



Queensland Treasury

Our Ref: 01343-2017

Mr P Russo MP
Chair
Finance and Administration Committee
Parliament House
George Street
BRISBANE QLD 4000

Dear Mr Russo

I am writing in relation to the Finance and Administration Committee public briefing held on 22 March 2017 on the State Penalties Enforcement Amendment Bill 2017 (the Bill).

I understand that, following the briefing, the Committee had a number of additional questions which were provided by letter to Mr Richard Jolly, Deputy Registrar, State Penalties Enforcement Registry, on 27 March 2017.

Queensland Treasury is pleased to offer the Committee assistance during its consideration of the Bill.

The attached document provides responses to the Committee's additional questions.

If the Committee requires further information in relation to this issue, please contact Mr Richard Jolly, Deputy Registrar, State Penalties Enforcement Registry

Yours sincerely

Jim Murphy
Under Treasurer

Responses to questions raised by the Finance and Administration Committee Inquiry into the State Penalties Enforcement Amendment Bill in relation to the hearing held on 22 March 2017

Queensland Treasury

Issues

- The Finance and Administration Committee (the Committee) conducted a public hearing on the State Penalties Enforcement Amendment Bill (the Bill) on 22 March 2017 attended by officers of Queensland Treasury (QT).
- By letter dated 27 March 2017, the Chair of the Committee provided a list of further questions for QT. Those questions and QT's responses to the questions are set out below.
- Attachment 1 provides an overview of State Penalties Enforcement Registry (SPER) performance information that provides answers to and context for specific questions, and further detail in areas in which the Committee has expressed an interest.
- **Query 1** – Please provide a breakdown of the total SPER debt owed/number of debtors as at 28 February 2017, including:
 - a. Number of debtors
 - b. Total amount debt referred by entities
 - c. Number and amount of debt per agency
 - d. debt amount by type of debt – i.e. court fines, police issued fines, local government fines etc
 - e. Number of debts referred by toll road operators
 - f. Amount of debt referred by toll road operators
 - g. Amount of debt as a result of SPER fees, charges, fines etc
 - h. Largest number of debts per debtor
 - i. Average number of debts per debtor
 - j. Largest amount owing by a debtor
 - k. Average amount owing by each debtor
 - l. Number of debtors in custody
 - m. Total number of disputes
 - n. Total number of disputes relating to toll road operators

Response – Please refer to the overview in Attachment 1 which provides answers to the specific sub-questions as outlined in the following table.

Question 1 reference	Issue	Relevant section in Attachment 1
(a)	Number of debtors	1.5 and 3.1
(b)	Total amount of debt referred by entities	1.2, 1.3 and 3.3
(c)	Number and amount of debt per agency	1.3 and 3.3
(d)	Debt amount by type of debt	1.2, 1.5 and 3.3
(e)	Number of tolling-related debts	1.4
(f)	Amount of tolling related debts	1.4
(g)	SPER fees, charges, etc	3.4

(i)	Average number of debts per debtor	1.5 and 3.1
(k)	Average amount owing by each debtor	1.5 and 3.1

- **Query 1(h)** – Largest number of debts per debtor

Response – The debtor with the largest number of outstanding debts has 1,532 unpaid debt items comprised mainly of unpaid tolling fines. Details of the debts are outlined in the following table.

Debt Type	Number of Debts	Value Outstanding
Tolling	1,483	\$367,473
Vehicle	15	\$10,756
Parking	11	\$2,901
Speeding	11	\$2,977
Driving	9	\$3,282
Other	3	\$1,466
Total	1,532	\$388,857

- **Query 1(i)** – Largest amount owing by a debtor

Response – The largest amount owed by a debtor is \$671,745 relating to a single court-ordered fine.

- **Query 1(l)** – Number of debtors in custody

Response – QT does not have information regarding the number of individuals in custody in Queensland who have SPER debts. SPER relies on individual debtors in custody contacting SPER to advise their location, which is subsequently confirmed by Queensland Corrective Services. Debtors in custody are able to contact SPER via a direct line to SPER's hardship team.

- **Query (m) and (n)** – Total number of disputes and disputes relating to tolling

Response – Of the debts referred to SPER to date during 2016-17, approximately 1 per cent (7,756) have been the subject of a *Cancellation of Enforcement Order* application under section 56 of the *State Penalties Enforcement Act 1999* (the Act). Of these, 301 relate to tolling debts. This represents a dispute rate of approximately 0.4 per cent for tolling-related debt.

- **Query 2** – Please provide a list of all agencies and entities that may refer debt to SPER

Response – There are 226 issuing agencies for which SPER undertakes collection. This includes 154 individual courts and 72 agencies that issue infringement notices. The agencies are listed in the Appendix to Attachment 1.

- **Query 3** – Please detail the growth and reasons behind the growth in SPER debt from 2005/6 to 2015/16, including, among other things, the nature of the transfer of road toll debt in 2010/11.

Response – See sections 1.2 and 1.4 in Attachment 1.

- **Query 4** – Please detail SPER enforcement action by type/number/type of debt/number of debtors for the period since 1 July 2016 (with a separate column regarding toll road operator referred debt).

Response – The following table sets out the number of enforcement actions taken by SPER in the 2016-17 Financial Year to 28 February 2017.

Enforcement Action	2016-17 YTD
Number of Enforcement Orders made	750,000
Number of Notices Of Intention To Suspend Driver Licence	137,000
Number of Driver Licence Suspensions imposed	87,000
Number of Fine Collection Notices issued	15,000
Number of Enforcement Warrants to register an Interest issued	53,000
Number of Vehicle Immobilisation Warrants issued	75
Number of Enforcement Warrant to seize and sell property issued	27

QT is unable to provide information on enforcement activities by type of debt, number of debtors or between toll and non-toll related debts.

- **Query 5** – What are the average costs for SPER to recoup debts:
 - a. For compliant debtors –i.e. those that pay without further enforcement action?
 - b. For debtors placed on payment plans?
 - c. For each level of enforcement action required by SPER – e.g. licence suspension, vehicle clamping?

Response – As SPER does not have an activity based costing system in place, QT is unable to provide the information requested.

As a general rule, the more automated the action, the lower the cost. The most automated enforcement requiring minimal manual intervention is driver licence suspension. The most resource-intensive enforcement actions are vehicle immobilisation and seizure and sale. Due to the resource-intensive nature of these field activities, debtors subject to these enforcement actions are carefully prioritised.

- **Query 6** – What policies and procedures are in place to write off SPER debt?

Response – Section 150A of the Act provides that the registrar of SPER may write off all or part of a fine or other amount payable by a person under the Act in the following circumstances:

- if the person dies;
- if the person is a corporation that has been deregistered;

- if there is insufficient information to establish the identity of the person liable to pay the debt; and
- in other circumstance permitted under a guideline issued under section 150B by the Minister.

Section 150B provides that a guideline issued by the Minister about the writing off of unpaid fines and other amounts payable under the Act must not be made available to members of the public. As indicated in the explanatory notes for the *State Penalties Enforcement and Other Legislation Amendment Act 2007* which inserted this provision into the Act, the intention of this provision is to ensure debtors are not in a position to find and exploit possible opportunities to avoid payment of fines.

SPER has established a process to undertake regular debt write off in accordance with the circumstances for write off provided in the Act and guidelines issued by the Treasurer. When SPER obtains information in relation to a debtor that would make a debt eligible for write-off (for example, if a member of a debtor's family advises SPER the debtor is deceased), a flag is added to the relevant debt in the SPER system. Automatic processes may also identify debts as potentially eligible for write-off as the result of updates to SPER data based on information obtained from other sources, such as if information is obtained from the Australian Securities and Investments Commission which indicates a company has been deregistered. A manual process is then undertaken once a month to review the debts that have been identified as potentially eligible for write-off and, if the debts are considered appropriate for write off, to seek approval to write off the debts under the Act.

- **Query 6(a)** – Please detail the amount of debt written off in the last five financial years.

Response –

Debt write-off reason	2011-12 \$M	2012-13 \$M	2013-14 \$M	2014-15 \$M	2015-2016 \$M
Deceased individual	2.9	3.5	0.4	6.7	3.0
Deregistered company	4.3	9.5	2.2	0.6	2.2
Other unrecoverable debts	1.7	89.3	15.5	0.9	0.8
Total	8.9	102.3	18.1	8.2	6.0

During 2012-13, after the transfer of responsibility for SPER from the Department of Justice and Attorney General (DJAG) to QT, significant debt write-off activity was undertaken to clear old, unrecoverable debts.

Hardship

- **Query 7** – What current processes does SPER have to identify debtors in hardship? i.e. what does a debtor have to show/do to be classified as in hardship?

Response – Current processes require that a person must self-identify that they are in hardship by contacting SPER (via telephone or in writing). In order to be classified as in hardship, the person must be living in a remote community, be dependent on Centrelink benefits, be homeless, have a long-term medical condition, be a victim of a natural disaster or be recently released from custody.

If the debtor identifies as being in one of these categories, they are required to submit documentary evidence to SPER of their situation, unless SPER is able to otherwise confirm

the person's situation (e.g. receipt of relevant Centrelink benefits). Where the debtor owes \$8,000 or more, a more detailed assessment of the person's capacity to pay is undertaken prior to evaluating repayment/discharge options. This requires the debtor to provide documentary evidence of income, expenses and assets, including provision of bank statements etc. For many individuals in hardship, this can prove to be a challenging and lengthy exercise.

- **Query 7(a)** – What internal operational processes will be implemented under the Bill to identify debtors in hardship?

Response – The Bill prescribes the hardship circumstances which would need to be satisfied in order for a person to be eligible for a work and development order (WDO). They are that the person is unable to pay due to: having a mental illness, substance use disorder or cognitive or intellectual disability; or being homeless, in financial hardship or experiencing domestic and family violence. Further details of eligibility criteria will be defined in publicly available regulations and guidelines (following further consultation with key stakeholders).

The Bill also provides that qualified and experienced professionals from not-for-profit community organisations, government agencies and health services will be able to register with SPER as *approved sponsors* for WDOs. The Bill therefore enables the establishment of genuine partnerships between SPER and the community service sector. Approved sponsors will assess a person's eligibility for a WDO, decide on an appropriate treatment/activity plan for the person, apply for a WDO on behalf of the person, oversee activities and report on progress.

Unlike SPER, potential approved sponsors such as UnitingCare, Red Cross, the Salvation Army and other key organisations such as Legal Aid Queensland and LawRight are in direct contact with individuals in hardship and are well placed to proactively identify and work with individuals to assist them to resolve their SPER debt. Typically, these organisations receive state or federal government funding to provide programs/treatment targeted at assisting individuals in hardship which would be leveraged to enable WDOs to be embedded in service offerings to existing clients.

A key design principle of the WDO scheme is that it is community-led. SPER will work with community groups, government agencies and service providers to establish localised networks of community service providers to identify and connect individuals to the WDO scheme. SPER will develop brochures and communication material for use by community service providers to promote the scheme to their clients. SPER will establish a support hotline for sponsors and develop training materials and provide on-ground outreach support to approved sponsors to participate in the WDO scheme. In addition, SPER will develop internal operational processes to assist in the early identification of debtors experiencing hardship.

- **Query 7(b)** – How will debtors be advised of the requirements on them to prove or liaise with SPER re hardship?

Response – The Bill provides that approved sponsors will be required to assess the eligibility of individuals for WDOs in accordance with publicly available guidelines. Accredited community service providers (approved sponsors) have the necessary experience and qualifications to undertake an assessment of an individual's particular circumstances and develop an appropriate treatment/activity plan designed to support the

individual.

If an approved sponsor has not already obtained the necessary documentary evidence required to support a WDO application (through an existing relationship with the debtor), then the sponsor will work with the debtor to assist them to provide the documentation. For example, it is proposed that to demonstrate financial hardship, this would simply involve obtaining evidence from the debtor that Centrelink benefits are their sole source of income.

In addition, SPER officers who identify a debtor in hardship will provide information about eligibility for WDOs and may refer the debtor to an approved sponsor for eligibility assessment. Brochures and information about WDOs will be made available to debtors via existing community referral networks (e.g. homelessness services, Legal Aid Queensland, etc) on SPER's website and when contact is made with SPER.

- **Query 8** – How many debtors (including their total debt) are considered as in hardship?

Response – As at February 2017, SPER estimates that 63,000 SPER debtors are considered to be in hardship. The amount owed by debtors in hardship is \$180 million, which represents 15 per cent of the SPER debt pool. This estimate is based on debtors on payment arrangements through Centrelink or long term payment plans and is therefore considered to be a conservative estimate.

Work and Development Orders

- **Query 9 and 9 (a)** – What options will be available to prisoners under the hardship WDO options? What consultation with and have any undertakings been provided by Corrective Services to ensure that these options will be provided to prisoners?

Response – SPER has been actively consulting with Queensland Corrective Services (QCS) throughout the development of the WDO scheme. QCS has agreed to introduce the WDO scheme as part of Stage 1 roll-out (on commencement of amendments) to ensure the same level of state-wide coverage, as is currently available with Fine Option Orders, continues to be provided.

All prisoners should be automatically eligible for WDOs on the basis that prisoners are not able to undertake salaried employment while in custody and only receive a small minimum allowance per week (starting at approximately \$18.65) and as such would satisfy the financial hardship criteria.

QCS is currently trialling a Fine Option Order program at Helena Jones Community Corrections Centre where female prisoners undertake unpaid work to work off their SPER debts. As at 28 February 2017, 3,432 hours of community service has been completed which correlates to a monetary value of \$82,508. To date 12 women have finalised their SPER debt in total. It is anticipated this correctional centre will participate in the WDOs.

The implementation of WDOs in secure correctional centres could require significant adjustment to prisoner management processes and procedures associated with treatment and education programs. QCS has advised that, in the future, activities that could be performed under a WDO while in a correctional centre could include educational,

vocational or life skills courses, drug/alcohol counselling or unpaid work. QCS has advised SPER that it will consider its role in the broader roll-out of WDOs during 2018.

- **Query 9(b)** – What alternative options will be available to prisoners if WDOs are not available to them? e.g. will prisoners be able to call in warrants and serve a prison sentence in lieu of their debts?

Response – SPER has been actively working with QCS on the possible implementation of WDOs for individuals in correctional facilities. For prisoners, it is considered that WDOs would be a preferred debt finalisation option, as they incentivise prisoners to access non-mandatory programs, such as anger management courses, that would support the prisoner's rehabilitation efforts and benefit the broader community on release. QCS has advised that activities that could be performed under a WDO while in a correctional centre could include educational, vocational or life skills courses, drug/alcohol counselling or unpaid work. Depending on the duration of a person's prison sentence, WDOs would provide an effective means of debt clearance while in custody, enabling the prisoner to have a clean slate on release.

While the Act does not preclude a prisoner calling in warrants to serve an additional prison sentence in lieu of payment of their SPER debt, no prisoners availed themselves of this option during 2015-16. From a justice perspective, time served in lieu of payment cannot be performed concurrently. One of the original policy objectives in establishing SPER was to reduce the number of fine defaulters being imprisoned, as provided in the SPER Charter. Consistent with this policy, imprisonment will continue to be the option of last resort for fine defaulters.

Information management and communication

- **Query 10** – How does SPER ensure contact details for debtors are maintained and up to date?

Response – The current SPER system automatically undertakes a process to obtain the latest address information for debtors from the Department of Transport and Main Roads (DTMR) database before proceeding with enforcement action. The DTMR update process is also automatically undertaken if SPER receives "returned mail" for a debtor, and every three months for debtors who remain noncompliant.

People registered with DTMR are required by law to update their address within 14 days of a change. Most debtors are registered with DTMR and the address data in DTMR's system is considered to be the most reliable for debtors.

Contact details are also obtained through the debt referral process (all issuing agencies are required to provide debtor address details), scripting in the SPER call centre (operated by Smart Service Queensland) to confirm contact details while engaging with debtors on the phone, and operating procedures also requiring SPER staff to confirm contact details when they engage with debtors on the phone.

Data matching to electoral roll information obtained from Electoral Commission of Queensland (ECQ) is also performed on a regular basis. Other data enrichment processes are conducted periodically to confirm existing details or to obtain new contact details.

The SPER system uses a complex algorithm to determine the “best” address for a debtor based on dates that addresses are advised or new address details are secured, date of returned mail, and confirmation from a debtor that an address is no longer current.

- **Query 11** – Please detail the steps taken by SPER with respect to communicating with debtors regarding enforcement action, specifically advice regarding licence suspension?

Response – Every debt that is lodged with SPER results in the generation of an order or notice that advises the debtor that SPER is authorised to collect the debt; and provides for information on how to pay and the consequences of non-payment.

Enforcement Orders

Enforcement orders are generally the first communication between SPER and a debtor. Each debt that is referred results in the issue of an enforcement order that is produced overnight and posted the next day. The enforcement order advises the debtor to pay within 28 days to avoid enforcement action.

Enforcement orders are sent by post to the ‘best’ address available to SPER for the debtor. This is most often the address supplied with the referral.

If no action is taken by the debtor by the due date listed on the Enforcement Order, a reminder letter is sent (after checking the address details with the DTMR system where possible). If the reminder letter does not result in compliance, the SPER system will automatically commence enforcement action. Where the debtor is identified as having a DTMR customer reference number (CRN), the first enforcement action undertaken is driver licence suspension.

Driver Licence Suspension

The first step in the driver licence suspension process is to issue in the post a Notice of Intention to Suspend Driver Licence. SPER will issue the notice to the best address held by SPER, and to the postal address in the DTMR system if this is different to SPER’s best address. The Notice of Intention clearly conveys that the debtor has 14 days to take action before their licence is suspended. Where SPER has a mobile number for the debtor, the SPER system also automatically (subject to system volume constraints) sends an SMS message near the end of the 14 day period to warn of imminent suspension.

The Notice of Intention provides the following information:

- Date by which action is required to avoid licence suspension
- Total amount required to be paid to avoid licence suspension
- Payment methods
- Penalty for driving while ‘SPER Suspended’
- Other enforcement action that could follow if debtor does not enter into compliance

A debtor’s driver licence is suspended if they do not enter into compliance within the required timeframe. No further notification is sent. (By this point, the debtor has received a penalty infringement notice, SPER enforcement order, SPER reminder letter, SPER Notice of Intention to Suspend and possibly an SMS message.)

While the driver licence suspension is in place, the SPER system automatically checks in

with the DTMR system every three months to ascertain whether an updated address is available. If yes, then the address is used to issue a letter reminding the debtor of the driver licence suspension and the action to be taken to have it lifted.

Fine Collection Notice

If SPER decides to garnish funds from a debtor's bank account, employer or from a third party under a Fine Collection Notice, SPER is required to provide a copy of the fine collection notice to the debtor.

Enforcement Warrant to Impose a Charge on Property

SPER may issue an Enforcement Warrant to impose a charge on property, which may then be registered over real property with the Land Titles Office in the Department of Natural Resources and Mines or over personal property with the Personal Property Securities Register (the PPSR). The warrant is served on the debtor when it is issued.

A further notice is issued to the debtor by SPER to confirm that registration of an interest over the relevant property has occurred with either the Land Titles Office or the PPSR.

Vehicle Immobilisation

Prior to immobilising a debtor's vehicle, SPER is required to serve a Notice of Intention to Issue an Immobilisation Warrant. The Notice of Intention provides the debtor with 14 days to take action, otherwise an Immobilisation Warrant can be issued by SPER.

The Notice of Intention provides the following information:

- Due date that action is required by
- Total amount required to be paid to prevent immobilisation
- Options to pay the debt
- Vehicle/s that may be immobilised
- Options regarding hardship claims
- Obligations of the debtor
- Details of all outstanding amounts and offences

Once the 14 day period has expired and the debtor does not take any action, an Immobilisation Warrant may be issued and is served on the debtor. Action may then be taken under the warrant to attach an immobilisation device to the vehicle.

Enforcement Warrant to seize and sell property

Under an Enforcement Warrant to seize and sell property, SPER has the authority to seize and sell real and personal property, other than exempt property, in which a debtor has a legal or beneficial interest. A copy of the warrant is required to be served on the debtor when the warrant is issued.

Once property is seized and is proposed to be sold, SPER is required to send a Notice of Auction to the debtor confirming when the auction will occur.

- **Query 12** – Does SPER have any information sharing with the Registry of Births Deaths and Marriages regarding deaths of SPER debtors?

Response – SPER previously undertook a regular data matching process utilising data sourced through an information sharing arrangement for Australia wide ‘fact of death’ files for fine collection agencies in all states and territories. However, this process has been suspended for the past year, following modifications to administrative arrangements for access to fact of death information by the Registry of Births, Deaths and Marriages in Queensland. The Office of State Revenue is currently considering a revised approach to obtaining this fact of death data, which would include SPER.

- **Query 12(a)** – If so what process is then followed following receipt of this information? Will this change under the Bill?

Response – Not applicable.

- **Query 12(b)** – If not, how do you receive information about the deaths of debtors? Will this change under the Bill?

Response – Due to the recent changes to arrangements for accessing fact of death information from Government sources, SPER currently relies on direct advice from debtors’ families and estates about the deaths of individual debtors. Families are requested to provide SPER with a copy of the official death certificate as part of this process. This process is not directly altered by the Bill but, as noted above, SPER is considering a revised approach to obtaining fact of death data.

- **Query 12(c)** – Do you have information on the current number of SPER debtors that are deceased?

Response – When confirmation is received that a SPER debtor is deceased, that person’s debts are written off. Since the commencement of SPER in 2000, 42,714 SPER debtors have been confirmed as deceased and their debts written off. QT is unable to provide information about the number of debtors who are deceased but for whom confirmation has not been provided.

- **Query 13** – Please detail the proposed ICT upgrades, including the nature of the software involved, the proposed pricing and the timeframes and stages for the implementation of the upgrade.

Response – SPER has entered into a contract with CGI Technology and Solutions Australia (CGI) to provide a new debt recovery software solution for SPER. The solution is part of a broader change to support implementation of a new service delivery model for SPER. The solution includes:

- Supply, design, and configuration of CGI’s Collections360 product as a service. The Collections360 product includes the below service elements:
 - Case management system (including business rules and best practice penalty debt management processes);
 - Analytics and advanced reporting system;
 - Solution and architecture services, including correspondence management; business intelligence services; and data enrichment services.
- CGI services to deploy and configure the Collections 360 product with contractual

requirements in the following areas:

- Inbound mail services: Analysis, build and configuration of an inbound mail service to reduce costs and provide an improved service; Management of the inbound mail services subcontractor;
- Outbound mail services: Analysis, build and configuration of an outbound mail service to reduce costs and provide an improved outbound mail service; Management of the outbound mail service subcontractor.

The contract valued at \$58.8 million was awarded to CGI in early 2016. SPER and CGI are working to a staged release implementation schedule whereby the solution will be operational in the Quarter 1 2018, following a period of testing scheduled for quarter 4 2017.

- **Query 14** – What platforms and timeframes are being considered, and what consultation is being undertaken regarding the permissive information sharing regime?

Response – Prior to development of the policy to enhance information sharing, the Penalty Debt Management Council (PDMC) comprising representatives from SPER, DTMR, DJAG (including QCS), the Queensland Police Service (QPS), ECQ and the Department of the Premier and Cabinet considered opportunities to enhance information sharing. The opportunities considered were to make information available as early as possible in the penalty debt management process to enable accurate identification and management of a debtor, and for all agencies involved in the imposition and collection of penalties to maximise information sharing opportunities to improve collective performance.

Following consideration by the PDMC, SPER consulted on the proposed policy for the permissive information sharing regime with all government departments and with the Office of the Information Commissioner.

The amendments proposed in the Bill will enable the permissive information sharing regime to be developed. Factors required to operationalise the permissive information sharing regime include:

- prescription of agencies with whom SPER will share information and the type of information that will be shared; and
- the establishment of an information sharing arrangement in the form of a Memorandum of Understanding (MOU) between SPER and each prescribed entity.

Information sharing will be enabled by the new SPER system currently under development.

The processes supporting the electronic sharing of information will fully comply with appropriate ICT Standards established by the Queensland Government, including Information Standard 18: Information Security, and incorporate appropriate security measures.

SPER will comply with all information security requirements of Government regarding the protection of information and will continue to liaise with the Queensland Government Chief Information Office, which is responsible for information standards including security.

The SPER solution will establish appropriate limits for electronic access to ensure that only information allowed to be accessed is being accessed. This will involve authorisation and

classification of information to control who can access what type of information.

Prescription of entities and information

Under the permissive information sharing regime, SPER will share information with agencies which are prescribed by Regulation. Initially, these are expected to include agencies such as QPS, DTMR and DJAG (including courts and QCS). Other agencies may also be prescribed.

A Regulation to amend the *State Penalties Enforcement Regulation 2014* to prescribe those entities with which SPER can share information, and the information that SPER can share with the prescribed entities, will be submitted to the Governor in Council for approval when those details are determined.

Establishment of MOUs with prescribed entities

MOUs will be entered into between SPER and each prescribed agency to set out administrative arrangements, including the platform to be used. SPER will develop a draft MOU for use with prescribed entities and consult with those agencies that are members of Fines Recovery Working Groups on the form and content of the MOU.

SPER has established two Fines Recovery Working Groups. One comprises representatives of government agencies including: DTMR, the Traffic Camera Office, DJAG and QPS. The other comprises representatives of major councils, the Local Government Association of Queensland and large universities.

The MOU may include the following:

- a clear requirement in the MOU that the information can only be accessed for the legitimate purposes as outlined in the legislation;
- limits as to who can electronically access information through appropriate user authentication prior to portal login, reviewing user access and removing user access when employees no longer require access;
- requiring auditable system logs to monitor access and time of access, to detect attempts at unauthorised access (e.g. above average activity in relation to an individual case) and to determine if unauthorised access is inadvertent or deliberate;
- provisions regarding confidentiality and appropriate access and use of information;
- an outline of the legislative offence provisions for inappropriate access and use of information and requiring inappropriate access and improper use to be dealt with through prompt remedial actions in relation to the public service code of conduct, e.g. removal of access rights and disciplinary action for inappropriate access and improper use.

The MOU between a prescribed entity and SPER will be subject to annual review by each party to the arrangement to ensure compliance with the requirements of the arrangement.

State Penalties Enforcement Registry Performance Summary

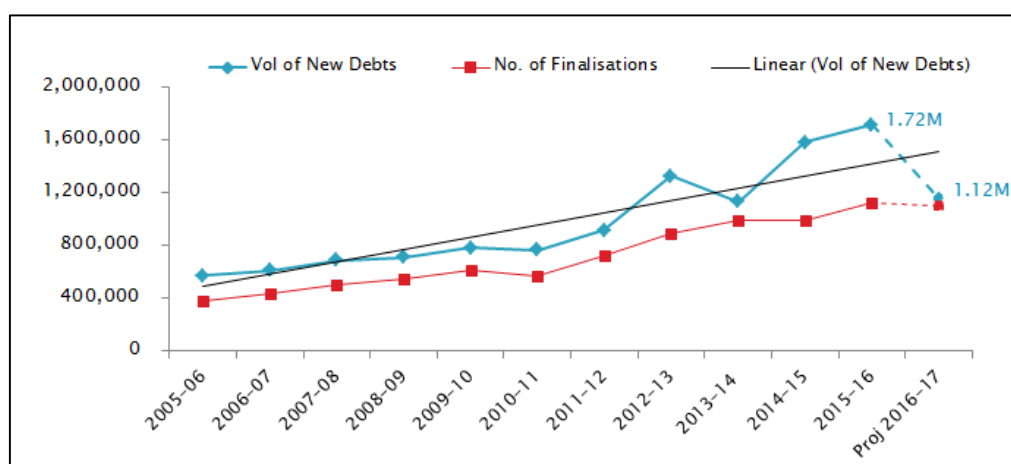
The data most commonly associated with the State Penalties Enforcement Registry (SPER) is the debt pool balance. This is a point-in-time measure that represents the cumulative effect of debts that have been referred to SPER but remain unpaid. Some may never be paid, and others are under a payment arrangement and will remain in the debt pool until they are paid in full. The debt pool balance does not reflect the debts that flow relatively quickly through SPER, i.e. those that result in full payment within a short timeframe. Both flow and debt pool balance metrics are outlined below.

1. SPER Flow Analysis

1.1. Issuing agencies

There are currently 226 issuing authorities for which SPER performs recovery action. This includes 154 individual courts and 72 Penalty Infringement Notice (PIN) issuing agencies.

1.2. Volume of debts referred



The volume of tolling-related debt referred to SPER increased significantly during 2014-15 and 2015-16. The reduction in referrals projected for the current financial year is due to significantly reduced volume of tolling-related debt referred by the Department of Transport and Main Roads (DTMR). More analysis of this impact is presented in other parts of this paper.

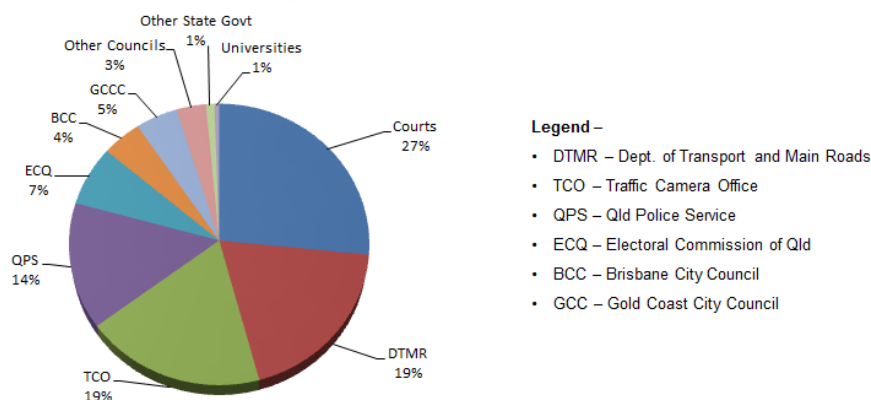
The growth in the debt pool generally is due to increases in population, increases in the number of ticketable offences, improved detection technology (e.g. speed cameras, automatic number plate recognition devices), and increased deployment of auto-detection devices.

1.3. Distribution of debts referred across issuing agencies

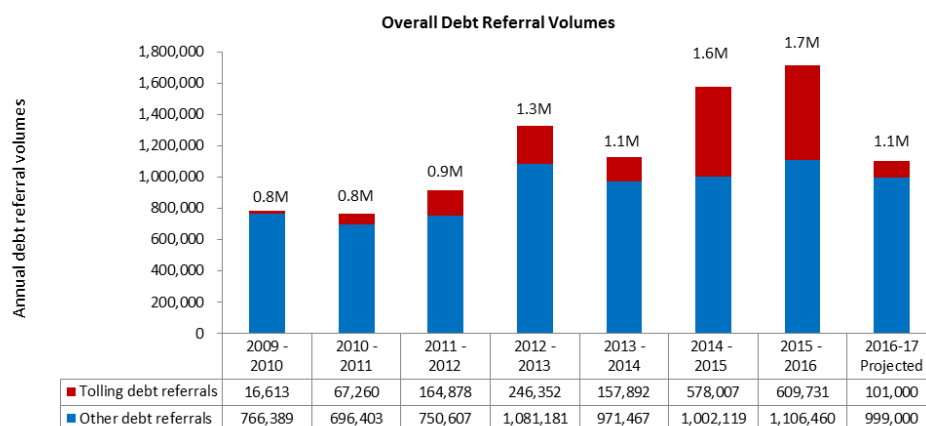
Issuing agencies and the volume and value of debt that they referred in the current year are listed in Appendix 1. More than 750,000 debts to the value of \$233 million have been referred in the current year (to 28 February 2017).

The distribution of referrals across issuing agencies is reflected in the next chart.

Debt Referrals 2016-17 YTD (as at 28 Feb 2017)



1.4. Proportion of debt inflow attributable to tolling-related PINs

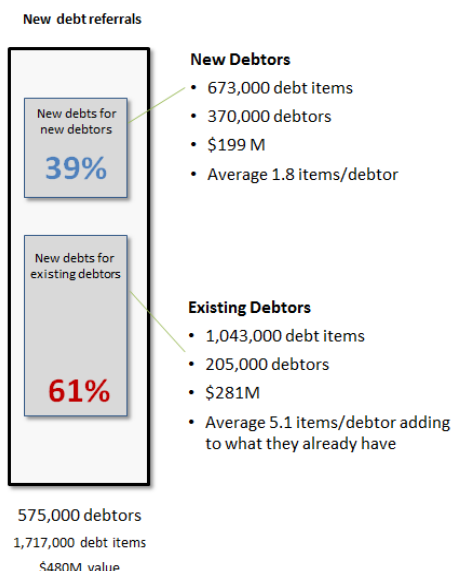


The volume of tolling-related PINs that are referred to SPER is directly related to the volume of PINs issued by DTMR which remain unpaid after 28 days. E-tolling was introduced during 2009 and accounts for the step increase in tolling-related debt from 2009-10.

The value of tolling related debt referred in 2015-16 was \$138 million. Approximately \$15 million has been referred to date in the current financial year. The total value of tolling-related debt referred in the 2016-17 year is projected to be \$22 million.

1.5. Inflow of debt accruing to new versus existing debtors

Just over 60 per cent of debt referred during 2015-16 was for debtors with unpaid amounts already in SPER.



New debtors are much more likely to finalise their debt quickly. Nearly half (47 per cent) of all new debtors finalised their total debt in the period as contrasted to one in seven (15 per cent) existing debtors who accrued new debt.

SPER managed just over one million debtors during the 2015-16 year, of which approximately 700,000 remained in the debt pool at 30 June 2016.

The debt mix accruing to new and existing debtors varied as outlined in the next table. The sustained significant reduction in tolling-related debts will, over time, significantly impact the mix of debts entering the pool.

Debt Type	Proportion of debt mix for new debtors	Proportion of debt mix for existing debtors
Speeding	32%	14%
Other driving and vehicle-related	21%	15%
Tolling	17%	47%
Parking	10%	6%
Miscellaneous other	20%	18%
Total	100%	100%

2. SPER effort

2.1. SPER enforcement action

The following table outlines the number of enforcement actions undertaken by SPER.

Enforcement Action	Volume	
	2015-16	2016-17 YTD
Enforcement Order	1,716,000	750,000
Notice of Intention to Suspend Driver Licence	268,000	137,000
Licence Suspension	186,000	87,000
Fine collection notice/garnishment	23,000	15,000
Warrant – impose charge and register interest in property	55,000	53,000
Warrant – vehicle immobilisation/wheel clamping	28	75
Warrant – vehicle seizure and sale	10	27

2.2. Other SPER engagement with debtors

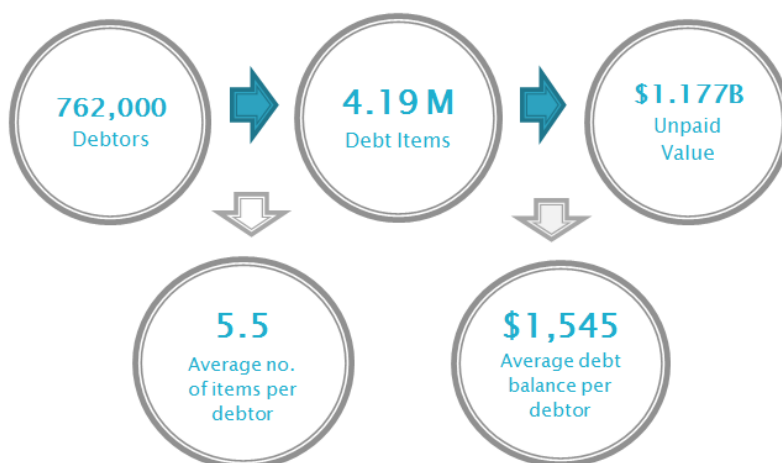
SPER issues approximately 4.4 million items of correspondence including 700,000 reminder letters per year. SPER also manages more than 50,000 inbound calls per month.

During 2016, SPER issued 101,000 SMS messages, and made 53,500 calls in an outbound call campaign.

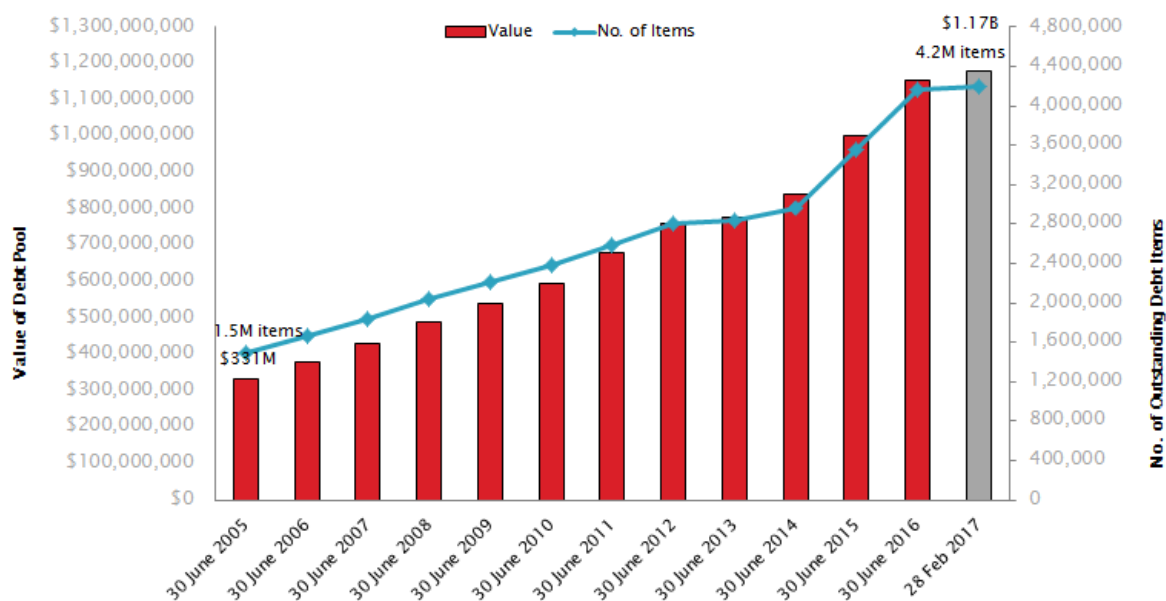
3. SPER debt pool (point-in-time) analysis

3.1. Debt pool value and number of debtors

As at 28 February 2017, the debt pool stood at nearly \$1.18 billion, owed by nearly 800,000 debtors.

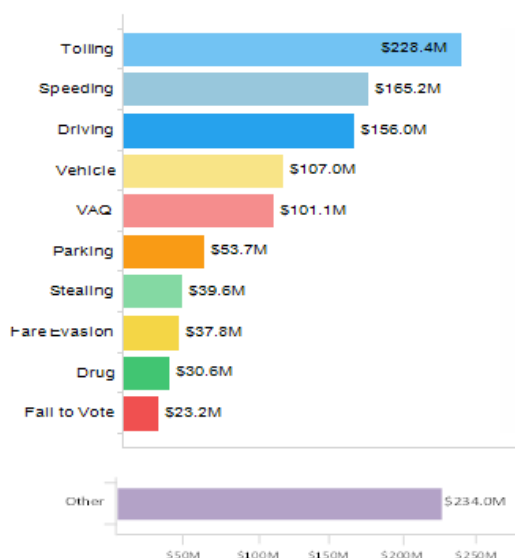


3.2. Growth in the debt pool over time



Note the rate of growth in the debt pool balance is largely in line with the rate of growth in referrals. This indicates that SPER's collection rate has generally kept pace with the rate of growth in referrals.

3.3. Composition of the debt pool (as at 28 February 2017)



The various debt types have different collection rates. Tolling-related debt has a lower than average collection rate, takes longer to collect and consequently accumulates in the pool at a higher rate than other debt types. The sustained significant reduction in tolling-related debts will, over time, significantly impact the mix of debts that accumulate in the pool.

3.4. Impact of fees on the debt pool

In 2015-16 SPER fees comprised 18 per cent of the value of new debt referrals. The vast majority of fee debt is attributable to the SPER registration fee that is added to each PIN referral.

3.5. Impact of hardship on the debt pool (as at 28 February 2017)

SPER estimates that approximately 63,000 (8 per cent) debtors accounting for \$180 million (15 per cent of the debt pool value) are in hardship as indicated by payment arrangements through Centrelink and long duration payment plans. SPER considers this a conservative estimate that likely under-represents the rate of hardship experienced by SPER debtors.

4. SPER's underlying collection rate

Since its inception, approximately 60 per cent of the debt that has been referred to SPER has been finalised through payment.

Debt referrals by issuing agency 2016-17 YTD (as at 28 Feb 2017)

Issuing Agency	Volume of Debts	Value of Debts
Department of Transport and Main Roads	144,110	\$ 45,000,001
Traffic Camera Office - Queensland Police Service	142,464	\$ 46,486,823
Queensland Police Service	109,247	\$ 32,912,848
Electoral Commission Of Queensland	51,696	\$ 9,455,945
Gold Coast City Council	35,058	\$ 5,768,959
Brisbane City Council	33,000	\$ 6,915,084
Brisbane Magistrates Court	24,111	\$ 10,969,477
Southport Magistrates Court	18,340	\$ 7,444,455
Townsville Magistrates Court	14,381	\$ 5,147,744
Beenleigh Magistrates Court	12,262	\$ 4,686,817
Ipswich Magistrates Court	10,653	\$ 3,148,160
Cairns Magistrates Court	9,021	\$ 2,386,951
Caboolture Magistrates Court	7,806	\$ 3,197,437
Toowoomba Magistrates Court	6,483	\$ 2,255,649
Maroochydore Magistrates Court	6,448	\$ 3,122,772
Holland Park Magistrates Court	5,769	\$ 2,079,034
Richlands Magistrates Court	5,413	\$ 1,655,570
Rockhampton Magistrates Court	5,317	\$ 1,810,157
Sunshine Coast Regional Council	4,844	\$ 786,452
Redcliffe Magistrates Court	4,643	\$ 1,527,354
Mackay Magistrates Court	4,057	\$ 2,075,483
Pine Rivers Magistrates Court	3,927	\$ 1,195,564
Cleveland Magistrates Court	3,730	\$ 1,149,676
Cairns Regional Council	3,338	\$ 495,889
Bundaberg Magistrates Court	3,084	\$ 1,026,623
Ipswich City Council	2,734	\$ 656,331
Toowoomba Regional Council	2,683	\$ 382,018
Office Of Liquor And Gaming Regulation (Liquor)	2,681	\$ 1,109,324
Hervey Bay Magistrates Court	2,514	\$ 1,062,873
Wynnum Magistrates Court	2,235	\$ 904,523
Griffith University	2,223	\$ 321,075
Sandgate Magistrates Court	2,208	\$ 622,967
Maryborough Magistrates Court	2,130	\$ 1,006,684
Gladstone Magistrates Court	2,120	\$ 1,114,373
Caloundra Magistrates Court	2,052	\$ 689,421
Mount Isa Magistrates Court	1,960	\$ 792,010
Gympie Magistrates Court	1,877	\$ 743,895
Noosa Magistrates Court	1,843	\$ 691,414
Mareeba Magistrates Court	1,719	\$ 613,780
Rockhampton Regional Council	1,535	\$ 354,024
Department Of Environment and Heritage Protection	1,387	\$ 460,416
Beaudesert Magistrates Court	1,381	\$ 492,617
Moreton Bay Regional Council	1,282	\$ 391,234
Coolangatta Magistrates Court	1,257	\$ 432,894
Innisfail Magistrates Court	1,190	\$ 322,707
Nambour Magistrates Court	1,182	\$ 427,450
Dalby Magistrates Court	1,160	\$ 401,525
Gatton Magistrates Court	1,142	\$ 441,330
The University Of Queensland	1,129	\$ 161,122
Atherton Magistrates Court	1,054	\$ 428,906
Mackay Regional Council	1,053	\$ 200,980
Logan City Council	915	\$ 224,632

Debt referrals by issuing agency 2016-17 YTD (as at 28 Feb 2017)

Issuing Agency	Volume of Debts	Value of Debts
Proserpine Magistrates Court	886	\$ 323,782
Yeppoon Magistrates Court	868	\$ 288,934
Noosa Shire Council 2014	836	\$ 146,228
Emerald Magistrates Court	824	\$ 248,904
Brisbane District Court	820	\$ 376,388
Victim Assist Queensland (VAQ)	818	\$ 2,182,482
Kowanyama Magistrates Court	803	\$ 165,663
Murgon Magistrates Court	778	\$ 241,966
Whitsunday Regional Council	732	\$ 159,685
Kingaroy Magistrates Court	714	\$ 232,780
Fraser Coast Regional Council	712	\$ 176,884
Warwick Magistrates Court	698	\$ 271,466
Mornington Island Magistrates Court	696	\$ 131,007
Chinchilla Magistrates Court	656	\$ 212,914
Bundaberg Regional Council	649	\$ 116,699
Cooktown Magistrates Court	638	\$ 147,705
Queensland Building & Construct Commission	623	\$ 1,061,977
Bowen Magistrates Court	604	\$ 270,321
Cherbourg Magistrates Court	587	\$ 135,395
Ayr Magistrates Court	565	\$ 247,074
Aurukun Magistrates Court	560	\$ 108,754
Doomadgee Magistrates Court	548	\$ 114,512
Gympie Regional Council	548	\$ 79,043
Queensland Rail	542	\$ 151,077
Far North Queensland Ports Corporation Ltd	539	\$ 68,367
Weipa Magistrates Court	533	\$ 144,493
Roma Magistrates Court	500	\$ 345,054
Tully Magistrates Court	497	\$ 146,391
Brisbane Supreme Court	487	\$ 178,320
Mossman Magistrates Court	474	\$ 184,709
Ingham Magistrates Court	465	\$ 123,938
Redland City Council	442	\$ 118,473
Charters Towers Magistrates Court	439	\$ 134,600
Woorabinda Magistrates Court	429	\$ 104,746
Yarrabah Magistrates Court	428	\$ 100,178
Queensland University Of Technology	416	\$ 55,992
Mount Isa City Council	410	\$ 127,746
Biloela Magistrates Court	395	\$ 127,785
Palm Island Magistrates Court	394	\$ 92,585
Stanthorpe Magistrates Court	391	\$ 140,967
St George Magistrates Court	387	\$ 114,543
Toogoolawah Magistrates Court	377	\$ 110,810
Sarina Magistrates Court	367	\$ 138,163
Normanton Magistrates Court	366	\$ 85,621
Fisheries Queensland – Department of Agriculture, Fisheries & Forestry	360	\$ 226,309
Nanango Magistrates Court	352	\$ 137,272
Goondiwindi Magistrates Court	341	\$ 115,408
Longreach Magistrates Court	314	\$ 84,514
Darling Downs Hospital and Health Service (formerly Toowoomba Hospital)	293	\$ 62,322
Moranbah Magistrates Court	291	\$ 100,859
Lockhart River Magistrates Court	289	\$ 71,610
Western Downs Regional Council	289	\$ 83,985
Mareeba Shire Council 2014	289	\$ 85,162

Debt referrals by issuing agency 2016-17 YTD (as at 28 Feb 2017)

Issuing Agency	Volume of Debts	Value of Debts
Pormpuraaw Magistrates Court	282	\$ 57,172
Charleville Magistrates Court	279	\$ 114,149
Southport District Court	275	\$ 165,188
Oakey Magistrates Court	263	\$ 79,125
Gayndah Magistrates Court	258	\$ 122,219
Bamaga Magistrates Court	252	\$ 72,122
Blackwater Magistrates Court	226	\$ 65,944
Cairns District Court	218	\$ 95,690
Gladstone Regional Council	211	\$ 65,636
Beenleigh District Court	199	\$ 74,033
Office Of Fair Trading	198	\$ 180,354
Cloncurry Magistrates Court	195	\$ 69,633
Thursday Island Magistrates Court	187	\$ 52,151
Cunnamulla Magistrates Court	186	\$ 61,390
Childers Magistrates Court	179	\$ 81,627
Townsville District Court	174	\$ 213,886
Cassowary Coast Regional Council	156	\$ 46,649
Goondiwindi Regional Council	152	\$ 44,826
Ipswich District Court	149	\$ 71,771
Townsville Port Authority	120	\$ 16,914
Inglewood Magistrates Court	116	\$ 32,268
Southern Downs Regional Council	109	\$ 26,375
Coen Magistrates Court	102	\$ 29,924
Metro North Hospital and Health Service	98	\$ 19,203
Maroochydore District Court	95	\$ 33,710
Central Highlands Regional Council	95	\$ 37,472
James Cook University	94	\$ 13,186
Rockhampton District Court	93	\$ 76,358
Toowoomba District Court	90	\$ 38,621
Blackall Magistrates Court	84	\$ 32,087
Maranoa Regional Council	78	\$ 26,382
Mackay District Court	77	\$ 32,026
Lockyer Valley Regional Council	66	\$ 21,403
Somerset Regional Council	64	\$ 29,104
Barcaldine Magistrates Court	63	\$ 20,058
Pittsworth Magistrates Court	60	\$ 23,186
Hughenden Magistrates Court	55	\$ 15,774
Taroom Magistrates Court	55	\$ 15,910
South Burnett Regional Council	53	\$ 16,035
Georgetown Magistrates Court	52	\$ 21,964
Mount Garnett Magistrates Court	49	\$ 14,734
Clermont Magistrates Court	48	\$ 21,076
Cairns Supreme Court	47	\$ 16,005
Mitchell Magistrates Court	46	\$ 22,671
Isaac Regional Council	46	\$ 23,132
Camooweal Magistrates Court	43	\$ 14,920
Winton Magistrates Court	41	\$ 11,750
Richmond Magistrates Court	40	\$ 12,847
Rockhampton Supreme Court	40	\$ 15,845
Townsville Supreme Court	40	\$ 13,772
Mount Isa District Court	39	\$ 13,312
Scenic Rim Regional Council	36	\$ 22,217
Office Of Liquor And Gaming Regulation (Gaming)	34	\$ 29,549

Debt referrals by issuing agency 2016-17 YTD (as at 28 Feb 2017)

Issuing Agency	Volume of Debts	Value of Debts
Toowoomba Supreme Court	33	\$ 11,362
Moa Island Magistrates Court	33	\$ 7,637
Millmerran Magistrates Court	32	\$ 8,951
Wujal Wujal Magistrates Court	32	\$ 4,216
Maryborough District Court	31	\$ 25,890
Balonne Shire Council	29	\$ 8,706
Bundaberg District Court	29	\$ 12,190
Department of Environment and Heritage Protection (Environmental Protection)	27	\$ 295,536
Warwick District Court	27	\$ 12,280
Quilpie Magistrates Court	27	\$ 9,627
Mackay Supreme Court	27	\$ 9,940
Hervey Bay District Court	27	\$ 9,112
Queensland Health - Public Health Services	26	\$ 14,639
Banana Shire Council	25	\$ 11,427
Workplace Health And Safety Queensland	25	\$ 63,459
Electrical Safety Office – Department of Justice and General	24	\$ 14,214
Gympie District Court	23	\$ 7,919
Julia Creek Magistrates Court	23	\$ 8,284
University Of Southern Queensland	22	\$ 2,737
Burketown Magistrates Court	22	\$ 5,447
Gladstone District Court	21	\$ 8,886
Badu Island Magistrates Court	20	\$ 3,337
Murweh Shire Council	18	\$ 6,164
Dalby District Court	18	\$ 6,186
Innisfail District Court	18	\$ 7,759
Livingstone Shire Council 2014	17	\$ 3,524
Victim Assist Queensland (CICU)	16	\$ 410,988
Douglas Shire Council 2014	15	\$ 7,457
Boulia Magistrates Court	14	\$ 3,568
Yorke Island Magistrates Court	14	\$ 2,713
Tambo Magistrates Court	13	\$ 6,539
Darnley Island Magistrates Court	13	\$ 1,678
Mabuiag Island Magistrates Court	13	\$ 4,869
Saibai Island Magistrates Court	12	\$ 2,233
Queensland Fire and Emergency Service	10	\$ 47,192
Emerald District Court	9	\$ 3,099
Mer Island Magistrates Court	9	\$ 2,189
Warraber Island Magistrates Court	9	\$ 1,670
Charters Towers Regional Council	9	\$ 2,447
Townsville Childrens Court - Magistrate	8	\$ 3,112
Tablelands Regional Council	8	\$ 3,280
North Burnett Regional Council	8	\$ 2,410
Charleville District Court	7	\$ 6,066
Charters Towers District Court	6	\$ 2,066
Boigu Island Magistrates Court	6	\$ 874
Yam Island Magistrates Court	6	\$ 974
Sunshine Coast Hospital And Health Service	5	\$ 1,147
Monto Magistrates Court	5	\$ 2,030
Mount Isa Supreme Court	5	\$ 1,722
Bowen District Court	4	\$ 1,377
Roma District Court	4	\$ 1,377
Bundaberg Supreme Court	4	\$ 1,377
Department Of Natural Resources And Mines	4	\$ 8,267

Debt referrals by issuing agency 2016-17 YTD (as at 28 Feb 2017)

Issuing Agency	Volume of Debts	Value of Debts
Goondiwindi District Court	3	\$ 1,033
Kingaroy District Court	3	\$ 1,033
Maryborough Supreme Court	3	\$ 1,033
Caboolture Childrens Court - Magistrate	3	\$ 747
Maroochydore Childrens Court - Magistrate	3	\$ 2,300
Residential Tenancies Authority	3	\$ 5,379
Burdekin Shire Council	2	\$ 423
Prostitution Licensing Authority	2	\$ 1,836
Cook Shire Council	1	\$ 1,889
Rockhampton City Council	1	\$ 112
Birdsville Magistrates Court	1	\$ 115
Dajarra Magistrates Court	1	\$ 115
Mackay Childrens Court - Magistrate	1	\$ 500
Mount Isa Childrens Court - Magistrate	1	\$ 741
Murgon Childrens Court - Magistrate	1	\$ 500
Total	751,335	\$ 233,027,269