




Speech By
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MEMBER FOR TOOWOOMBA SOUTH

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STATE PENALTIES ENFORCEMENT AMENDMENT BILL

 **Mr JANETZKI** (Toowoomba South—LNP) (9.54 pm): I rise to make a contribution to the State Penalties Enforcement Amendment Bill. The objectives of the bill are broadly: to provide enhanced non-monetary debt finalisation options for people in hardship; establish more consistent fee arrangements; better manage disputes; grow information sharing; create an environment of better case management of debtors rather than the management of their individual debts; and further support SPER's enforcement functions.

This proposed bill needs to be put into some context, particularly after the prior comments of the member for Ipswich West. I find it interesting that the Treasurer has suggested—and it has been repeated by the member for Ipswich West—that the cause for this out-of-control SPER debt nearing \$1.2 billion is somehow the result of the LNP government's decision to refer all toll road fines to SPER. That is a bit of a dodgy claim and it is worth testing. The facts are that SPER was introduced by the Labor Party in 1999, so they sat around for a decade through to 2011 as that SPER debt grew ever larger. Then in 2011, as the debt grew ever worse, they made a very bad position even worse when the Bligh government changed the arrangements in relation to the tolling of Queensland roads just as they were privatising the motorways. When the LNP took power in 2012 it immediately started to address the problem.

In 2012-13 the then treasurer, now Leader of the Opposition, oversaw SPER's collection of nearly \$250 million in unpaid fees. Significant aged debts of five years or greater with little prospect of ever being repaid were written off, and that cleared the decks for a dedicated focus on debt collection. The LNP set in place a comprehensive SPER reform program including such things as wheel clamping, seizure, and sale to recover unpaid debts. SPER's ICT system was upgraded and some debt recovery functions were handed to specialist debt recovery firms. Many of those were dropped by the Labor government when they took office. Although they may have signed up a \$60 million IT contract to improve SPER's debt recovery potential, that may not even be delivered this year either. In the Toowoomba postcode 4350 we have nearly 10,000 debtors totting up over 60,000 individual debts with a total value beyond \$18 million. That makes Toowoomba the fourth most indebted postcode in Queensland.

This is a serious problem and something must be done. The total SPER debt has ballooned since the Labor government took office in 2015 by a further \$230 million. In addressing the total SPER debt, we also have to address the scenario where small fines for minor infractions are blowing out to enormous amounts due to people not knowing about them and which are unlikely ever to be repaid. Many stories of this nature were relayed to the committee during the hearings, and the member for Mermaid Beach reflected on a couple of those stories as well. I have heard plenty of anecdotes from around Queensland of people facing great challenges after dealing with SPER.

How is the bill proposing to solve these problems? Firstly, the bill is proposing work and development orders, and that is a major expansion on the fine option order regime that is described and outlined in sections 41 to 50 of the existing act. This regime allows SPER to convert a fine to

community service activity, and a fine option order is only available where the debtor has a demonstrated incapacity to repay the debt and is otherwise suitable to undertake unpaid community work. This is an important regime and it has served its statutory purpose well, as evidenced by the successful case studies outlined by a variety of charities including Roma House at Spring Hill and 139 Club in the Valley, which explained how debtors successfully completed community service and moved towards employment.

LawRight was a submitter to the committee, and they went on to say that an internal study they conducted revealed that 65 per cent of homeless people seeking assistance from their homeless persons' clinic have an average SPER debt of more than \$5,000. SPER has previously shown its adaptability in helping the homeless by adopting new practices which develop fine option orders as an appropriate option for homeless clients and generated an increase in their usage. They included the adjustment of financial eligibility thresholds for the homeless, parcelling of debt and the freezing of debt while part of the debt was being worked off. There is no doubt that these fine option orders grant appropriate protection to those most vulnerable in our community. This matters, as we know that homeless people are more likely to have interaction with law enforcement and are therefore more likely to incur fines for offences relating to public intoxication, public transport or offensive language.

As foreshadowed by the shadow Treasurer, the Labor proposals take this regime much further and put at risk the operation of the entire system. Amendments proposed by the shadow Treasurer to the work and development order provisions will seek to address these shortcomings. Specifically, the non-monetary options available to people in hardship under a work and development order are proposed to expand from simply community service under the current act to incorporate financial counselling, undertaking an educational, vocational or life skills course, drug and alcohol treatment and mentoring programs. In their statement of reservation, opposition members raised a concern about the lack of such services available in regional centres which will result in challenges accessing the proposed work and development order scheme. Although we know that the majority of SPER debt is found in urban centres, there is significant SPER debt around rural and regional Queensland.

Under the proposed changes it is conceivable that a SPER debtor could seek a work and development order and, instead of paying the fine or completing community service, as per the fine option system under the current act, the debtor could simply attend a few counselling sessions to 'pay off' their debt. There are two key problems with this particular scenario. Firstly, there is a question of fairness that must be answered. The last thing we can afford is for the law-abiding citizens of Queensland to be subsidising the recidivist activities of others. There can be no safety net for recidivists who leave the Queensland taxpayer picking up the tab. You cannot just park anywhere, speed when you feel like it and dodge a toll when the mood takes you.

Secondly, there is the question of who is going to pay for these work and development orders. The explanatory notes to the bill opine that any costs associated with these legislative amendments will be met from existing funding allocations and agency resources. The opposition members' statement of reservation described the idea that the implementation of the proposals in this bill would come at no extra cost to the Queensland taxpayer as preposterous. The bill is based on many aspects of the New South Wales model, which pumped significant funds into its implementation. It is not just the LNP opposition saying this in the statement of reservations. Submitters to the committee are onto this as well. I reflect on Mr Matsuyama from the Office of the Public Advocate, who said their main concern with the bill was that there would not be the funding that New South Wales had received to implement the work and development program. Mr Potts, Immediate Past President of the Queensland Law Society, said that their major concern was that the program be properly funded. And on it went.

Frankly, it is implausible that approved sponsors under the work and development order scheme will not seek compensation for their work in assessing a person's eligibility for the scheme, deciding what activities might be performed, making the application and then reporting on the applicant's progress. Further, it is implausible that businesses supporting the work and development order scheme would not seek additional funding to conduct courses, counselling or mentoring. The logical conclusion to all of this is that Queenslanders will not just forgo through the failure to collect SPER related debt; they will also forgo through providing services to those same debtors to let them off the hook.

The Treasurer needs to explain, should these proposals pass, where this funding will come from. The Treasurer needs to give Queensland taxpayers some assurance that the government has control over the budget and how the scarce taxpayer dollar is spent. The LNP will always back initiatives to make sure that people who owe money to Queensland taxpayers pay it off or work it off, if they are able to do so—quickly, fully and honestly. The shadow Treasurer's proposed amendments to the bill will make sure of that.