of the age of the unpaid infringement.

Figure 3C shows the percentage of fines paid to SPER within 24 months of being referred to SPER. It includes fines issued by all entities, including public sector and other entities (such as universities), between 2011–12 and 2015–16. It shows that the percentage of fines paid within 24 months has progressively decreased since 2013–14.

Figure 3C
Percentage of fines issued between 2011–12 and 2015–16 which were paid to SPER within 24 months of being referred, as at 30 June 2017



Notes: This includes all fines paid to SPER within 24 months of being referred by all entities, including public sector and other entities (such as universities), between 2011–12 and 2014–15. The 2015–16 financial year only displays fines referred and paid within 12 months because sufficient time has not elapsed to assess 24 months.

Source: Queensland Audit Office.

The high number of tolling fines referred to SPER in 2014–15 and 2015–16, which have a low payment (collection) rate, was a contributor to fewer fines being finalised within 12 and 24 months for those years.

With the legislative and reform changes that SPER has recently made and is currently implementing, we would expect to see the percentage of fines paid to improve over time.

Withdrawn and recalled

SPER counts fines withdrawn and recalled by entities as finalised. When entities withdraw a fine they effectively cancel it and the debt ceases to exist. In some cases, the entity may issue a new fine in its place.

Fines that entities recall remain as an outstanding debt in the entity's database, but are finalised in SPER's database. In some cases, the entity may later refer the fine back to SPER.

The percentage of fines withdrawn and recalled by SPER on behalf of all entities has remained relatively steady over the past six financial years. Between 2011–12 and 2016–17, the percentage of fines withdrawn decreased from three per cent (25 034) to two per cent (24 382) and the percentage recalled remained steady at two per cent.

Over this period, SPER, on behalf of the entities, also withdrew 6 347 fines and recalled 11 321 fines referred before 2011–12.

Writing off debt

Queensland Treasury reports on the SPER debt in its financial statements. In its financial statements, SPER debt is impaired (reduced for financial reporting purposes) based on the likelihood of collectability. Management assesses the likelihood of collectability based on historical activity. Historical activity of the specific debt is determined based on a combination of the long-term debt finalisation rate and withdrawal rates.

In certain circumstances, SPER may write off unpaid fines that it deems unrecoverable. In total, entities referred 7 805 808 unpaid fines to SPER between 2011–12 and 2016–17. Of those, SPER finalised 4 475 872, including less than one per cent (40 617) that it wrote off. It also wrote off an additional 538 834 referred prior to 2011–12. In total, SPER wrote off approximately \$143 million in unpaid fines between 2011–12 and 2015–16.

Table 3D captures the value of fines written off between 2011–12 and 2015–16 and the reason SPER recorded for the write off.

Figure 3D
Value of fines written off between 2011–12 and 2015–16

Description	2011–12 (\$)	2012–13 (\$)	2013–14 (\$)	2014–15 (\$)	2015–16 (\$)
Deceased individual	2 876 820	3 476 917	438 396	6 695 953	3 059 817
Deregistered company	4 336 828	9 469 967	2 170 617	581 916	2 167 240
Impaired decision-making	499 887	0	1 441 467	904 524	729 638
Good behaviour order	22 496	31 526	49 197	24 035	18 155
Uneconomical to recover	1 163 489	89 313 542	14 001 319	7 731	32 014
Total	8 899 520	102 291 952	18 100 996	8 214 159	6 006 864

Notes: The includes fines that SPER has written off for state and non-state government entities. The category 'uneconomical to recover' includes fines that were written off as uneconomical for various reasons including due to insufficient information.

Source: Queensland Audit Office—using write-off data provided by SPER.

The \$102 291 952 written off in 2012–13 (442 748 fines) was the result of a campaign by SPER to reduce unrecoverable debt, following the approval of new 'debt write off' guidelines by the Treasurer in May 2013. The new guidelines expand the circumstances in which SPER can write off debt from the existing guidelines.

Previously SPER could only write off debts if they met prescribed conditions, such as that the fine amount was less than \$15 or the debtor could not be located. Under the new guideline, SPER can write off all debt where it is unlikely it can recover it cost-effectively.

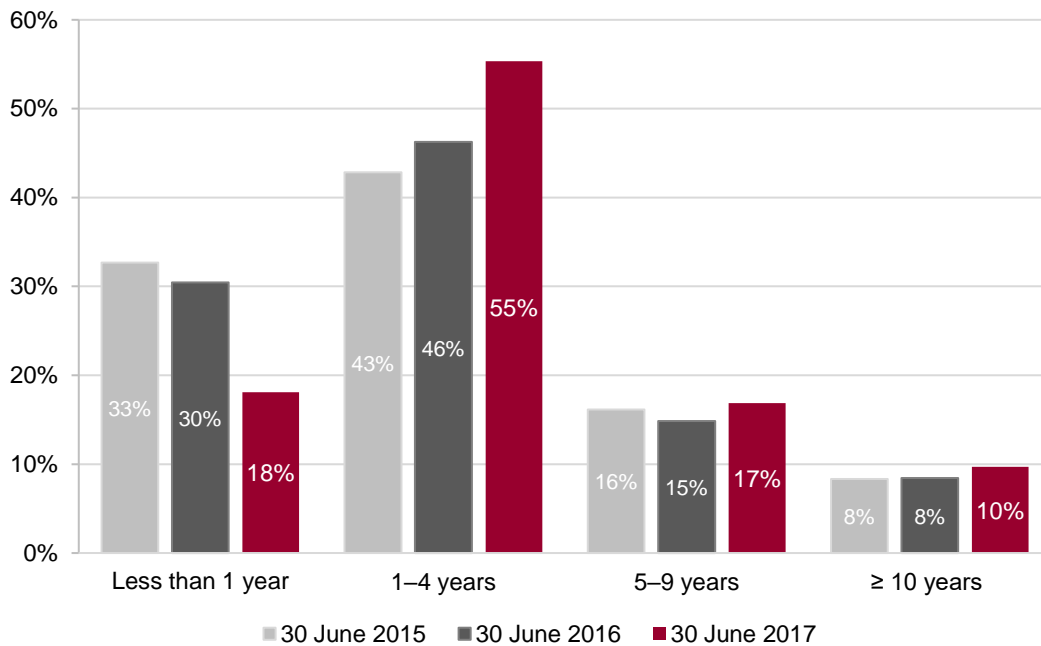
SPER advised us that it is intending to undertake data matching and enhancement prior to any major debt write-off. Delays in being able to perform the data enhancement has resulted in lower levels of debt write-off over recent years. SPER intends to reactivate its write-off activity as part of the implementation of its new system.

Age of referred debt

Between 30 June 2015 and 30 June 2017, the number of debts held by SPER for less than one year decreased from 33 per cent (1 162 674) to 18 per cent (763 941). The number of debt it has held for more than 10 years has increased from eight per cent (296 456) to 10 per cent (409 553). The 409 553 debts that are 10 years or older total approximately \$90 million.

Figure 3E displays the length of time debt has been with SPER, as at 30 June 2015 to 30 June 2017.

Figure 3E
Length of time referred debt has been with SPER, as at 30 June 2015 to 30 June 2017



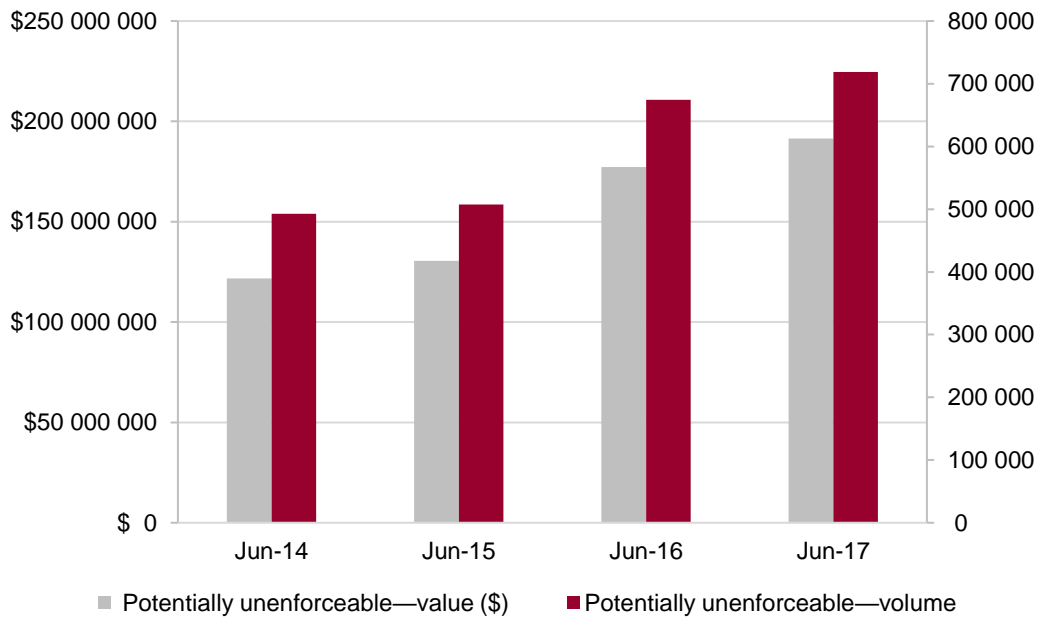
Notes: SPER reports the age of Queensland's unpaid fines debt from the time the unpaid fine enters the debt pool.

Source: Statistics reported by SPER, as at 30 June 2017.

Unenforceable debt

As at 30 June 2017, the state was owed \$191 million of unpaid fines debt which SPER categorised as potentially unenforceable. Figure 3F shows that the potentially unenforceable debt has increased over the past three years.

Figure 3F
Debt SPER categorised as potentially unenforceable, June 2014 to June 2017



Notes: SPER reports the age of Queensland's unpaid fines debt from the time the unpaid fine enters the debt pool.

Source: Statistics reported by SPER, as at 30 June 2017.

In many cases it is uneconomical to continue to pursue debts that are old and potentially unenforceable. Looking at the age and amount of potentially unrecoverable debt, it is evident that SPER needs to reassess the need to write off debt that cannot be cost effectively recovered.

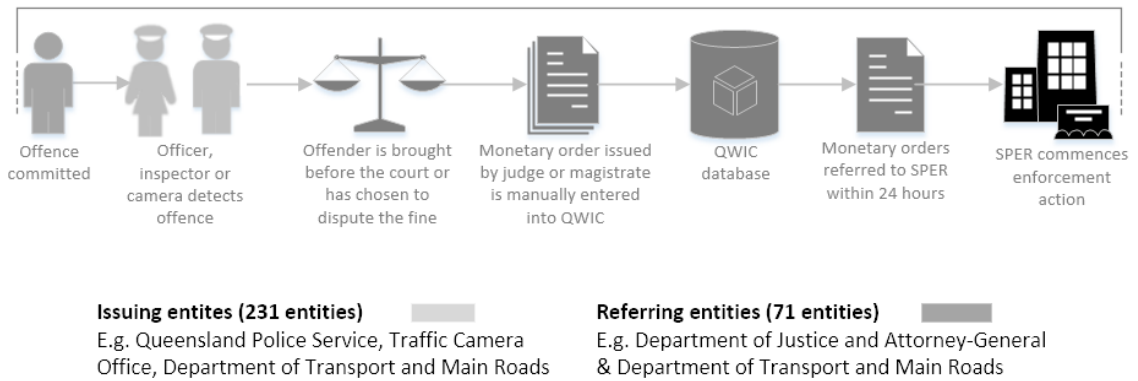
Finalising monetary orders

Queensland Courts can order an offender to pay a court fine and/or compensation or restitution to a victim. These court orders are referred to as a monetary order. The payment period is at the discretion of the court. It is generally 28 days, but can be months or even more than a year.

The Queensland Court Services refers all monetary orders to SPER within 24 hours of the order being entered into the Queensland Wide Interlinked Courts (QWIC) database. SPER issues an enforcement order as soon as Queensland Court Services refer the debt. It provides the offender with 28 days to pay and allows five days for processing. In cases where the court orders a different payment period, SPER's enforcement order reflects the court-ordered due date.

Figure 3G captures the end-to-end process for monetary orders.

Figure 3G
End-to-end process for monetary orders



Notes: Queensland Wide Interlinked Courts (QWIC) database. Source: Queensland Audit Office.

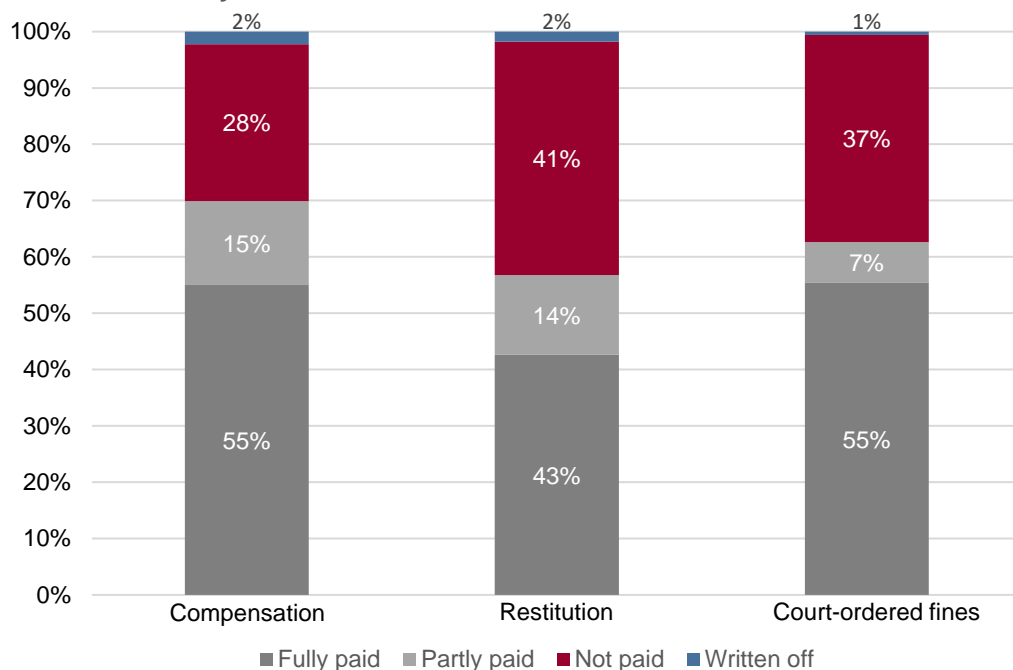
We found that 96 per cent (893 355) of the 934 976 monetary orders issued by Queensland Courts between 2011–12 and 2016–17 were referred to SPER within 24 hours of being entered into the QWIC database.

The likelihood of SPER finalising monetary orders is influenced by the demographics and circumstances of offenders that receive them. Often, these offenders are unemployed, have a prior criminal history, or may even be in prison.

In 2011–12 the overall number of monetary orders issued by Queensland Courts was 152 247 and in 2016–17 it was 147 705. As at 30 June 2017, 54.6 per cent (510 577) of all monetary orders issued by Queensland Courts between 2011–12 and 2016–17 have been fully paid, 7.8 per cent (73 030) partly paid, 0.7 per cent (6 798) were written off or withdrawn and 36.9 per cent (344 571) remain unpaid.

Figure 3H shows the percentage of monetary orders issued by Queensland Courts between 2011–12 and 2016–17, fully paid, partly paid, and not paid as at 30 June 2017.

Figure 3H
Status of monetary orders issued between 2011–12 and 2016–17 as at 30 June 2017



Notes: This graph excludes the 0.7 percent of monetary orders written off or withdrawn.

Source: Queensland Audit Office.

Restitution and compensation orders

The charter of the *State Penalties Enforcement Act 1999* requires SPER to maximise the collection of money owed to victims for the loss or damages they have suffered. If SPER is unsuccessful in obtaining payment from offenders, victims do not receive the money owed to them.

We focused our analysis on the payment of restitution and compensation orders between 2011–12 and 2013–14 to account for the time a court may give an offender to pay compensation or restitution and the time taken by SPER to recover payment.

Queensland Courts issued 27 933 restitution orders between 2011–12 and 2013–14, which was six per cent of all monetary orders (467 917) it issued during this period.

As at 30 June 2017, 55.2 per cent (15 420) were paid, 11.9 per cent (3 327) partly paid and 30.5 per cent (8 523) were unpaid. The remaining 2.4 per cent (663) were withdrawn or written off. Those unpaid total \$3 428 970, meaning some victims have waited up to six years and haven't received any money. In those cases where SPER has exhausted all recovery options, it has no avenue to refer the matter back to the court.

As a matter of last resort, there is legislative provision for the SPER Registrar to issue an arrest and imprisonment warrant, with the period of imprisonment calculated to fully discharge all eligible outstanding debt. Not all debt is eligible to be discharged in this way. SPER last used this enforcement action in November 2011 while SPER was still part of the justice portfolio. The practice lapsed prior to SPER's move to the Treasury portfolio in 2012. The use of arrest and imprisonment warrants would require coordination between SPER and QPS.

The trend in the payment of restitution orders has remained relatively steady over the past three years. From 2011–12 to 2013–14 the percentage that paid within:

- six months decreased from 23 to 22 per cent
- seven to 12 months fluctuated between eight and nine per cent
- one to two years increased from 11 and 12 per cent.

Two per cent (10 045) of all monetary orders (467 917) Queensland Courts issued between 2011–12 and 2013–14 were compensation orders.

As at 30 June 2017, 66.8 per cent (6 708) of compensation orders issued between 2011–12 and 2013–14 were paid, 11.4 per cent (1 142) partly paid and 19.4 per cent (1 950) remained unpaid. The remaining 2.4 per cent (245) were withdrawn or written off. Those unpaid totalled \$776 865.

The trend in the payment of compensation orders remained steady over this period. From 2011–12 to 2013–14 the percentage that were paid within:

- six months increased from 28 to 29 per cent
- seven to 12 months increased from 11 to 12 per cent
- one to two years remained constant at 14 per cent.

Court-ordered fines

Court-ordered fines are the most common sentence issued by the Queensland Courts. Between 2011–12 and 2016–17 the number of court-ordered fines issued decreased slightly from 140 148 to 133 409. Of the 429 939 court-ordered fines issued between 2011–12 and 2013–14, 26 per cent (112 862) remain unpaid, totalling \$22 645 507.

Informing decisions for court-ordered fines

Issuing a fine is one sentencing option available to magistrates and judges. Section 48 of the *Penalties and Sentences Act 1992* requires that a court deciding to fine an offender must consider the financial circumstances of an offender and the impact a monetary order will have on the offender, if imposed.

Providing judges and magistrates with adequate information on the fine payment or debt history of offenders is important for their decision-making. Prosecutors are well positioned to inform judges and magistrates of the fine payment or debt history of offenders. QPS prosecutors can access an offenders SPER history and, in some cases, provide this information as part of their briefing to magistrates. DTMR's prosecutions team and Director of Public Prosecutions prosecutors cannot access an offender's SPER history. SPER is considering opportunities under the new information-sharing provisions to enable DTMR's prosecution team to access an offender's SPER history.

Enforcing unpaid fines

SPER's process for enforcing unpaid fines (infringements and monetary orders) can vary based on a range of factors, including:

- the type and value of the fine
- whether the debtor has existing debts and their compliance history
- the debtor's current circumstances, including whether they are experiencing hardship
- the accuracy and completeness of the debtor's contact information.

Enforcement order

The first action SPER takes to enforce an unpaid infringement, once referred, is to issue an enforcement order to the debtor. SPER's database automatically issues an enforcement order to a debtor once the infringement is referred. It gives the debtor 28 days to pay the fine and allows a five business days' processing period before issuing a reminder notice.

SPER issues most enforcement orders for fines referred to it within four days. Between 2011–12 and 2016–17, SPER issued 4 362 696 enforcement orders. This excludes fines referred by entities that were already on a payment plan.

SPER sent enforcement orders for:

- 97 per cent (4 249 859) within four days
- two per cent (70 867) within 5–9 days
- one per cent (41 970) 10 days or more.

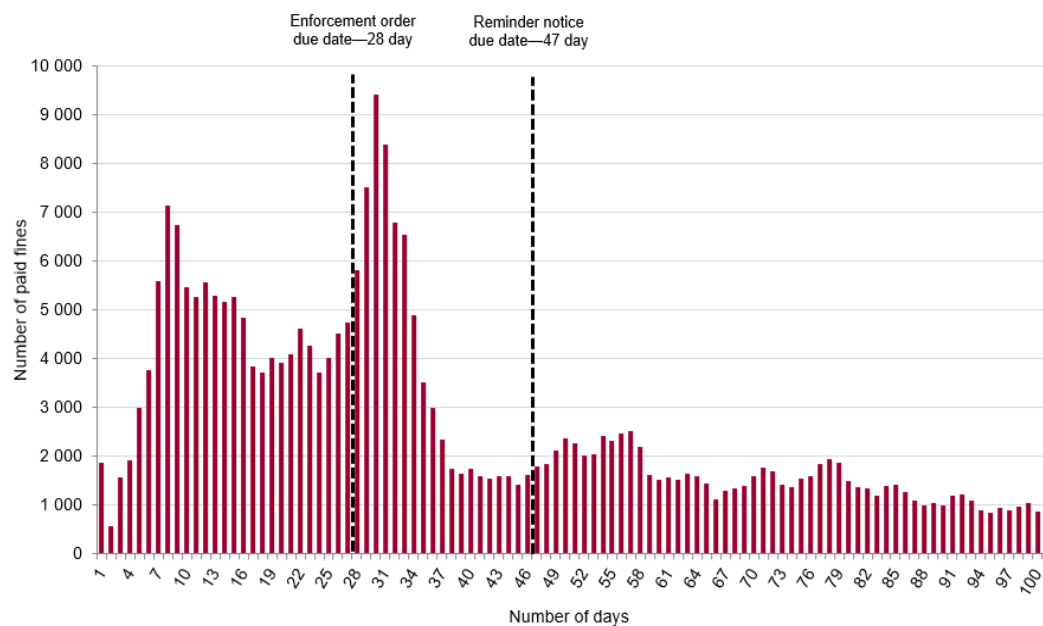
SPER can be delayed in sending an enforcement order for a variety of reasons including:

- it falls within a holiday period
- the debtor lives in a natural disaster declared area
- it has sent the enforcement order to the incorrect or out-of-date address, and a new address is subsequently found.

There is a spike in the number of debtors that paid their fines in the first eight days after SPER sent an enforcement order. This is to be expected, given that it can take between two and six business days for an enforcement order to be posted to a debtor. Most debtors paid their fine when the enforcement order was due, on the 28th day or just after.

Figure 3I displays the number of fines paid to SPER within 100 days between 2011–12 and 2016–17. It shows, for debtors with one fine, the number of days they took to pay their unpaid fine after SPER issued an enforcement order.

Figure 3I
Number of fines paid to SPER within 100 days, between 2011–12 and 2016–17



Notes: This graph only displays the payment behaviour for debtors with one fine.

Source: Queensland Audit Office.

Reminder notice

Approximately 33 days after issuing the enforcement order, SPER issues a reminder notice to debtors that have failed to pay their unpaid fine. The notice advises the debtor that they have 14 days to pay their unpaid fine or enforcement action may commence. Again, SPER allows an additional five days' processing period. There is a small spike in debtors that pay their fines after the due date of the reminder notice. SPER needs to assess whether there is value in delaying enforcement for this period or whether it would be more beneficial to commence enforcement action sooner.

For new debtors with one unpaid fine, SPER commences enforcement action approximately 109 days from when the issuing entity issued the fine and a minimum of 52 days after it issues the enforcement order. The reality is enforcement action for some debtors starts even later. By this time, the debtor has received numerous notifications of the outstanding infringement from the fine issuing entity and has been given an extensive period to pay.

Enforcement actions

SPER can take a range of different enforcement actions to recover an unpaid fine:

- suspending the debtor's driver licence
- deducting money from the debtor's income or bank account
- seizing or selling the debtor's personal property
- imposing a charge on a specified property and registering that charge as an interest (a debtor seeking to sell their property must first pay SPER)
- immobilising the debtor's vehicle (wheel clamp)
- imprisoning a debtor (this is a last resort option).

SPER's database records all enforcement action it has taken against a debtor. However, system limitations mean that it cannot analyse the effectiveness of its enforcement actions. This data limitation, along with the complexity of determining the outcome of an enforcement action, is why SPER has not analysed the effectiveness of its enforcement actions.

For example, SPER may have undertaken various enforcement actions for a debtor with multiple unpaid fines. The debtor may pay one fine but not all. In these circumstances, determining which enforcement action prompted payment can be difficult. This is not to say that SPER can't do more.

In 2018, SPER intends to roll out a new information technology (IT) system. This new IT system will better enable SPER to test the effectiveness of its enforcement actions and adjust its treatment strategies.

Since 2016, SPER has started making greater use of its ability to immobilise vehicles of debtors who have not paid their fines in certain circumstances. If, after having their vehicle immobilised for 14 days, the debtor doesn't pay their fine and certain other conditions have been met, SPER can seize and sell the vehicle as payment toward the fine debt. SPER has recently had some notable success using this enforcement action. For example, between 30 May 2016 and June 2017, it immobilised 37 vehicles, seized 43 and sold 27 from its vehicle immobilisation seizure and sale field operations. As a result, it collected approximately \$1.6 million, including:

- \$143 000 from issuing a notice of intention to immobilise
- \$557 000 from the vehicle immobilisation warrants process
- \$891 000 under the seizure and sale warrants process.

Cost of recovering unpaid fines

SPER does not analyse the cost-effectiveness of its finalisation activities. It does not currently have any activity costing or method to attribute cost to its enforcement actions in a reliable way.

Capturing and analysing data on the cost of its activities would assist it in deciding the most appropriate enforcement action for the circumstances.

Monitoring and reporting fines issued and finalised

Since 2014, SPER has begun to comprehensively analyse the entire fines process. It regularly monitors, and reports fines issued and finalised by issuing and referring entities, and those it finalises, including:

- fines issued and finalised by issuing entities
- the number of fines it finalises
- finalisation rates by offence type.

It reports this information both internally and externally, by:

- issuing entity analysis reports
- publishing annual debt pool and debt lodgement reports
- producing internal monthly performance reports and scorecards.

SPER reports annually on the 20 largest fine issuing entities, including the volume and value of fines these entities refer and what it finalises. These reports provide valuable insights. SPER provides this analysis to the representatives of both issuing and referring entities, but at present, there is no evidence issuing entities use this information to improve their finalisation rates.

SPER publicly reports in the Queensland Treasury service delivery statement two measures:

- the percentage of fines it finalises
- the average cost of case management per SPER customer.

SPER calculates its finalisation rate by dividing the total number of fines finalised in the financial year (regardless of when the fine was referred) by the total number referred in the financial year.

This measure is susceptible to fluctuations in the volume of fines issued. These fluctuations can influence the degree to which the measure accurately reflects SPER's output and the finalisation of unpaid fines. Despite this, measuring the percentage of fines finalised remains a useful measure to determine growth in the unpaid fines debt.

A measure of effectiveness that could supplement SPER's existing measures would be to report on fines paid over time. For example, it could report on the percentage of fines paid within two months, six months, 12 months, and 24 months as displayed in Figure 3C. SPER has started analysing payment rates in this way.

Working together to improve fines paid

Penalty Debt Management Council

In 2014, the Treasury established the Penalty Debt Management Council (PDMC) to improve the fine collection process. According to its terms of reference, the PDMC's purpose is to:

consider the performance of penalty debt management across Government, and to prioritise and deliver within their own agency on the penalty debt management business improvement projects

Its functions, which are defined in its terms of reference, are to:

- monitor performance of penalty debt management across government (at a high level)
- agree on penalty debt management business improvement projects that require the cooperation of multiple agencies
- prioritise and oversee penalty debt management business improvement projects within their respective agencies
- nominate resources from within their agency to lead and/or form working groups to deliver on penalty debt management business improvement projects
- resolve issues and ensure successful delivery of business improvement project outcomes in accordance with agreed timeframes.

The PDMC, which comprises entities that issue, refer and enforce unpaid fines, has met quarterly since its establishment in 2014. The leadership of SPER, and the participation of key state government entities, including the QPS, DTMR and the Department of Justice and Attorney-General (DJAG), demonstrates a willingness by entities to work together to improve the fine collection process. The participating agencies see the cross-agency collaboration occurring through the PDMC as a significant improvement on past engagement activities. The PDMC acted as a forum for SPER to develop and test its recent reforms and legislative changes.

The PDMC's system view helps address the siloed approaches between entities but not within entities. DTMR has several work units responsible for issuing and referring fines but does not have any unit responsible for coordinating these activities across the department. This makes sourcing information and resolving issues difficult because it often involves consultation and involvement across these different units.

Since its establishment, the PDMC has monitored the performance of penalty debt management across the fine collection process. It has produced two annual reports which capture the performance of entities that issue, refer, and enforce fines and provides in-depth analysis of factors that influence payment behaviour. This analysis and reporting is only useful if it leads to tangible improvement. There is no evidence issuing and referring entities use this information to improve their finalisation rates.

The PDMC's challenge now is to determine how it is going to lead change across the fines process to fully fulfil its purpose. This includes determining the business improvement projects it will prioritise and oversee. The PDMC recognises this and is currently discussing its ongoing role.

Working groups

SPER has also established working groups that meet quarterly, including a:

- fines recovery working group (state government entities)
- fine-retaining working group (local councils and universities).

These working groups do not report to the PDMC but do provide entities with the opportunity to share their knowledge and discuss areas for improvement across the fines process. Amendments to the *State Penalties Enforcement Act 1999* will also enable greater information sharing between entities that issue, refer and enforce unpaid fines.

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Appendix A—Full responses from agencies

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to:

- Department of Transport and Main Roads
- Department of Justice and Attorney-General
- Queensland Treasury
- Queensland Police Service.

The head of these agencies are responsible for the accuracy, fairness and balance of their comments.

This appendix contains their detailed responses to our audit recommendations.

Comments received from Director-General, Department of Transport and Main Roads



Office of the
Director-General
Department of
Transport and Main Roads

Our ref: DG34824

Your ref: 9159P

01 FEB 2018

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Dear Mr Worrall

Thank you for your letter of 21 December 2017 and the proposed report to Parliament about the performance audit on finalising unpaid fines.

I have noted the two additional recommendations to the report. As requested, I have provided comments in the enclosed document, where appropriate, in response to the recommendations outlined, and whether the Department of Transport and Main Roads (TMR) agrees or disagrees with the recommendations.

If you require further information, please contact Ms Kellie Cave, Director (Central Operations and Support), TMR, by email at kellie.cave@tmr.qld.gov.au or telephone on [+61 7 3066 7316](tel:+61730667316)

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink that reads 'Scales'.

Neil Scales
Director-General
Department of Transport and Main Roads

Enc (1)

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Responses to recommendations



Department of Transport and Main Roads

Finalising unpaid fines (2017–18)

Response to recommendations provided by Kellie Cave, Department of Transport and Main Roads on 23 January 2018

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
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We recommend that all entities, led by the Penalty Debt Management Council:

<p>1. develop a plan to improve the end-to-end fines collection process to</p> <ul style="list-style-type: none"> reduce the time taken to record, refer and enforce fines. The Department of Transport and Main Roads (DTMR) referring fines earlier will allow for more timely enforcement action. (Chapters 2 and 3) identify opportunities to further automate their processes and in the interim methods for reducing the time taken to record manual fines. (Chapter 2) provide a central (one-stop) point of reference for people fined to accurately track the location and status of their fines across the end-to-end fines process and to ensure ease of payment, nominations or finalisation of their fine. (Chapter 2) facilitate dispute management and debt recovery through further integration of entity systems. (Chapter 3) 	<p>Agree - noting TMR has concerns about reducing the time to refer an unpaid infringement to SPER.</p>	<p>These initiatives require coordination with other key stakeholders. TMR is happy to work with those stakeholders through the Penalty Debt Management Council (PDMC) to mutually agreed timeframes.</p>	<p>TMR has concerns about reducing the time taken to refer an infringement to SPER. The additional period currently provides TMR with the flexibility to allow for delays in processing of payments, correcting errors on offences, processing court elections and managing delays where payments are sent via the post.</p> <p>Removing the additional 28 day period may also impact adversely on customers, particularly those who may be subject to a licence sanction as a result of non-payment. It may also negatively impact on those who are already suffering financial hardship by imposing additional penalties or loss of licence, increasing their ability to pay the fines in the truncated timeframe.</p> <p>It is also important to note that according to figure 2D 28% of people who pay do so between the 29th and 56th day after the infringement was issued. Any reduction in the timeframe may not improve payment rates, but instead simply mean more debt is referred to SPER because of non-payment.</p>
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Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
			<p>TMR also has concerns about the number of statutory declarations currently received and processed after 28 days but prior to 56 days after the date of the infringement notice. The reduction of time in referrals to SPER may have an impact on the acceptance and processing of statutory declarations after an offence is finalised.</p> <p>Therefore whilst TMR is supportive of QAOs recommendation to reduce the time taken to refer unpaid infringements to SPER, TMR requests that there be a review of the impact of this change on payment rates after 12 months.</p> <p>In addition, TMR and the Queensland Police Service (QPS) have been working together to automate the traffic infringement issuing process. This has commenced with a number of QPS traffic officers able to issue automatic infringements. It is intended that the automated process will be available to all traffic officers in the near future.</p> <p>TMR have also automated a number of other infringement processing functions across the department including the TransLink Fare Evasion and Infringement Management System and the Tolling infringement Processing function. TMR will continue to automate processes across services for customers and continue to improve interim manual processes.</p>
<p>2. analyse the payment and write off rates of different fine types to identify opportunities to improve debt recovery and write off rates. (Chapter 2)</p>	<p>Agree</p>	<p>Ongoing</p>	

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
This would also allow entities to consider trends and factors in offending and whether fines are an effective sanction for specific offences.			
3. conduct further analysis and collaborate to develop options for managing problematic debtors who do not pay their debt, despite the use of all available enforcement actions (acknowledging imprisonment is the option of last resort). (Chapter 3)	Agree	Ongoing.	TMR is happy to work collaboratively with other PDMC members to analyse data and develop options to better manage debtors who do not pay their debt.
4. develop processes and practices to provide Magistrates with access to offender debt history to inform Magistrates about a person's capacity to pay a fine, consistent with their obligations under the Penalties and Sentences Act 1992. (Chapter 3)	Agree	Timeframe needs to be determined by SPER/DJAG.	The provision of debtor history to courts will need to be provided by DJAG and/or SPER.
We recommend that the Department of Transport and Main Roads:			
5. reviews the tolling framework, in collaboration with Transurban Queensland and the State Penalties Enforcement Registry, to better manage tolling debts. (Chapter 2) This should include: <ul style="list-style-type: none"> improve information sharing to enable Transurban Queensland to better communicate with customers to recover tolls and avoid referring them to DTMR to issue infringements earlier referral by Transurban Queensland to DTMR of those alleged offenders that have failed to comply with their demand notice—in accordance with the agreed tolling arrangements. 	Agree	Q3 2018	TMR agrees with recommendation 5 and will work with the Toll Road Operator, TransUrban Queensland, and SPER to review the tolling framework. TMR already provides mobile phone numbers and email addresses to tolling entities where they are available. As at January 2018, 66% of all customers have provided either a mobile phone number or email address to TMR. This is growing by an average of 1.7% per month. At the current growth rate, TMR is on track to have a mobile phone number or email address for over 80% of our customer base by the end of 2018.
6. establishes clear business rules, in accordance with legislation, to manage fines where it receives a driver nomination and ensure it is not unnecessarily withdrawing these fines. (Chapter 2)	Agree	Q3 2018	Further investigation is required to ensure a sustainable, fair and reasonable approach to driver nominations. This will include working across other jurisdictions and a review of current legislation where appropriate.

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
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This should include clarifying the legislation and assessing the need for legislative amendment.

Comments received from Director-General, Department of Justice and Attorney-General



Department of Justice and Attorney-General
Office of the Director-General



In reply please quote: 584060/1, 4196751

Your reference: 9159P

22 JAN 2018

Mr Brendan Worrall
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ABN 13 846 673 994

Dear Mr Worrall

Thank you for your letter dated 21 December 2017 enclosing your proposed report of the performance audit on finalising unpaid fines.

I note the report comprehensively considered the effectiveness and efficiency of public sector entities in finalising unpaid fines.

As you know the Department of Justice and Attorney-General (DJAG) is a member of the Penalty Debt Management Council and is committed to ongoing collaboration with the State Penalties Enforcement Registry, and other relevant agencies to improve end-to-end fine collection across Government.

As requested, I enclose a table of recommendations with DJAG's response. DJAG accepts the relevant recommendations 1 to 4 in the report.

Thank you for the opportunity to review the proposed report. I would appreciate it if you would publish this response with the report when it is tabled in Parliament.

Yours sincerely

David Mackie
Director-General

Enc.

Responses to recommendations



Department of Justice and Attorney-General
 Finalising unpaid fines (Report No. XX: 2017–18)

Response to recommendations provided by Executive Director, Reform and Support Services
 Department of Justice and Attorney-General on 19/01/2018.

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
We recommend that all entities, led by the Penalty Debt Management Council:			
1. Develop a plan to improve the end-to-end fines collection process to: <ul style="list-style-type: none"> • reduce the time taken to record, refer and enforce fines. The Department of Transport and Main Roads (DTMR) referring fines earlier will allow for more timely enforcement action. (Chapters 2 and 3) • identify opportunities to further automate their processes and in the interim methods for reducing the time taken to record manual fines. (Chapter 2) • provide a central (one-stop) point of reference for people fined to accurately track the location and status of their fines across the end-to-end fines process and to ensure ease of payment, nominations or finalisation of their fine. (Chapter 2) • facilitate dispute management and debt recovery through further integration of entity systems. (Chapter 3) 	Agree	The timeframes for implementation will need to be specified by the Penalty Debt Management Council.	In its capacity as a member of the Penalty Debt Management Council the Department of Justice and Attorney-General will contribute to the development of an action plan to improve the end-to-end fines collection process.
2. Analyse the payment and write off rates of different fine types to identify opportunities to improve debt recovery and write off rates. (Chapter 2) This would also allow entities to consider trends and factors in offending and whether fines are an effective sanction for specific offences.	Agree	The timeframes for implementation will need to be specified by the Penalty Debt Management Council	In its capacity as a member of the Penalty Debt Management Council the Department of Justice and Attorney-General will support the implementation of this recommendation.

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
<p>3. Conduct further analysis and collaborate to develop options for managing problematic debtors who do not pay their debt, despite the use of all available enforcement actions (acknowledging imprisonment is the option of last resort). (Chapter 3)</p>	<p>Agree</p>	<p>The timeframes for implementation will need to be specified by the Penalty Debt Management Council.</p>	<p>In its capacity as a member of the Penalty Debt Management Council the Department of Justice and Attorney-General will support the implementation of this recommendation.</p>
<p>4. Develop processes and practices to provide Magistrates with access to offender debt history to inform Magistrates about a person's capacity to pay a fine, consistent with their obligations under the <i>Penalties and Sentences Act 1992</i>. (Chapter 3)</p>	<p>Agree</p>	<p>The timeframes for implementation will need to be specified by the Penalty Debt Management Council.</p>	<p>In its capacity as a member of the Penalty Debt Management Council the Department of Justice and Attorney-General will support the implementation of this recommendation.</p>

Comments received from Under Treasurer, Queensland Treasury



Queensland Treasury

Our Ref: 0020-2018
Your Ref: 9159P

Mr Brendan Worrall
Auditor-General of Queensland
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002



Dear Mr Worrall

I refer to your letter of 21 December 2017 enclosing a copy of the proposed report to parliament on the performance audit on finalising unpaid fines and inviting comment to form part of the report.

I support the audit findings and recommendations. The end-to-end scope of the audit is particularly commendable given that the State Penalties Enforcement Registry (SPER) and the debt pool that it manages is heavily impacted by decisions taken by entities further upstream in the fines management process.

Treasury established the Penalty Debt Management Council (PDMC) as a collaborative forum for making improvements to the end-to-end management of fines. The recommendations relating collectively to the PDMC agencies (Recommendations 1 – 4) will form the basis of the PDMC's next meeting agenda. The intention is to agree and execute a plan for implementing the recommendations.

I note the SPER-specific findings and recommendations have a focus on SPER costs and cost-effectiveness (in making write off decisions for example). I take this opportunity to highlight that SPER debt is not the same as consumer or commercial debt. It is penalty debt, and as such, its effective management is essential to the integrity of the justice system. While the cost of enforcement is an important factor in rationing scarce resources, SPER must also take into account the impact of its decisions on the integrity of fines as a viable punitive option. This balance will be paramount in developing the new write off guidelines, policies and procedures to be implemented as part of SPER's reform program.

I have documented our agreement with the proposed report recommendations in the attached table as requested in your letter and have also provided more detailed comments in some instances.

Yours sincerely

Jim Murphy
Under Treasurer

Encl.

12 JAN 2018

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Responses to recommendations

Recommendation	Agree/Disagree	Timeframe for implementation	Additional comments
We recommend that all entities, led by the Penalty Debt Management Council (PDMC):			
<p>1. Develop a plan to improve the end-to-end fines collection process to:</p> <ul style="list-style-type: none"> Reduce the time taken to record, refer and enforce fines. The Department of Transport and Main Roads (DTMR) referring fines earlier will allow for more timely enforcement action. Identify opportunities to further automate their processes and in the interim methods for reducing the time taken to record manual fines. Provide a central (one-stop) point of reference for people fined to accurately track the location and status of their fines across the end-to-end fines process and to ensure ease of payment, nominations or finalisation of their fine. Facilitate dispute management and debt recovery through further integration of entity systems. 	Agree	To be determined by the PDMC (anticipated to be ongoing)	<p>Amended legislative provisions that will streamline the disputes process for debtors will be proclaimed as part of the second stage of SPER's reform program (likely in late 2019).</p> <p>In the interim, SPER is working with DTMR and the Traffic Camera Office to agree and develop integrated system capability that will support issuing agencies in managing disputes under the new provisions.</p>
<p>2. Analyse the payment and write off rates of different fine types to identify opportunities to improve debt recovery and write off rates. This would also allow entities to consider trends and factors in offending and whether fines are an effective sanction for specific offences.</p>	Agree	Ongoing	<p>The PDMC has a role in ensuring that agencies take an end-to-end perspective in analysing penalty debt management performance, and in facilitating policy development that impacts significantly across multiple agencies.</p> <p>Nonetheless, individual agencies are accountable for the effectiveness of the regulatory regimes that they administer. Consequently, as well as working with the PDMC to collectively analyse end-to-end performance, SPER also actively engages with individual agencies to provide customised performance data to support improved policy analysis within each agency.</p> <p>This collaboration is relatively new and given the policy lifecycle, it may take some time to significantly impact on policy decisions.</p>
<p>3. Conduct further analysis and collaborate to develop options for managing problematic debtors who do not pay their debt despite the use of all available enforcement actions (acknowledging imprisonment is the option of last resort).</p>	Agree	To be determined by the PDMC (anticipated to be ongoing)	<p>This is a complex policy area that impacts in many areas including policing, the courts, corrective services and SPER.</p>

<p>4. Develop processes and practices to provide Magistrates with access to offender debt history to inform Magistrates about a person's capacity to pay a fine, consistent with their obligations under the Penalties and Sentences Act 1992.</p>	<p>Agree</p>	<p>To be determined by the PDWC</p>	<p>SPER considers this issue to be wider than assessing a person's capacity to pay. A person's SPER profile is also useful in assessing willingness to pay which is relevant in sentencing offenders who willfully continue to offend while refusing to pay their fines.</p>
<p>We recommend that the State Penalties Enforcement Registry:</p>			
<p>7. Develops processes and measures to assess the cost and effectiveness of its enforcement actions.</p>	<p>Agree</p>	<p>Q4 2019</p>	<p>SPER is in the process of implementing a new business model with a new supporting ICT system that will have more capacity around management reporting.</p>
<p>8. Seeks from the Minister revised and updated debt write off guidelines in accordance with Section 150B of the State Penalties Enforcement Act 1999.</p>	<p>Agree</p>	<p>Q1 2018</p>	<p>This work is underway.</p>
<p>9. Assesses and writes off aged and unrecoverable debt in accordance with the revised debt write off guidelines. Records should be maintained to support the amount written off and a clear explanation of the reasons for the debt write off.</p>	<p>Agree</p>	<p>Q4 2018</p>	<p>The revised approach will be reflected in the new business processes and practices that will commence with the implementation of the new ICT system.</p>

Comments received from Commissioner, Queensland Police Service



QUEENSLAND POLICE SERVICE

COMMISSIONER'S OFFICE
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Our Ref: **DOC18/15799**

Your Ref:

24 January 2018

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
Level 14, 53 Albert Street
BRISBANE CITY QLD 4000



Dear Mr Worrall

I refer to your correspondence dated 21 December 2017 regarding the *Performance Audit – Enforcement and Recovery of Unpaid Fines* and invitation to provide comment on the proposed report to parliament.

As previously advised, the Queensland Police Service (QPS) is committed to implementing efficiencies to all areas of service delivery.

Influencing driver behaviour to reduce road trauma is vital to the QPS. Changing behaviour through issuing infringement notices and the subsequent debt recovery of fines is crucial to deterring offending.

The audit undertaken by the Queensland Audit Office of the performance in finalising unpaid fines has been welcomed by the QPS particularly the proposed changes or processes to improve administrative practices.

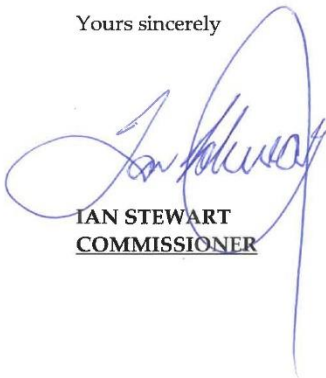
As you are aware, the QPS have committed resources to the Penalty Debt Management Committee and the Fine Recovery Working Group that are focused on improving practices for debt recovery and that commitment will continue. Thank you for providing this opportunity to provide comment and feedback on the *proposed report for parliament*. The attached response has been prepared in respect to that report.

QUEENSLAND POLICE SERVICE

As you have been advised, the contact officer for the QPS is Allan Hales (Director), Traffic Camera Office who can be contacted on telephone should you need any further information.

I trust this information is of assistance.

Yours sincerely



IAN STEWART
COMMISSIONER

Responses to recommendations



Queensland Police Service, Finalising unpaid fines (Report No. XX: 2017–18)

Response to recommendations provided by Commissioner of Police, Queensland Police Service on 24 January 2018.

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
We recommend that all entities, led by the Penalty Debt Management Council:			
<p>1. develop a plan to improve the end-to-end fines collection process to</p> <ul style="list-style-type: none"> reduce the time taken to record, refer and enforce fines. The Department of Transport and Main Roads (DTMR) referring fines earlier will allow for more timely enforcement action. (Chapters 2 and 3) identify opportunities to further automate their processes and in the interim methods for reducing the time taken to record manual fines. (Chapter 2) provide a central (one-stop) point of reference for people fined to accurately track the location and status of their fines across the end-to-end fines process and to ensure ease of payment, nominations or finalisation of their fine. (Chapter 2) facilitate dispute management and debt recovery through further integration of entity systems. (Chapter 3) 	Agree	<p>1st quarter 2018</p> <p>The timeframe for implementation will be determined by budget, resources and process changes required to be allocated to complete system and process changes within the QPS and DTMR operating environments.</p>	<p>To be included on the agenda for the first PDMC meeting post the release of the report.</p> <p>Commence the establishment of a sub working committee/group to consider the implications of the recommendations from the QAO report.</p> <p>The QPS supports the reduction in timeframes from the date of issue of a notice to the date when the unpaid fine is referred to SPER for debt recovery. The reduction in this referral is critical to provide fairness to a person who is unaware of the notice and opportunity to apply one of the three options available to them in addition to proactively managing the un-finalised matter.</p> <p>QPS has implemented automated systems for dealing with offenders detected through the Camera Detected Offence Program. In addition, the QPS has expanded the E-Notice initiative to provide an effective strategy for dealing with traffic offending. This initiative provides a real-time efficient and accurate data sharing process.</p>
<p>2. analyse the payment and write off rates of different fine types to identify opportunities to improve debt recovery and write off rates. (Chapter 2)</p>	Agree	1 st quarter 2018	<p>To be included on the agenda for the first PDMC meeting post the release of the report.</p>

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
<p>This would also allow entities to consider trends and factors in offending and whether fines are an effective sanction for specific offences.</p>		<p>The timeframe for implementation will be determined by budget, resources and process changes required to be allocated to complete system and process changes.</p>	<p>Commence the establishment of a sub working committee/group to consider the implications of the recommendations from the QAO report.</p> <p>The QPS is committed to considering alternative enforcement strategies to facilitate effective deterrence models.</p>
<p>3. conduct further analysis and collaborate to develop options for managing problematic debtors who do not pay their debt, despite the use of all available enforcement actions (acknowledging imprisonment is the option of last resort). (Chapter 3)</p>	<p>Agree</p>	<p>1st quarter 2018</p>	<p>To be included on the agenda for the first PDMC meeting post the release of the report.</p> <p>Commence the establishment of a sub working committee/group to consider the implications of the recommendations from the QAO report.</p>
<p>4. develop processes and practices to provide Magistrates with access to offender debt history to inform Magistrates about a person's capacity to pay a fine, consistent with their obligations under the Penalties and Sentences Act 1992. (Chapter 3)</p>	<p>Agree</p>	<p>1st quarter 2018</p>	<p>To be included on the agenda for the first PDMC meeting post the release of the report.</p> <p>Commence the establishment of a sub working committee/group to consider the implications of the recommendations from the QAO report.</p> <p>Offender debt may have some relevance to the offender's capacity to pay a fine, but are mindful that this debt may only be one component of the overall financial hardship / obligation.</p> <p>QPS prepare antecedents of offenders 2 weeks in advance of the court date and are not best placed to provide real-time debt status for a Magistrate to consider penalties / sanctions.</p>

Appendix B—Audit objectives and methods

The objective of the audit was to assess the effectiveness and efficiency of public sector entities in finalising unpaid fines.

The audit addressed the objective through the sub-objectives, lines of inquiry and criteria set out in Figure B1.

Figure B1
Audit program

Sub-objectives	Lines of inquiry	Criteria
1 Entities are effective across the fines process in increasing the proportion of fines finalised.	1.1 Entities collect sufficient, relevant and accurate debtor data to enable finalisation.	1.1.1 Entities apply appropriate data standards and conduct quality assurance processes to ensure data is sufficient, relevant and accurate.
	1.2 Entities are effectively managing their unpaid fines.	1.2.1 Entities locate debtors and act to finalise unpaid fines before the need to refer them to SPER.
	1.3 Entities work together effectively to finalise unpaid fines.	1.3.1 Entities effectively share information and collaborate to increase the overall finalisation rate.
2 Entities are efficient across the fines process in finalising unpaid fines as early as possible.	2.1 Entities use efficient practices and processes that prioritise timely finalisation.	2.1.1 Entities monitor and report fines to enable timely finalisation.
		2.1.2 Entities use processes designed for efficiency (e.g. reducing duplication, waste and delays).

Notes: SPER—State Penalties Enforcement Registry.

Source: Queensland Audit Office

Entities subject to this audit

- Department of Transport and Main Roads
- Department of Justice and Attorney-General
- Queensland Police Service
- State Penalties Enforcement Registry.

Appendix C—Audited entities’ processes for issuing fines

Figure C1 provides a list of the processes used to issue infringements and monetary orders by the entities we audited.

Figure C1
Audited entities processes for issuing fines

Division	Fine type	Procedure
Queensland Police Service		
Water Police and general duty police	Penalty infringement notice and marine infringement notice	<ul style="list-style-type: none"> Water police and general duty police officers issue fines manually for a variety of offences. Manual fines are posted to DTMR’s customer service branch and manually recorded in the TRAILS database. 600 general duty police officers issue fines electronically using iPad devices. Electronic fines are automatically recorded in the TRAILS database. A copy of the fine is emailed to the debtor, unless they have requested for the fine to be posted.
Traffic Camera Office	Camera detected offence notice	<ul style="list-style-type: none"> The Traffic Camera Office’s fixed and mobile cameras automatically detect a speeding or driving offence. The fine is automatically recorded in the TRAILS database. DTMR posts the fine to the offender.
Department of Transport and Main Roads		
Maritime Safety Queensland	Marine infringement notice	<ul style="list-style-type: none"> Shipping inspectors and compliance officers issue fines manually for marine offences. Once they return to their respective office, they post a copy of the fine to DTMR’s Customer Service Branch which manually records the fine in the TRAILS database.
Transport Regulation Branch	Vehicle registration fine	<ul style="list-style-type: none"> DTMR’s transport regulation branch issues fines for uninsured and unregistered vehicles. Fixed and mobile cameras capture a vehicle’s registration and automatically transfer it to the transport regulation branches database. Staff from the Transport Regulation Branch manually validate the image against the registration recorded in the TRAILS database. A fine is posted to the offender for unregistered/uninsured vehicles.
Heavy vehicle compliance	Heavy vehicle compliance fines	<ul style="list-style-type: none"> Transport inspectors issue heavy vehicle compliance fines manually. Once Transport Inspectors return to their respective office, they forward a copy of the manual fine to the Senior Transport Inspector for review. Once validated, manual fines are posted to DTMR’s Customer Service Branch and recorded in the TRAILS database.

Division	Fine type	Procedure
TransLink	Bus and rail fines (e.g. fare evasion)	<ul style="list-style-type: none"> TransLink Senior Network Officers (SNOs) issue bus and rail fines electronically using smart phones. The fine is automatically recorded into TransLink's Fare Evasion and Infringement Management System (FEIMS) and transferred immediately (automatically) to TRAILS database. A copy of the fine is emailed to the offender, unless they have requested for the fine to be posted.
Customer Service Branch	Failure to comply with demand notice	<ul style="list-style-type: none"> If a toll is unpaid, Transurban Queensland sends a reminder notice of the outstanding toll fee. If no action is taken by the offender, a Notice of Demand may be sent by Transurban Queensland. If the offender fails to pay the notice of demand, Transurban Queensland may refer the unpaid notice of demand to DTMR. It issues a fine for failing to comply with the demand notice. This is the 'first and final' notice.
Department of Justice and Attorney-General		
Queensland courts and Queensland Court Services	Monetary orders	<ul style="list-style-type: none"> Queensland courts issue monetary orders to an offender for various offences. A monetary order may include a compensation or restitution order or a court-ordered fine. Once a judge or magistrate gives a monetary order, registry staff manually record the monetary order in the Queensland Wide Interlinked Courts (QWIC) database. The Queensland Court Services refer almost all monetary orders automatically to SPER within 24 hours of recording the order in QWIC. In some instances, Queensland Court Services do not transfer monetary orders, such as when the court has granted a fine option order. A fine option order converts an offender's fine into unpaid community service.

Notes: DTMR—Department of Transport and Main Roads; TRAILS—Transport Registration and Integrated Licensing System.

Source: Queensland Audit Office.

Appendix D—Fines process across jurisdictions

The New South Wales and Western Australian Governments have similar fines processes. In these states, offenders who fail to pay their fine by the due date receive a reminder notice and are told they have an additional 28 days to pay the fine.

Similarly, the Victorian Government sends offenders who fail to pay their fine a reminder notice and tells them they have an additional 28 days to pay. Unlike New South Wales and Western Australia, Victoria refers offenders that fail to pay their fine to the Infringement Court.

In Queensland, 231 entities issue fines and 71 refer unpaid fines to the State Penalties Enforcement Registry (SPER) for collection. The fines process varies slightly based on the issuing entities' practices. The Department of Transport and Main Roads (DTMR) records fines it issues and those issued by the Queensland Police Service (QPS) and the Traffic Camera Office in its Transport Registration and Integrated Licensing System (TRAILS) database. Customers who have registered for DTMR's reminder service can receive a reminder notice advising them that their fine is due for payment three days before the due date.

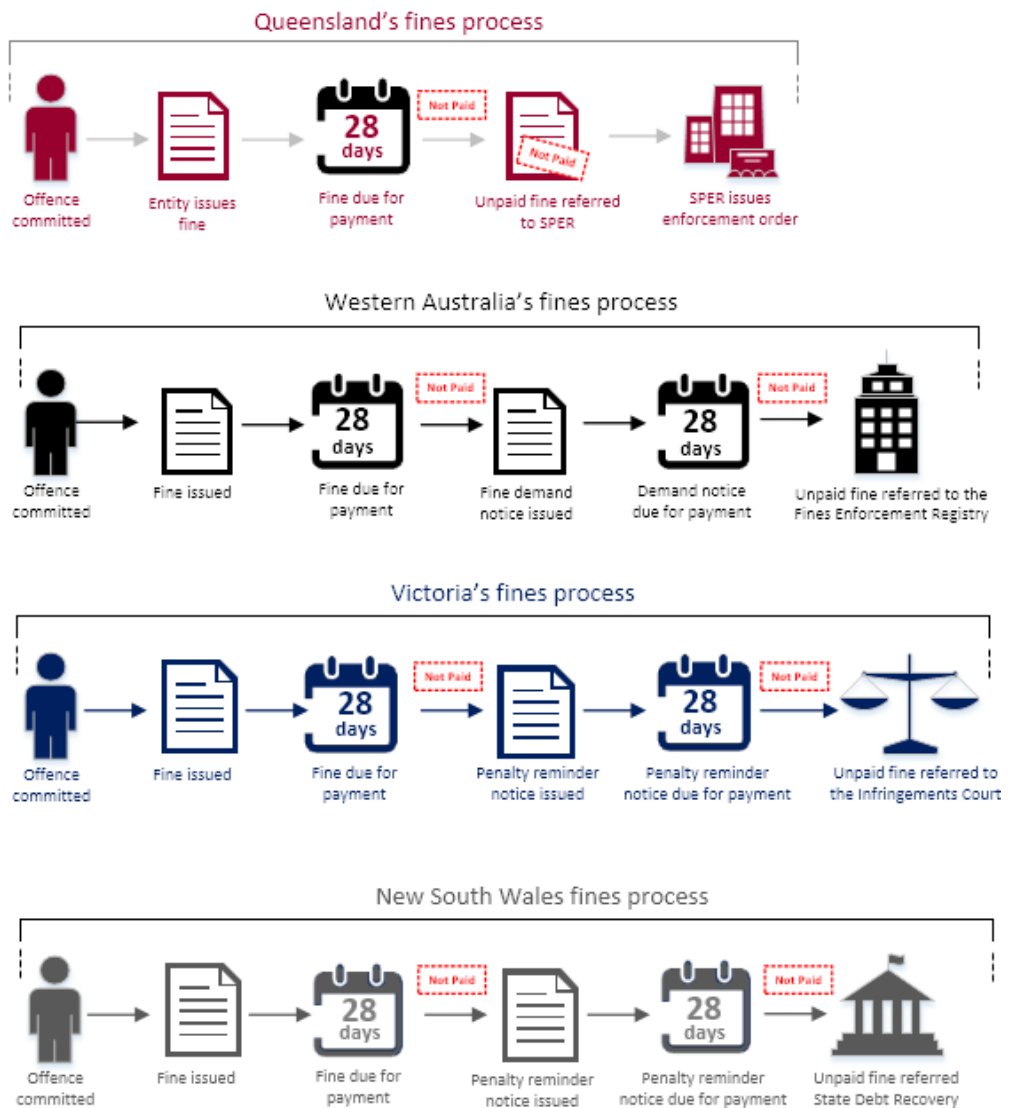
The *State Penalties Enforcement Act 1999* requires an offender to pay their fine within 28 days from the date of issue. Alternatively, the alleged offender must, within 28 days:

- declare that another person was driving the vehicle at the time of the offence, or advise that the vehicle was stolen or sold
- elect to have the matter heard in court.

DTMR refers unpaid fines to SPER for enforcement after 56 days. It provides alleged offenders with 28 days to pay their fine and uses a portion of the additional 28 days to process driver nominations, statutory declarations and demerit points.

Figure D1 shows the different fines processes for Queensland, and the published processes for Western Australia, Victoria and New South Wales. It captures the legislated process (not the practice) for fines issued by DTMR, QPS and the Traffic Camera Office. It does not display the process for monetary orders issued by Queensland Courts. The Queensland Court Services refers monetary orders to SPER within 24 hours of being entered into the Queensland Wide Interlinked Courts database for immediate collection. An offender has 28 days to pay a monetary order before enforcement action commences, unless the court orders a different timeframe.

Figure D1
Fines process for Queensland, Western Australia, Victoria and New South Wales



Notes: The fines process for Western Australia, Victoria and New South Wales is based on the information publicly available on their websites. Their practices may vary from the processes documented above.

Source: Queensland Audit Office.

Auditor-General reports to parliament

Reports tabled in 2017–18

Number	Title	Date tabled in Legislative Assembly
1.	Follow-up of Report 15: 2013–14 Environmental regulation of the resources and waste industries	September 2017
2.	Managing the mental health of Queensland Police employees	October 2017
3.	Rail and ports: 2016–17 results of financial audits	December 2017
4.	Integrated transport planning	December 2017
5.	Water: 2016–17 results of financial audits	December 2017
6.	Fraud risk management	February 2018
7.	Health: 2016–17 results of financial audits	February 2018
8.	Confidentiality and disclosure of government contracts	February 2018
9.	Energy: 2016–17 results of financial audits	February 2018
10.	Finalising unpaid fines	February 2018

Contact the Queensland Audit Office

