



Speech By  
**Hon. Curtis Pitt**


**MEMBER FOR MULGRAVE**

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Record of Proceedings, 2 March 2017

## **STATE PENALTIES ENFORCEMENT AMENDMENT BILL**

### **Introduction**

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (3.00 pm): I present a bill for an act to amend the Land Act 1994, the Land Title Act 1994 and the State Penalties Enforcement Act 1999, and to amend the legislation mentioned in schedule 1, for particular purposes. I table the bill and explanatory notes. I nominate the Finance and Administration Committee to consider the bill.

*Tabled paper:* State Penalties Enforcement Amendment Bill 2017 [\[349\]](#).

*Tabled paper:* State Penalties Enforcement Amendment Bill 2017, explanatory notes [\[350\]](#).

The Palaszczuk government is committed to improving the management of penalty debt in Queensland. The State Penalties Enforcement Registry, SPER, was established in 2000 to collect unpaid penalty debts. Since SPER's establishment there have been major changes to its operating environment and new approaches to penalty debt management. SPER currently administers debts totalling more than \$1.17 billion. This debt level that was inherited by this government was made worse by the former treasurer's decision to automatically refer all road toll fines to SPER. This was part of an effort by the then treasurer to fatten up SPER for potential outsourcing or privatisation. It was a move that reeked of the former treasurer's disastrous Strong Choices asset sales plan.

The impacts of the changes made by the former treasurer and now opposition leader were dramatic. Tolling debts registered with SPER in the first eight months of the 2014-15 financial year totalled \$92.3 million—more than triple the 2013-14 levels. Tolling debts now stand at a total of more than \$232 million. Provisions in the bill will modernise the management of penalty debt from unpaid fines or tolls with the aim of stopping large debts accumulating, introducing new options to address large debts when they do occur and lessening pressure on the SPER system and allowing it to do its job of collecting fines. Our aim is to reduce the overall SPER debt. The best way to do that, of course, is to stem the incidence of offences or ensure fines are paid on time in the first instance.

This government is implementing a new service model to enable SPER to move to a contemporary risk-based approach to debt management and recovery to ensure that SPER remains responsive to government and community needs. The new model involves moving from a one-size-fits-all debt recovery model to a contemporary risk-based approach that uses targeted strategies to enable effective debtor case management. This approach will be supported by the previously announced replacement of SPER's ageing ICT system with a Software as a Service, SaaS, solution that will be implemented in a staged approach from the second half of this year. SPER's original operating model was based on the assumption that single debts would be repaid quickly. As this has not been the experience, SPER needs more flexibility. It needs to treat 'won't pay' customers differently to those experiencing genuine hardship and at the same time make it easier for customers who are willing and able to meet their obligations.

This government acknowledges there are some in the community who are in genuine hardship and cannot pay their debts. For many of these people, the requirement to pay SPER debts compounds existing long-term hardships. Currently, there are limited non-monetary finalisation options available. This bill will establish a work and development order scheme to provide Queenslanders experiencing genuine hardship with an expansive range of non-monetary options to reduce or pay off their SPER debt. The bill provides scheme eligibility criteria, including individuals experiencing domestic and family violence, homelessness, a substance use disorder and financial hardship. Government and community based providers that already deliver support to these individuals will be approved sponsors that manage individuals' scheme participation. Approved sponsors will assess a person's eligibility for a work and development order, develop treatment plans and supervise participants' activities which can include unpaid community work, drug and alcohol treatment and undertaking financial or other counselling among other options. Queenslanders in genuine hardship will be able to access the work and development order scheme in the second half of 2017.

Fees play a valuable role in safeguarding the integrity of fines as a viable sanction. By imposing a further financial cost at key points in the debt management process, fees incentivise debtor behaviour and early payment. The bill includes a streamlined and more equitable SPER fee structure by providing that as an enforcement action is taken by SPER a fee is added to the debtor's overall balance rather than to each debt. Fees will also be applied consistently across all SPER debts and enforcement activities. The bill also removes the administrative complexity associated with current arrangements for agencies that are entitled to retain the proceeds of fines and provides these agencies with greater certainty about the cost of using SPER's services.

As I have noted, when SPER's legislation was established, it was framed to manage individual penalties on the assumption that individuals would have one or two debts at any one time. However, this has not been the case. Today many individuals have multiple debts referred to SPER and continue to offend over extended periods so that management of individual penalties is impractical. SPER's new service model will take a case management approach using a person's payment, compliance and enforcement history with SPER and their current circumstances to determine an appropriate collection strategy, rather than just managing the payment of their individual debts. The bill enables this case management approach to be implemented by introducing case level payment plans with conditions that are largely determined by a person's previous interactions with SPER and requiring debtors to discharge their debt at a case level in order to lift enforcement action.

This government believes there is significant scope to improve accountability and performance for penalty debt management. The management of penalty debt is not simply about SPER. It is also about the effectiveness of fine-issuing agencies. This is why the government is undertaking an integrated whole-of-government approach to improve penalty debt management. The collective performance of penalty debt management depends on accurate information being available 'end to end' among the agencies involved in imposing and collecting penalties. Accordingly, this bill provides for an information-sharing regime which will authorise SPER and government agencies prescribed by regulation to share relevant information for the specific purposes provided for in the bill. Benefits include an enhanced ability to find and locate debtors to achieve improved debt recovery.

People issued with infringements will also benefit by having the maximum opportunity to receive correspondence to comply with their payment obligations, reducing the occurrence of disputes about non-receipt of correspondence and having appropriate debt treatment strategies applied. The bill expands the ways that people can be contacted. As well as residential addresses, it will allow documents to be sent to postal addresses—this means that people who have post boxes will get their penalty infringement notices and other correspondence sooner—and email addresses, with the consent of the person, so they can act more quickly. The changes are designed to reach people through the best available channels and encourage them to act. This should reduce the number of disputes about not receiving notices and generally give people more time to respond to notices.

The bill streamlines the disputes process for penalty debts by providing for different review processes if a dispute relates to non-receipt or late receipt of, or inability to respond to, certain correspondence. It will streamline the existing approach to disputes management for debtors who must currently engage with both SPER and administering authorities to resolve simple disputes about not receiving or being unable to act on a penalty infringement notice. The bill provides for decisions about those matters to be determined by the administering authority. This will improve government efficiency.

For repeat defaulters who do not pay their SPER debt, this government is getting tougher. The bill includes amendments to assist SPER's enforcement functions. The bill provides that vehicles can be immobilised for up to 14 days—up from the current five days—which will allow maximum opportunity for debtors to pay their debt before further enforcement action, such as vehicle seizure and sale, occurs. The bill also provides for the issue of a fine collection notice for the payment of a single amount from

accounts held by a debtor with a financial institution. Garnishing an amount from a debtor's financial institution account will be consistent with the practices of the Australian Taxation Office and other Australian enforcement agencies. Wages garnishment as an enforcement action will also be enhanced. To assist with modernisation of the act and the approach to penalty debt management, the bill also provides for technical changes, including the service of documents by electronic means and to postal addresses. This legislation provides the foundation for our state to modernise and enhance its penalty debt management approach. I commend this bill to the House.

### **First Reading**

**Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (3.09 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.


Motion agreed to.

Bill read a first time.

### **Referral to the Finance and Administration Committee**

**Mr DEPUTY SPEAKER** (Mr Crawford): In accordance with standing order 131, the bill is now referred to the Finance and Administration Committee.

### **Portfolio Committee, Reporting Date**

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer and Minister for Trade and Investment) (3.09 pm), by leave, without notice: I move—

That under the provisions of standing order 136 the Finance and Administration Committee report to the House on the State Penalties Enforcement Amendment Bill by 28 April 2017.