Regulatory Impact Solutions

Infringements Regulations 2026 and Fines Reform Regulations 2026

Regulatory Impact Statement

Preparation of Regulatory Impact Statement

The Government is proposing to make new regulations to replace the existing Infringements Regulations 2016 and Fines Reform Regulations 2017.

The purpose of this regulatory impact statement (RIS) is to assist interested stakeholders in reviewing the proposed Fines Reform Regulations 2026 and Infringements Regulations 2026. The RIS fulfils the requirements of the *Subordinate Legislation Act 1994* and facilitates public consultation on the proposed Fines Reform Regulations and Infringements Regulations. In accordance with the Victorian Guide to Regulation, the Government seeks to ensure that proposed regulations are well-targeted, effective and appropriate, and impose the lowest possible burden on Victorian businesses, individuals and the community.

A key function of a RIS process is to provide members of the public with the opportunity to comment on proposed statutory rules before they are finalised. Such input can provide valuable information and perspectives that improve the overall quality of the regulations. A copy of the proposed regulations is provided as an attachment to this RIS.

Public comments and submissions are invited on the proposed regulations and in response to information provided in this RIS. All submissions will be treated as public documents. Written submissions should be made on the Engage Victoria website at engage.vic.gov.au.

This regulatory impact statement, including the activity costing and fees modelling the RIS is based on, has been prepared with the assistance of Regulatory Impact Solutions, independent specialist consultants engaged by the Department of Justice and Community Safety.

Glossary

The current Regulations	Infringements Regulations 2016 and Fines Reform Regulations 2017
The proposed Regulations	Draft Infringements Regulations 2026 and Fines Reform Regulations 2026 released with this RIS
Department	Department of Justice and Community Safety
Director	Director, Fines Victoria
MCA	Multi-criteria analysis
MCV	Magistrates' Court of Victoria
NFD	Notice of final demand
PRN	Penalty reminder notice
RIS	Regulatory impact statement

Summary

Purpose

The issuing, management, and enforcement of infringement notices is primarily governed by the *Infringements Act 2006* (Infringements Act) and the *Fines Reform Act 2014* (Fines Reform Act).

The Infringements Act provides for the issuing and management of infringement notices by enforcement agencies, and referring of infringement matters to the Magistrates' Court in some situations.

The Fines Reform Act sets out an administrative model for the collection, management, and enforcement of unpaid infringement and court fines by the Director, Fines Victoria (Director). It also provides for the issuing of enforcement warrants by the Magistrates' Court and their execution by the Sheriff of Victoria if fines remain unpaid.

Supporting the effective operation of the Infringements Act and the Fines Reform Act (the Acts) are the Infringements Regulations 2016 (Infringements Regulations) and the Fines Reform Regulations 2017 (Fines Reform Regulations).

The Regulations operate collectively to set various fees related to the enforcement of infringement fines and court fines. The Regulations also include a small number of procedural and/or machinery provisions to support the operation of the Acts.

The Infringements Regulations sunset on 7 June 2026 and the Fines Reform Regulations sunset on 19 December 2027. It is proposed to remake both sets of regulations at the same time, ahead of June 2026 to ensure the fees in the Regulations more closely reflect the costs of fines management and collection activities, and that other provisions in the Regulations remain fit for purpose, based on stakeholder feedback on the operation of the fine system since major changes made by the Fines Reform Act commenced in full on 31 December 2017. The timing of remaking the Regulations is to provide certainty to enforcement agencies ahead of any fee changes that will commence from 1 July 2026.

As the proposed Regulations will impose a significant burden on a sector of the public (through the imposition of fees on late payers of fines and fine defaulters), a regulatory impact statement (RIS) must be prepared to support consultation and decision-making in relation to the proposed Regulations.

This RIS, including the activity costing and fees modelling the proposed fees are based on, has been prepared with the assistance of Regulatory Impact Solutions, independent specialist consultants engaged by the Department of Justice and Community Safety (the department).

Why are the Regulations needed?

The Regulations are needed to be able to charge fees related to fines. A review of current fees against the Government's Pricing Principles[1], independently conducted by Regulatory Impact Solutions on behalf of the department, indicated that fees should be set to recover all costs to government that arise as additional costs due to a fine recipient's inaction upon receiving an infringement notice or court fine collection statement, and subsequent inaction upon receiving a penalty reminder notice (PRN), notice of final demand (NFD), enforcement warrant, or seven-day notice. However, the current fees are recovering significantly less than the full costs of the services to which they relate—estimated to be around only 77 per cent of the costs that should be recovered through these fees. The current fees are projected to collect around $123.7 million per year (in 2025-26 dollars), compared to total costs of around $161 million.

The Regulations are also needed to give practical effect to parts of the overall fines system that, in the absence of specific regulations, could not operative effectively. This includes the need to prescribe certain forms and information supporting the administration of the system, including information to assist those unable to pay their fines.

Objectives

The objective of setting fees for fines enforcement is to recover the costs that arise because of a fine recipient's failure to pay or otherwise expiate their fine on time—to the extent that cost recovery is appropriate for the service provided—while ensuring other principles such as vertical equity[2] and simplicity are also maintained.

To inform the setting of fees in the proposed Regulations, the department completed a review of fees in accordance with the *Pricing for Value Guide*. The proposed fees align with the Pricing Principles, and the identification and assessment of options was driven by the following Pricing Principles considered most relevant to fee setting under the proposed Regulations:

1	Agencies should aim to recover the full costs of service provision to promote efficient consumption
2	The cost of service provision should be borne by those who benefit from the service (or in this case, those whose actions give rise to the need for government expenditure)
6	Users should pay for differentiated service based on the value created by that differentiation
8	Pricing should support positive behaviours
11	Pricing structures should be easy to understand and simple to administer
12	Pricing arrangements should be monitored annually and reviewed periodically

In setting fees, the department also sought to ensure that any fees supported the objectives of the overall fines system; that is, ensuring fine recipients are held accountable for offences, deterring further law breaking and minimising the costs of operating the fines system to deal with low-level offending.

For the parts of the Regulations that relate to matters other than setting fees, the objective is to ensure the fines system operates effectively, efficiently, and fairly.

[1] See DTF Pricing for Value – Pricing Principles
https://www.dtf.vic.gov.au/sites/default/files/2024-10/Pricing-for-Value-Guide-Pricing-Principles.pdf

[2] Vertical equity suggests that in some situations different people should pay different amounts for the same service, to reflect factors such as ability to pay.

The proposed fees

The fees in the proposed Regulations are one of three options assessed by the department. These options were as follows:

Table 1: Fee options assessed in this RIS

Option	Description
Option 1	Retain the current fee structure, updating fee amounts in accordance with updated data on costs
Option 2	Option 2 is based on the same cost data as Option 1, except the PRN fee has been lowered to 60 per cent of the corresponding cost, with the collection fee raised to achieve cost recovery on balance
Option 3	Option 3 is the same as Option 2, except it provides for a 50 per cent discount on the PRN fee and collection fee for concession card holders

The fee amounts that would apply under each option are outlined in Table 8 on page 25.

A multi-criteria analysis (MCA) was used to assess the feasible fee options. An MCA is usually the most appropriate decision-making tool to compare options in a fees RIS. An MCA involves:

- establishing criteria and weighting these criteria, which should be consistent with the objectives in the RIS
- scoring the feasible options against each criterion
- weighting scores for each criterion to determine the preferred option (the option with the highest score).[3]

For this RIS, the criteria for the MCA are based on the criteria typically used to assess fees in a RIS. These are set out below, together with the weightings for each criterion. Each of the main objectives (efficiency, equity, effectiveness and simplicity) were weighted at 25 per cent, given their equal importance.

Under the base case of no fees (that is, if all costs of enforcing payment of fines are borne by the taxpayer), all taxpayers would cross-subsidise fine recipients that do not take action on their fines. The imposition of fees reduces this impact on taxpayers.

Due to the way that fees are charged in relation to the fines lifecycle (under the legislation the fee is imposed at the beginning of each stage, regardless of what actions the person may take during that stage), there is a high amount of cross-subsidisation *between* fee payers at each lifecycle stage.

As cross-subsidisation can blunt some of the efficiency benefits of full cost recovery, the assessment of efficiency was split into two sub-criteria—15 per cent for cost recovery and 10 per cent for the specific impact on cross-subsidisation, given the nature of the fees being prescribed.

[3] Better Regulation Victoria, Guidance Note: Fees RISs, October 2021, page 10.

Table 2: Multi-criteria analysis criteria and weightings

Criterion	Description	Weighting
Efficiency – cost recovery	The extent to which each option recovers the full (efficient) cost of services, in aggregate, reducing the burden on taxpayers to pay for the activities that only arise because people do not take timely action on their fines.	15%
Efficiency – avoiding cross-subsidisation	While full cost recovery aims to minimise cross-subsidisation between fine recipients and taxpayers generally, it is also desirable to minimise cross-subsidisation between fine recipients. This criterion reflects the extent to which an option introduces cross subsidisation *between* different fee payers.	10%
Equity[4]	The extent to which fees affect the ability to pay (or in other words, imposition of fees may cause financial barriers to some fee payers).	25%
Effectiveness	The extent to which fees support or go against the broader policy objectives (in this case, the integrity of the criminal justice system in general and the efficacy of the infringements system in particular; this may include factors such as incentives for fine recipients to pay fines earlier by considering fee relativities at different stages, and the incentives for enforcement agencies to be active in ensuring offenders are accountable for their offences, and (for non-state government agencies) to make use of the mechanisms under the Fines Reform Act).	25%
Simplicity/ implementation	The extent to which fees are easy to understand and administer, including ease of determining appropriate fees in all situations, imposing fees, collecting payments and enforcement. For this RIS, this includes administrative and IT systems necessary to support the fines framework.	25%

Against each criterion, each option is scored relative to the base case of no fees.

The table below summarises the MCA scores for each of the options assessed.

Table 3: Summary of MCA outcomes

	Option 1		Option 2		Option 3	
	Score	Weighted score	Score	Weighted score	Score	Weighted score
Efficiency – cost recovery (15%)	**9**	1.35	**10**	1.5	**9**	1.35
Efficiency – avoiding cross-subsidisation (10%)	**-4**	-0.4	**-7**	-0.7	**-7**	-0.7
Equity (25%)	-1	-0.25	-1	-0.25	-0.5	-0.125
Effectiveness (25%)	**-3**	-0.75	**0**	0	**1**	0.25
Simplicity (25%)	**0**	0	**0**	0	**-6**	-1.5
Total score (weighted)		**-0.05**		**0.55**		**-0.725**

[4] The term equity here refers to 'vertical equity' – people pay according to their ability to pay. Another type of equity (horizontal equity – where people who consume the same (amount of a) service, and or give rise to the same level of regulatory costs, pay the same fee) is also relevant, but is essentially already reflected in the two efficiency criteria.

In summary, Option 1 scored highly on efficiency (high cost recovery) and has the least amount of cross-subsidisation of the options. However, it scores the worst on effectiveness, because the high PRN fee and lower collection fee risk distorting the incentives for earlier payment resulting in higher non-compliance overall, inconsistent with the legislative intent of the fines enforcement system.

Option 2 also scored highly on efficiency (full cost recovery), but results in a greater amount of cross-subsidisation. However, Option 2 is more closely aligned to a 'neutral' fee structure, consistent with incentivising compliance with payment or taking other action as early as possible in the fines lifecycle.

Option 3 provided minor improvement in the areas of equity and effectiveness, but the impact is limited given the existing mechanisms already in place to support fine recipients who have a limited ability to pay (including support to pay before any fees are imposed). This option would reduce efficiency by recovering less than the full costs of services and have a similar impact in terms of cross-subsidisation. Importantly, this option would require significantly more administrative effort to change systems to provide for concessional rates as well as to be able to verify the concessional status of a large group of fine recipients (reflected in the much lower score for simplicity). For these reasons, this option was found not to be an improvement.

Of the options assessed, Option 2 received the highest overall weighted score. It is noted that the outcome of the multi-criteria analysis (MCA) is subjective, based on the department's judgment, and that changes to the weighting of criteria or individual scores may change the outcome. However, the above scores reflect the department's views in relation to the factors considered, with the weighting of each broad set of factors (efficiency, equity, effectiveness and simplicity) being consistent, at 25 per cent each. On this basis, the preferred option is Option 2.

The preferred option for the setting of fees is as follows:

Table 4: Proposed fees[5]

	Current fees		Proposed fees		*Percentage change*
	Fee units	*Fee amount in 2025-26*	*Fee units*	*Fee amount in 2025-26*	
Penalty Reminder Notice fee	1.74	$29.20	3.00	$50.40	73%
Collection fee	9.01	$151.50	11.11	$186.80	23%
Enforcement warrant fee	3.94	$66.20	4.31	$72.40	9%
(Total fees paid by fine recipient, if all stages apply)	*14.69*	*$246.90*	*18.42*	*$309.60*	*25%*
Registration fee	5.21	$87.60	6.03	$101.40	16%

The above table shows the fees in fee units to be included in the proposed Regulations, and the dollar amounts of these fees in 2025-26. This is for comparison only. It is proposed that the current fees will apply until 30 June 2026, and the proposed new fees will commence from 1 July 2026, at which time the value of a fee unit will be changed, and the actual fee amount will be slightly higher.[6]

The proposed fees are higher than the current fees, reflecting the need to adjust fees to recover the costs to government and enforcement agencies of administering the fines system—in particular for those fine recipients who do not pay or otherwise deal with their fines on time.

The department also considered the proposed fees in the context of the corresponding fees charged in other jurisdictions. It is difficult to make direct comparisons as the overall framework for fines

[5] The *Monetary Units Act 2004* allows fee amounts to be rounded to the nearest 10 cents.

[6] The value of a fee unit for 2026-27 will be announced by the Treasurer before June 2026.

enforcement differs significantly between jurisdictions. However, in broad terms, the proposed PRN fee and warrant enforcement fee are within the range of fees charged in other states. While the proposed collection fee appears higher than that charged in other states, other states make use of a range of separate fees that accumulate during the equivalent stage.

The proposed fees are expected to raise the following revenue each year (for a full financial year, in 2025-26 dollars).

Table 5: Changes in fee revenue under preferred option

Revenue Summary	Current fees[7]	Proposed fees
State revenue		
Fee revenue from fine recipients for fines issued by state government enforcement agencies (all fees), and enforcement warrant fees for warrants on all fines	$94,828,438	$120,778,489
Revenue from registration fee from non-state government enforcement agencies	$28,902,271	$33,455,368
Total revenue to state from fees	$123,730,709	$154,233,857
change		*$30,503,148*
Non-state government enforcement agencies		
Fee revenue collected from fine recipients (collected directly by agency or collected on behalf of agency by Fines Victoria)	$28,529,518	$40,057,870
Registration fees paid by non-state agencies to the state	-$28,902,271	-$33,455,368
Net revenue from fees	-$372,753	**$6,602,502**
change		*$6,975,255*
Total fee revenue collected from fine recipients	$123,357,956	$160,836,359
change		*$37,478,403*
Total costs to state and enforcement agencies	$160,900,000	$160,900,000

The total amount of fees collected from fine recipients under the proposed option is around $161 million per year, which equates to the estimated costs to the state and other enforcement agencies of dealing with fine recipients after their fines become 'late' as noted above. This is around $37 million per year higher than if the current fees continued.

Other elements of the proposed Regulations

The proposed Regulations also set out several matters required to be prescribed under the Infringements Act or the Fines Reform Act, including:

- the content that must be included on notices served under the Infringements Act, such as infringement notices, official warnings, penalty reminder notices, withdrawals of infringement notices or official warnings, notices of final demand, summonses, notices of intention to charge land, notices of intention to sell charged land, enforcement warrants, seven-day notices, and community work permits

[7] All revenue figures in this RIS are forward projections (from 2025-26 onwards). They are only modelled estimates (based on expected fines volumes, the relevant fee amounts and the average rates of payment of fees) for each year (based on the year in which the fine is issued); as such they may differ from actual collected revenue, including the timing of when the payment of fees is actually collected. See also Appendix A.

- information to be given to the Magistrates' Court of Victoria (MCV) when an infringement is referred to the court for determination
- the statistical data enforcement agencies are required to report to the Attorney-General
- the time period within which an internal review of an infringement must occur
- criteria for determining homelessness, in order to give effect to the special circumstances provisions of the Infringement Act and the Fines Reform Act.

The prescribing of required information in these regulations ensures that information is conveyed in a consistent and efficient manner. In the absence of these regulations, information given to a fine recipient or the court about an infringement may be incomplete, misunderstood, or inaccurate. These aspects of the regulations impose requirements only on enforcement agencies, MCV or Fines Victoria, and therefore do not impose any regulatory burden on a sector of the public.

The proposed Regulations include various amendments to the required information in the notices to provide clearer information to fine recipients, and to assist them to expiate their fines more easily, including:

- the updated forms for a withdrawal of official warning and a penalty reminder notice will remove the requirement to assign and include an enforcement agency identifying reference number for the withdrawal—this change reflects that these notices already include the obligation number (a number assigned by Fines Victoria) and, in the case of the penalty reminder notice, the infringement notice number, and so further reference numbers are not required to identify the specific obligation and may lead to confusion for the fine recipient
- clarifying for infringement notices and penalty reminder notices that the recipient of the notice can take action other than paying the fine to avoid further enforcement action being taken
- adding legal and financial advice referral information to the prescribed details for a penalty reminder notice and further referral details in notices of final demand, in response to stakeholder requests
- amending the prescribed details for a notice of intention to place a charge over land under section 95(3)(a) of the Fines Reform Act to include information on options for a person to deal with their fines, and legal and financial advice referral information
- amending the prescribed details for a notice of intention to sell charged land under section 101(2)(a) of the Fines Reform Act to include legal and financial advice referral information
- amending the prescribed details for a seven-day notice under section 119(1)(a) of the Fines Reform Act to include clearer information on the manner in which a person may apply for the work and development permit scheme or the family violence scheme under the Fines Reform Act, and to include additional legal and financial advice referral information.

Some information required to be included on notices has also been updated to reflect changes in other legislation, organisational changes within Victoria Police, and to include other technical references.

The proposed Regulations also prescribe thresholds, definitions, and time periods that enable Fines Victoria to take action in relation to outstanding fines. This includes providing a definition of homelessness to ensure that people experiencing homelessness can apply for a review due to special circumstances and make use of other options to expiate fines other than payment, and a definition of protected level of income to ensure that money cannot be taken from a fine recipient's wages if they would be left with too low a level of income. No changes to these elements are proposed from the current Regulations, except that the description of the protected level of income has been updated to reflect changes in Commonwealth legislation.

The proposed Regulations further set out the information a person is required to provide to Fines Victoria or the Court when requested to provide details of their financial circumstances. This is expected to have a burden (through taking up a person's time) to provide the required information. The total burden is estimated at around $189,000 per year. This is considered a very small cost, given the importance of obtaining the correct financial information when making decisions about a person's fine debt. This cost is shared across about 6,000 fine recipients each year (a cost of around $31 per fine recipient).

Implementation of the proposed Regulations

The proposed Regulations largely remake the current Regulations with some changes. As such, the implementation of the proposed Regulations relies mostly on the existing systems put in place by Fines Victoria and enforcement agencies.

The proposed Regulations change the fee amounts to be charged by Fines Victoria and enforcement agencies. Fee amounts are already updated annually on 1 July in line with annual changes to the value of fee units under the *Monetary Units Act 2004*. It is proposed that the new Regulations will be made in the first half of 2026, with any fee changes to take effect from 1 July 2026, allowing the changes in fees to coincide with the annual update to fee amounts. Making the Regulations well ahead of July 2026 provides certainty to enforcement agencies of forthcoming fee changes and allows time for agencies to update relevant systems and information about the fee changes. Since the current Infringements Regulations sunset on 7 June 2026, the new Infringement Regulations will also extend the current fee amounts from the current Regulations until 30 June 2026.

The proposed Regulations also make minor changes to information to be included in various notices and information to be reported by enforcement agencies. The planned timing of making the new Regulations will provide appropriate lead time to ensure changes to internal systems and public information are made ready for commencement.

Evaluation of the proposed Regulations

The proposed Regulations will sunset in 2036, and their remake will be subject to another regulatory impact statement process.

Given the level of revenue generated by these Regulations, the department will consider undertaking a review of the proposed Regulations by end of 2031, subject to the timing of other fine system changes that broadly affect fees. This mid-point review would aim to check whether fees are still matched to costs and assess whether the changes to fees has led to changes in compliance (that is, more timely payment or other expiation of fines).

Ahead of that review, Fines Victoria will continue to collect a wide range of data about the fines system, as is currently collected and reported in the Annual Report on the Infringements System. Fines Victoria also regularly consults with enforcement agencies and other peak bodies on opportunities to make improvements to the fines system, including through its role in advising on the creation of infringements and the setting of their penalty values.

Next steps

The draft proposed Regulations are available with this RIS.

Submission and feedback on the proposed Regulations can be made via the Engage Victoria website at engage.vic.gov.au.

All submissions and feedback will be considered before a final decision on the making of the Regulations is taken. All submissions and feedback will be treated as public documents and may be published or provided to other parties.

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1 Background: how fines are used in Victoria

1.1 Infringements in Victoria

Many pieces of Victorian legislation[8] create offences, with corresponding penalties.[9] In general, in order to impose a penalty, an offender must be prosecuted in court, and upon sentencing, the court will impose a penalty up to the maximum court penalty specified in the relevant legislation. Prosecuting matters in court is time-consuming and resource intensive for prosecuting government agencies, the courts, legal aid, police and defendants.

Infringement penalties are often used to deal with minor law-breaking. Infringements are an alternative means of dealing with low-level criminal offences, enabling the offence to be dealt with by payment of a fixed infringement penalty, rather than requiring prosecution in court. An infringement notice is a notice issued by an enforcement agency setting out the details of a particular infringement offence and requiring payment of a financial penalty. The infringement penalty is usually much lower than the penalty that a court could impose if the matter was heard in court, as an incentive to resolve the matter quickly and efficiently.

Infringement notices are more commonly known as 'fines' and include officer-issued 'on the spot' fines, and camera-detected fines sent through the mail (for example, speeding fines). Infringements can be issued under state and local laws, including by Victoria Police, other state government agencies such as the Victorian Electoral Commission, local government agencies, universities, hospitals, some education institutions, and water corporations.

Infringement offences apply under a wide range of Victorian legislation, including laws relating to road safety, tolling, and various regulatory schemes. The infringements system also provides alternative pathways, including review mechanisms and non-financial options to expiate (or 'deal with') fines to assist people experiencing vulnerability or disadvantage.

The advantages of the infringements system include:[10]

- cost and time efficiencies for enforcement agencies, courts, legal aid, and offenders
- the avoidance of a conviction being recorded if the infringement is paid (except for deemed conviction offences such as drink-driving, drug-driving and excessive speed)
- certainty of the penalty amount needed to finalise a matter (rather than being determined by the court)
- lower maximum fine levels than may apply if the offence is prosecuted in court
- convenience of payment, including through payment plans and payment arrangements for eligible fine recipients
- individual circumstances being recognised without the need to go to court, including through:

[8] Including 'primary' legislation (Acts of Parliament), as well as subordinate legislation made under the authority of an Act, such as statutory rules (Regulations), Ministerial directions or orders, local laws and other types of legislative instruments.

[9] The provision that creates an offence generally provides for the court maximum penalty while the relevant regulations prescribe the infringement penalty. Maximum penalties for an offence are expressed by reference to the penalty scale under section 109 of the *Sentencing Act 1991*. The penalty scale has levels setting out the maximum imprisonment length and maximum fine value applicable to each level. For infringement penalties, these are set in accordance with the 'Attorney-General's Guidelines to the *Infringements Act 2006*'. Infringement penalties are generally set at no more than 25 per cent of the court maximum.

[10] See Attorney-General's Guidelines to the Infringements Act 2006 – for Legislating Agencies: https://www.justice.vic.gov.au/justice-system/attorney-generals-guidelines-to-the-infringements-act-2006/for-Legislating-Agencies#ftntwo

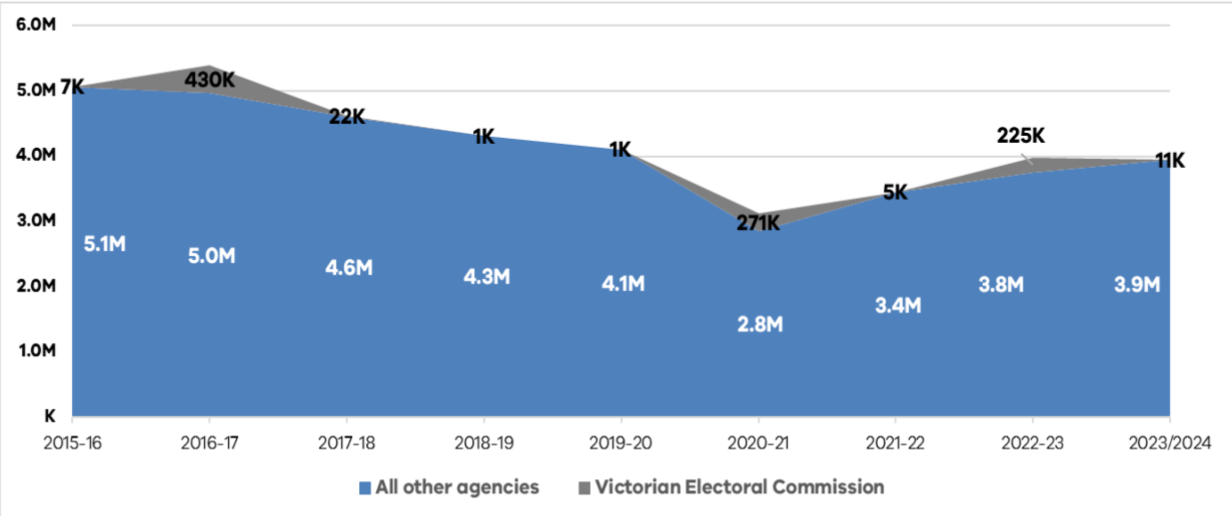
- review mechanisms enabling applicants to apply on grounds including special circumstances or exceptional circumstances[11]
- the nominations process enabling fine recipients to nominate another person as the offender for certain driving-related offences where they were not responsible
- special schemes for vulnerable fine recipients to address their fines such as the work and development permit scheme, the time served scheme for prisoners, and the family violence scheme (discussed under 1.4 below).

Not all offences can be dealt with by infringement notice and even when they are infringement offences, an enforcement agency is not required to issue an infringement notice. An agency may decide to prosecute an offence in court, for instance where the underlying offending conduct is more serious than typical examples of the offence.

1.2 Volume of infringement fines

In 2023-24 there were approximately 4 million infringement fines issued in Victoria. Most infringement fines issued were for traffic (52.4 per cent)[12] and parking (41.8 per cent) offences.

Figure 1: Number of infringement notices issued in Victoria (2015-16 to 2023-24)[13]



Aside from lower volumes during the COVID-19 period, the number of infringement notices in 2023-24 is lower than the number issued up to eight years ago.[14] There are likely to be a number of reasons for this decline, including known causes such as reduced toll fines following the introduction of the one fine per week policy, the increased use of road safety cameras causing reductions in average speeds across metropolitan areas, and suspected causes which are more difficult to quantify such as the rollout of speed limit alerts on vehicle and mobile phone navigation technology systems which will

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[11] These review processes may not apply to drink-driving, drug-driving and excessive speed offences (See, for example, section 31 of the *Fines Reform Act 2014*).

[12] Traffic fines refer to toll road usage and road safety related fines (including red-light and speeding fines except those for excessive speed or drink and drug-driving).

[13] Source: DJCS data. Fines issued by the Victorian Electoral Commission are shown separately as they are linked to the timing of elections, and therefore not regular types of fines that occur each year.

[14] 2016-17 and 2020-21 were unusually high-volume years for infringement fines issued for failing to vote in local government elections held during those years. This increase is also seen in the 2022-23 reporting year, as state government elections were held in November 2022. Although the change in the volume of infringement fines has been uneven over the past nine years from 2015-16 to 2023-24, the annual number of infringements issued has decreased by an average of 1.6 per cent per year, totalling roughly a 21.8 per cent decrease overall despite population growth during that period.

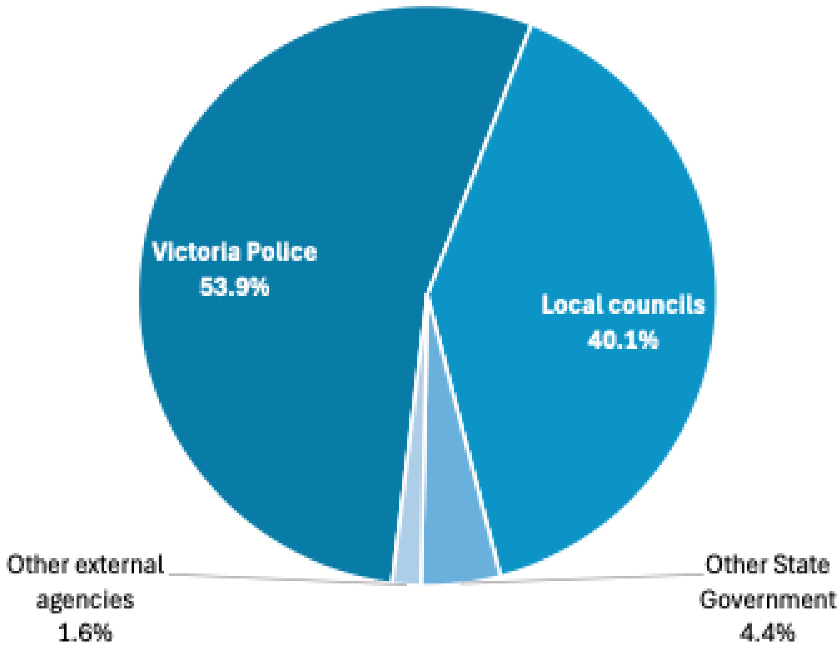
continue to improve driver compliance over time. The department does not have data that clearly correlates the overall reduction over this period to the various individual causes.

While Victoria Police and local councils issue most of the infringement fines in Victoria, over 130 enforcement agencies have the power to do so, including universities and hospitals.

The breakdown in fines issued by agency type for 2023-24 was as follows:

- Victoria Police issued the most infringement fines (2.1 million, or 53.9 per cent)
- Local councils issued 1.6 million infringement fines (40.1 per cent)—most infringement fines issued by local councils were for parking offences
- State government agencies (excluding Victoria Police) issued 173,899 infringement fines (4.4 per cent)
- Other enforcement agencies (such as hospitals and universities) issued approximately 64,600 infringement fines (1.6 per cent).

Figure 2: Infringements by enforcement agency type



These proportions are broadly typical of each year, excluding peaks related to elections.

Some enforcement agencies do not issue infringement notices despite having the power to do so, and others may only issue a low number of them.

1.3 Legislative framework for infringements in Victoria

The issuing, management, and enforcement of infringement notices is governed by the *Infringements Act 2006* (Infringements Act) and the *Fines Reform Act 2014* (Fines Reform Act).[15]

For an infringement notice to be issued for a particular offence, the originating legislation creating that offence must specify that an infringement notice may be issued for that offence by a relevant authorised officer, and that the offence is an infringement offence for the purposes of the

[15] Other relevant legislation that forms part of the broader infringement framework includes the *Road Safety Act 1986*, *Children, Youth and Families Act 2005*, *Sheriff Act 2009*, *Criminal Procedure Act 2009*, and the *Magistrates' Court Act 1989*.

Infringements Act.[16] Infringement offences are contained in more than 80 statutes and regulations, covering a wide range of subject matter and offending behaviour.

The Infringements Act sets out:

- procedural requirements for the issuance and management of infringement notices, including the provision of payment plans and the conduct of internal reviews by enforcement agencies, and
- a process for matters originating by infringement notice to be referred to the Magistrates' Court of Victoria (MCV) (or, if the fine recipient is a child, the Children's Court) for hearing and determination.

Upon receiving an infringement notice, a fine recipient may choose to:

- pay the fine
- enter into a payment plan or arrangement to pay in instalments or to extend the time to pay
- seek a review of the decision to issue the infringement notice
- elect to have the offence heard in court
- take an action available under other legislation (if eligible), such as the work and development permit scheme, the time served scheme for prisoners, the family violence scheme, or nominate another person who is responsible for committing the offence (for some driving-related offences).

Finalising the fine through one of the above actions, aside from electing to have the matter heard in court, expiates the offence (there is no conviction or finding of guilt).[17]

If a person does not take one of the available actions listed within the time limits under the Infringements Act (generally 21 days), the matter can escalate. The enforcement agency may decide to prosecute the person in court. The court may issue an enforcement warrant against the person, which authorises the Sheriff to demand payment, or if payment is not made, seize and sell the person's property, or arrest them.

The Fines Reform Act commenced in full on 31 December 2017, creating a new administrative model for collection, management, and enforcement of unpaid fines by the Director, Fines Victoria (the Director).[18] The Act provides for:

- the registration of unpaid infringement fines for enforcement by the Director[19]
- the administration of payment arrangements by the Director
- enforcement review of the decision by the enforcement agency to issue the fine and whether enforcement should continue

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[16] For example, see section 91(1) of the *Conservation, Forests and Lands Act 1987*.

[17] Except for some offences such as drink-driving, drug-driving and excessive speed, which attract a deemed conviction. Other penalties may also continue to apply, for example demerit points.

[18] For simplicity, this document refers to "Fines Victoria" when discussing activities in the enforcement stage of the fines system in general terms, unless it is necessary in the context to refer to the legislated role title of Director, Fines Victoria (the Director). The intent of the Fines Reform model is to increase the efficiency and effectiveness of processing and revenue collection and to improve the experience of debtors, particularly vulnerable Victorians. The fines reform aims to: centralise managing and enforcing infringements and court fines with Fines Victoria; shorten collection and enforcement time frames; provide improved social justice initiatives to support vulnerable and disadvantaged people to deal with their fines; and enhance and streamline review processes to ensure a fair and transparent infringement system and reduce the burden on the court system.

[19] Except where the fine recipient is a child, the offence is under a local law, or the offence is otherwise prescribed as non-registrable.

- social justice schemes administered by the Director (the work and development permit scheme, the time served scheme, and the family violence scheme)
- unpaid fines to be enforced by the Director through criminal sanctions such as driver and vehicle sanctions (for example, suspension of a driver licence or vehicle registration), charges over land, sale of land, and attachment of debt and earnings
- enforcement warrants to be issued by MCV where fines remain unpaid, authorising other sanctions by the Sheriff of Victoria such as the clamping of vehicles, removal of number plates, seizure of property and arrest of fine defaulters.

Enforcement agencies may register their fines with the Director, Fines Victoria, however it is not mandatory that they do so. Agencies may choose to enforce their fines themselves, including by using a debt collection agency or by initiating court proceedings for unpaid fines.

Who is the Director, Fines Victoria?

The Director, Fines Victoria, is a statutory officeholder and an employee of the Department of Justice and Community Safety with fines-related statutory functions and powers set out in legislation (as listed above).

What is Fines Victoria?

Fines Victoria is a public-facing 'one stop shop' for fine recipients to pay or manage unpaid fines.

It is a broad umbrella term for fines-related services provided by the department with the support of its contracted service provider. These services include sending out infringement-related notices, collecting payments, processing payment arrangements, undertaking administrative tasks to support fines applications, and managing the contact centre for fine recipients.

Fines Victoria services support the delivery of fines-related statutory functions of Victoria Police and most state government enforcement agencies, the Director, Fines Victoria, and the Sheriff of Victoria. Combining these services under one Fines Victoria umbrella promotes efficiency, consistency, and simplicity for fine recipients.

1.4 The fines lifecycle

The following figure summarises the three key stages of infringements in Victoria and the approximate volume of fines at each stage per year (average estimate based on long-term data on the number of matters that flow through to each stage).

Figure 3: The stages for infringement fines

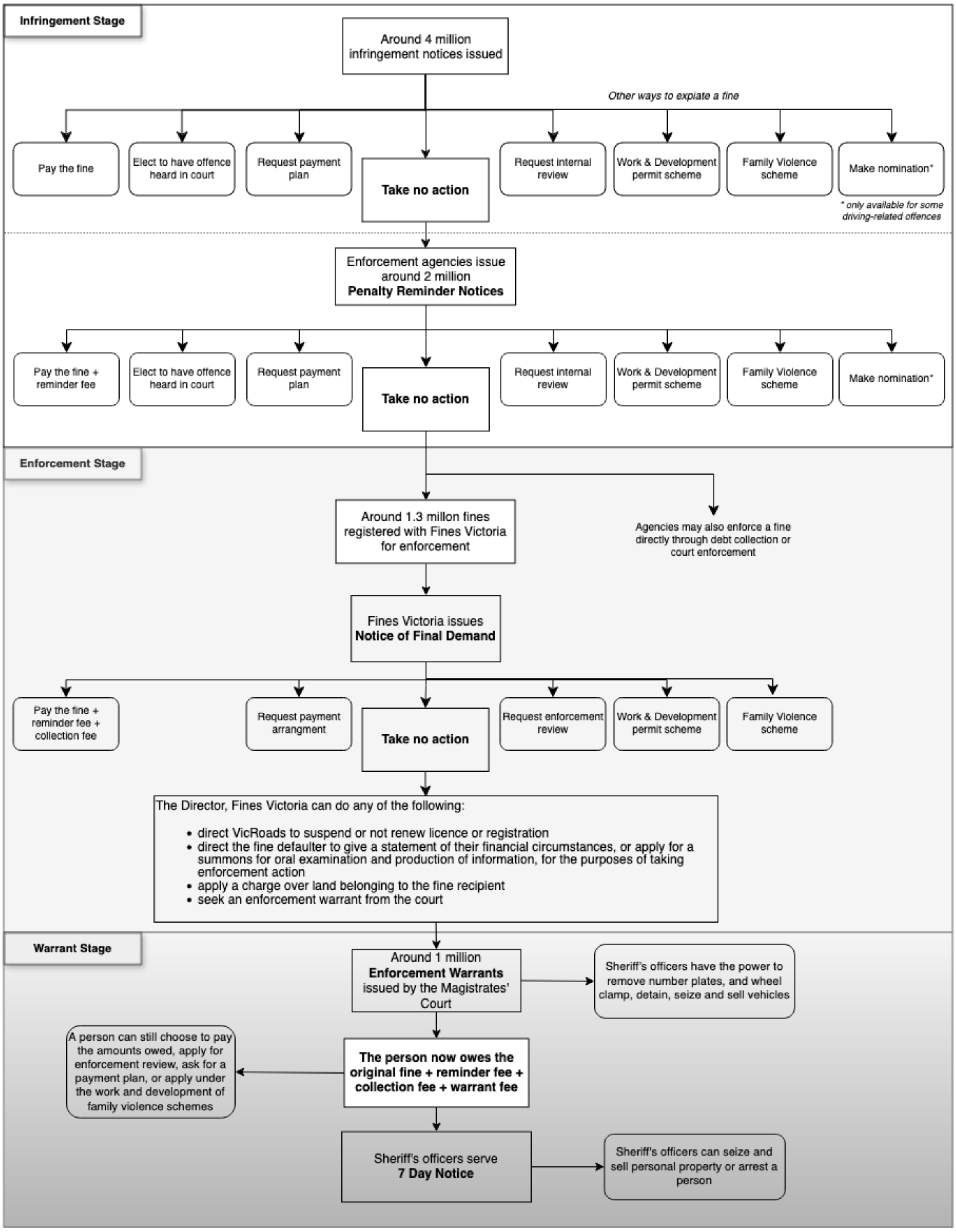

Figure 3 presents the options within the lifecycle as they apply to infringement fine recipients who are natural persons. For fine recipients who are body corporates (companies), the options to apply for a work and development permit or the family violence scheme, and ability to be served with a seven-day notice at the warrant stage, do not apply. Within the fines lifecycle, the infringement stage is managed by the relevant enforcement agency.[20] Following the penalty reminder notice period, if the fine recipient has not paid or otherwise successfully dealt with the infringement, it will progress through the enforcement and warrant stages shown in

[20] By agreement, Fines Victoria manages the infringement stage on behalf of some agencies—Fines Victoria deals with Victoria Police tolling and traffic camera fines, and fines issued by 26 other state government enforcement agencies (see Appendix D).

Figure 3.

In the enforcement stage, the Director, Fines Victoria[21] may impose administrative sanctions on the fine recipient, including:

- directing VicRoads to suspend or not renew their licence or registration
- directing the fine recipient to provide a statement of their financial circumstances for the purposes of determining next steps for enforcement action
- making an 'attachment of earnings order', which is a court order that allows money to be taken directly from a fine recipient's income to recover the fine amount
- making an 'attachment of debts direction', which is an order that allows money to be taken from a deposit-taking institution (such as a bank) to recover the fine amount, or
- applying a charge over land belonging to the fine recipient.

The Director can also seek an enforcement warrant. Once MCV issues an enforcement warrant, a sheriff's officer has the power to:

- seize property (if the warrant is against a body corporate), or
- wheel clamp, detain, seize and sell vehicles, or
- remove number plates.

At this stage, a person can still choose to pay the amounts owed, apply for an enforcement review, ask for a payment arrangement, or apply under the work and development permit or family violence schemes.

At any time until the outstanding amount is paid or otherwise expiated, a sheriff's officer can serve a seven-day notice on the person. After seven days from service of the notice, sheriff's officers can seize and sell the person's property or arrest them. The person can no longer choose options other than to pay the amounts owed.[22]

Under the current arrangements, which includes additional fees for later stages of the lifecycle (see next chapter), many fine recipients tend to engage with their fine and pay or otherwise expiate their fine closest in time to the initial offending, and actively engage less with the fines system further along the fines lifecycle. This means that payment rates of the fines (and associated fees adding to the amount owed) tend to be higher in the infringement stage than in the subsequent enforcement stage and then the warrant stage. It is unclear to what extent the fees themselves contribute to this pattern, or whether it would be similar in the absence of fees (motivated only by a person's desire to promptly pay a fine and/or avoid sanctions or court action). However, in considering fee options for the proposed Regulations, it has been important to consider how fees may provide incentives or disincentives for fine recipients to deal with their fines in a more timely manner.

The infringements system supports those who are vulnerable or disadvantaged and should be excused from paying an infringement fine. Prior to the expiry of the seven-day notice, an eligible person can apply for:

- review (conducted by the enforcement agency at the infringement stage or the Director, Fines Victoria at the enforcement stage) on the ground that:

[21] Not all enforcement agencies choose to register infringements with Fines Victoria for enforcement, and some agencies are not eligible to do so. See Appendix D.

[22] A seven-day notice is served only on a natural person. If the warrant is against a body corporate, a seven-day notice is not required, and sheriff's officers may seize and sell property including, but not limited to, vehicles as soon as the warrant is issued.

- the person has special circumstances (for example, homelessness or mental illness) excusing them from paying their infringement
  - the person did not know about the fine (person unaware)
  - the fine was invalid or improperly issued (contrary to law)
  - the fine was issued to the wrong person (mistake of identity)
  - the offence occurred due to an extraordinary or unavoidable situation (exceptional circumstances)
- a work and development permit, which provides people experiencing vulnerability with non-financial options to deal with infringement fines (for example, by undertaking treatment or participating in other approved activities)
- their infringement fine to be withdrawn under the family violence scheme, which applies if family violence substantially contributed to the offence or it is not safe for the fine recipient to name the responsible person
- the time served scheme that allows people who are, or were in prison, to convert their fines into time served in prison.

1.5 Court fines

A court fine, as distinct from an infringement fine, is the money payable by a person under a sentencing order of a court after they have pled or been found guilty of an offence, including court costs.[23]

Since 31 December 2017, the Director, Fines Victoria is responsible for collecting and enforcing fines issued by courts.[24] This is designed to reduce the administrative burden on the courts of enforcing fines and supporting fine recipients to manage their fines more easily (for example, by centralising payment arrangements for both court and infringement fines).

Court fines are referred to Fines Victoria for collection under the Fines Reform Act by default unless the court imposing the fine orders that the fine not be referred.

Once referred, a person must pay the court fine according to the terms of the court order. If the person does not comply, the court fine is generally registered with the Director, Fines Victoria for enforcement and enforced similar to an infringement fine.

For court fines, there is no exact equivalent to the infringement stage shown in Figure 3 above. Once a court fine is referred to Fines Victoria, the Director issues a court fine collection statement. The only options available for court fines are to pay the fine, or apply for a payment arrangement.[25] If the fine is not paid, or a payment arrangement is not requested, the fine moves to the enforcement stage similar to infringements, with issue of a notice of final demand, and then the warrant stage. The options to apply for review, a work and development permit, or the family violence scheme, are not available for court fines.[26]

In 2023-24 there were 52,684 court fines referred to Fines Victoria for collection.

As well as court fines that arise from prosecutions by Victorian enforcement agencies, court fines referred to Fines Victoria also arise from prosecutions by Commonwealth agencies in Victorian courts.

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[23] See section 3 of the *Sentencing Act 1991* for a complete definition and exclusions. Court fine can also include any other 'fine' imposed on an offender by a court in accordance with any other Act (s. 3 of the Fines Reform Act).

[24] In Victoria, courts include the Magistrates' Court of Victoria, the County Court of Victoria and the Supreme Court of Victoria.

[25] If the court makes an instalment or time to pay order for the court fine, the Director will collect and manage the fine according to those terms. The Director can also make a payment arrangement with the fine recipient.

[26] A recipient of a court fine who was not present when the order was made, may be eligible to apply to the court for a rehearing.

In 2023-24, there were around 200 court fines referred for collection by Victorian courts for prosecutions by, among others, the Australian Federal Police, Customs and Border Protection, Australian Bureau of Statistics, Australian Electoral Commission, Australian Security and Investments Commission, Services Australia and the Australian Tax Office.

2 The problem being addressed by the proposed Regulations

2.1 Context: fees in the current Regulations

Supporting the effective operation of the Infringements Act and the Fines Reform Act are the Infringements Regulations 2016 (Infringements Regulations) and the Fines Reform Regulations 2017 (Fines Reform Regulations).

The two sets of regulations prescribe fees. The current fees are as follow.[27]

Table 6: Prescribed fees in the current Regulations

	Paid by	Prescribed fee (fee units)	Fee amount in 2025-26
Infringements Regulations			
Penalty reminder notice fee	Fine recipient	1.74	$29.20
Fines Reform Regulations			
Collection fee (upon the service of notice of final demand)	Fine recipient	9.01	$151.50
Enforcement warrant fee (on the issue of an enforcement warrant)	Fine recipient	3.94	$66.20
Registration fee (on the registration of court fine under section 15 or infringement fine under section 16)[28]	Non-state government enforcement agency	5.21	$87.60

The value of a fee unit for a financial year is fixed by the Treasurer under the Monetary Units Act 2004. *It is increased each year in line with factors such as the Consumer Price Index. The value of a fee unit for the 2025-26 year is $16.81. Fees may be rounded to nearest 10 cents.*

The current fees are modelled to raise around $124 million per year from fine recipients over the next 10 years (in 2025-26 dollars)[29] (shared between the state government and non-state government enforcement agencies), and the registration fee raises around $29 million per year paid to the state government by non-government agencies.

The regulations also include a number of procedural and/or machinery provisions to support the operation of the Acts.

The Infringements Regulations sunset on 7 June 2026 and the Fines Reform Regulations sunset on 19 December 2027. When the current fees were set in 2017, the evaluation strategy outlined in the supporting RIS noted that the department would review the fees ahead of the sunset date of the Regulations, to allow for collection of updated data on actual costs and to draw on the experience of agencies of managing fines since the reforms made to the fines system. A review of the current fees identified a need to update the fee amounts. Therefore, it is proposed to remake both sets of regulations at the same time to reflect activity costs and other processes arising since 2017, with the

[27] Note: The Director of Fines Victoria may waive or reduce any fees payable or paid by a person under the Fines Reform Act or the Infringements Act if satisfied that in all the circumstances it is appropriate to do so.

[28] This fee does not apply to a police officer acting in the course of the officer's duty or a person acting for or by authority of the Crown. Therefore, the fee for registering a court fine is not in practice charged, and the fee for registering an infringement is only paid by local councils, to use the services of Fines Victoria to enforce an infringement.

[29] This is the amount of revenue actually paid on fees issued, based on modelling. Some fees are not paid where a fine is withdrawn (including following a review of the infringement) or where a debt is ‘paid’ through a work and development activity or through time serviced in prison. Note this is modelled revenue projections based on the number of fines issued each year from 2025-26 onwards (expressed in 2025-26 dollars); see also footnote 7.

new Regulations made ahead of the sunset date of the current Infringements Regulations (7 June 2026) to allow adequate lead time for agencies to prepare for fee changes to take effect from 1 July 2026.

2.2 The need to charge fees

All government activities involve a cost. Cost recovery is a method of recovering all or some of the cost of particular activities undertaken by government agencies, based on the beneficiary pays[30] or impactor pays[31] principle. The concept of 'user pays' is used to capture both situations.

The task of setting fees or charges involves determining whether to recover costs directly from users or others who benefit from the service being provided, those whose actions give rise to the need for the activity, or taxpayers more generally. Whether costs should be user pays or more generally funded by taxpayers will depend on the type of activity and the existence of any public benefits.

It is important that government provide services to enforce the payment or other expiation of fines. This supports the overall purpose of infringement and court fines in:

- incentivising compliance with laws regulating community safety, such as road safety rules, and the collective enjoyment of public resources, such as the amenity to park in a public area
- punishing socially harmful behaviour in proportion to the seriousness of the wrongdoing.

In other words, the services the government and other enforcement agencies provide to enforce the payment of a fine are not about recouping money that is owed (the original fine), but to ensure the fines system is supporting the overall criminal justice system's objective to deter and punish unwanted behaviour. If there were no resources allocated to enforcing the payment of fines, the basis for issuing fines would be undermined. Therefore, government and non-government enforcement agencies have a responsibility to ensure that fine recipients pay fines or otherwise expiate the infringement.

The purpose of charging fees in the proposed Regulations is to recover the costs to government that arise because of people not taking an available action in response to receiving an infringement notice or court fine collection statement within the required time. These costs include:

- enforcement agencies sending reminder notices, conducting reviews and processing nominations (for infringement fines)
- Fines Victoria sending notices of final demand, collecting payments, administering payment arrangements, facilitating alternative ways to expiate fines, conducting enforcement reviews, conducting debt engagement campaigns, imposing administrative sanctions, and applying to court for warrants to enforce the payment of fines
- MCV issuing and handling enforcement warrants
- VicRoads facilitating the application of some of the Director's administrative sanctions
- Sheriff's officers enforcing and executing warrants.

The framework for charging fees under the Acts does not anticipate that a person who receives a fine and pays it on time, or takes other actions within the time allowed, should pay any costs in addition to the fine amount.

It is only upon the failure of a fine recipient to pay or otherwise deal with their fine within the initial time allowed that gives rise to the need for enforcement agencies and other parts of government to

[30] Those who benefit from the provision of a particular good or service should pay for it (Productivity Commission, 2001, p. XXI).

[31] This is where impactors meet the full costs of their actions, based on the view that those who create the need for a service should incur these costs.

undertake further work to enforce the fine. Hence, all costs that arise after a fine has become 'late' are within the scope of cost recovery.

The additional costs to government and enforcement agencies of enforcing fines after they become 'late' is in the order of $161 million per year (in 2025-26 dollars), which is around $37.5 million per year higher that the fee revenue projected to be collected on fines issued each year.[32] These costs do not include the cost to agencies of managing fines before they become late, such as issuing fines, collecting payments, or conducting internal reviews within the initial 21 days, as these are not intended to be subject to cost recovery through fees under the Acts.

In some instances, actions taken by the fine recipient or the enforcement agency (whether before or after a fine becomes late) in effect revert the matter to what would have occurred in the absence of any fines system. For example, where a person elects to have the matter prosecuted in court, the costs to government once the election is made are the same as would have been the case if the agency prosecuted the offence initially. Therefore, this RIS also excludes costs that would be incurred anyway, in the absence of a fines system.

In the absence of prescribing fees in the regulations, the cost burden of the fines enforcement system would fall on taxpayers, rather than those that give rise to the costs. This has implications for efficiency and equity.

Cost recovery through fees and charges is well established for the following activities:[33]

- government provision of a good or service— for example, issuing a birth certificate, certificate of title, a working with children check, or providing access to land valuation data
- regulatory activities— for example, registration, licensing, issuing of permits, and enforcement.

In relation to the costs to enforcement agencies and the state government's efforts taken to recover (or otherwise resolve) fines, the 'users' of the services that give rise to these costs are the fine recipients who do not take action within the initial period after receiving their fine.

If the costs of providing these services are not recovered through fees, the cost would need to be met from taxpayers generally through the state budget. This raises a number of problems, as it:

- would be unfair, as all taxpayers pay for the services even though not all taxpayers give rise to the need for the services or benefit from it directly. This fails to achieve what is known as 'horizontal equity'.[34]
- could lead to higher 'demand' for them (for example, to the extent that accumulating fees acts as an incentive to deal with fines early, lack of fees may lead to more people not taking timely action, leading to more work required by government to recover fines). The increased costs to meet this additional demand is an inefficient use of resources.

On the other hand, cost recovery promotes the efficient allocation of resources by sending the appropriate price signals about the value of all the resources being used in the provision of government goods, services and/or regulatory activity. From a horizontal equity point of view, cost recovery ensures that those that give rise to the need for government regulation pay the associated cost. Those parties that do not benefit or take part in a regulated activity do not have to bear the costs.

[32] This includes costs of Fines Victoria, VicRoads, Magistrates' Court of Victoria, state and non-state government enforcement agencies.

[33] Department of Treasury and Finance, *Cost Recovery Guidelines*, published January 2013.

[34] In the case of cost recovery, horizontal equity refers to those who benefit from government activities, or those that contribute to the need for government regulation, having to pay the associated costs. This improves equity because it avoids the situation where all taxpayers have to pay the associate costs regardless of whether or not they benefit from – or give rise to the need for – the government activity/regulation. (See Department of Treasury and Finance, *Cost Recovery Guidelines*, page 6.)

2.2.1 Inherent cross-subsidisation between fee payers

There are three types of cross subsidisation in the current fees.

- Fees at less than full cost recovery means that all taxpayers are paying for some of the costs that are caused by people not paying their fines on time. About $37.5 million per year of the costs are not currently met by fine recipients but funded through the state budget or other revenue sources of the enforcement agencies (such as council rates).
- Within each stage of lifecycle, some of the people paying a particular fee will be paying for the costs that arise due to others in that group. For example, someone who receives a PRN and pays their fine immediately afterwards pays the same PRN fee as someone who requests an internal review, payment plan, or other options available at that stage. Because the PRN fee must be imposed at the point at which the PRN is issued, a person who merely pays their fine after receiving the PRN is in effect cross-subsidising those that use the other services. Similarly, a person who pays their fine immediately after receiving a NFD pays the same collection fee as someone who requests an enforcement review, or gives rise to the need to use various sanctions to enforce the fine; because the collection fee must be imposed at the point the NFD is issued, some people paying the collection fee are subsidising the costs of others that give rise to the costs. The fees are also set to recover costs from people that pay the fees, taking into account that some fine recipients at each stage will not actually pay the fee (for example, where fines are withdrawn or expiated in a non-financial avenue).
    - For the PRN fee, about 46 per cent of the PRN revenue actually collected (around $9 million per year) is paid by around 300,000 people who do not impose additional costs on the fines system other than the issuing of the PRN and collecting the payment (and for fines managed by Fines Victoria, targeted SMS debt engagement campaigns).
    - For the collection fee, about 30 per cent of the collection fee revenue actually collected (around $15 million per annum) is paid by around 100,000 people who do not impose additional costs on the fines system (at the enforcement stage) other than the issuing of the NFD, collecting the payment, and targeted SMS debt engagement campaigns.
- Between different stages of the fines lifecycle, some of the fees do not align exactly with when costs are incurred. For example, some of the costs incurred by the government at the infringement stage and the warrant execution stage are currently included in the collection fee. This is partly due to how fees were previously modelled, but also for technical reasons the cost of some activities at the warrant stage need to be included in the collection fee in order for this revenue to be returned to non-state government agencies (consistent with the operating model that for these agencies, Fines Victoria is enforcing fines on their behalf, for which they pay a separate fee)[35].
    - There are around $3 million in costs incurred by the government at the infringement stage, but which actually relate to activities throughout the fines lifecycle. This is due to the outsourced contracting arrangements for processing government agency fines, which are paid to the contractor regardless of whether a fine progresses to later stages.
    - For the collection fee, there are around $7 million in costs that relate to warrant enforcement activities that are included in the collection fee (around 15 per cent of the actual revenue collection from this fee). For a large proportion of the group that pay the collection fee, this is not necessarily a problem, as many people who pay the collection fee also eventually have warrants issued. There are around 17 per cent of people who pay

[35] This is because all proceeds of the warrant fee must be paid into consolidated revenue, not back to the enforcement agency (unlike the PRN fee and collection fee that are disbursed to the agency). Therefore, to be able to charge non-state government agencies for the costs of providing the Sheriff's services in enforcing warrants (and then be able to return revenue from the fine recipient for those services once a fine is paid) the costs need to be included in the collection fee.

the collection fee (150,000 fines per year) who therefore in effect pay for some of the warrant enforcement activities despite not having warrants issued on their fines. With the increasing use of measures such as driver and vehicle sanctions since the commencement of Fines Reform Act in 2018 this is likely to change in future, as a greater percentage of debtors may be motivated to take action prior to the issue of a warrant.

2.3 Procedural and machinery regulations

2.3.1 Infringement Regulations

The current Infringements Regulations set out matters required to be prescribed under the Infringements Act, including:

- the content that must be included on notices served under the Infringements Act, such as infringement notices, official warnings, penalty reminder notices, and withdrawals of infringement notices or official warnings
- information to be given to MCV when an infringement is referred to the court for determination
- the statistical data enforcement agencies are required to report to the Attorney-General
- the time period within which an internal review of an infringement must occur
- criteria for determining homelessness, in order to give effect to the special circumstances provisions of the Infringements Act and the Fines Reform Act[36]
- listing enforcement agencies to which the infringement system applies for transparency and ease of reference.

The prescribing of required information in these regulations ensures that information is conveyed in a consistent and efficient manner. In the absence of these regulations, information given to a fine recipient or the court about an infringement may be incomplete, misunderstood, or inaccurate. These regulations impose requirements only on enforcement agencies, and therefore do not impose any regulatory burden on a sector of the public.[37] Therefore, these requirements are not examined in detail in this RIS (see Chapter 6).

The inclusion of a definition for homelessness reduces the burden on vulnerable persons that they would otherwise be subject to under the Act, in the absence of the Regulations (in the absence of defining homelessness, homeless people would not have a specific basis to seek to avoid having to pay a fine).

2.3.2 Fines Reform Regulations

The Fines Reform Regulations prescribe forms and details to be included in documents such as a notice of final demand, a summons, notice of intention to charge land, notice of intention to sell charged land, an enforcement warrant, a seven-day notice, community work permit, and other forms required to be prescribed under that Act. These regulations impose requirements only on Fines Victoria (or MCV), and therefore do not impose any regulatory burden on a sector of the public. Therefore, these requirements are similarly not examined in detail in this RIS.

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[36] Meeting the criteria for special circumstances is a ground for seeking review of an infringement notice, review of enforcement action, and may be taken into account by a court in making an enforcement order. The Infringements Act also includes other special circumstances, such as health or disability, metal health, and family violence, however only homelessness requires regulations to prescribe criteria for determining status.

[37] For the purposes of the *Subordinate Legislation Act 1994*. In relation to the definition of homelessness, the inclusion of a definition in the Regulations provides a mechanism to reduce a burden that would otherwise fall on homeless people under the Act.

The below table outlines current procedural or machinery regulations and their purposes. The parts of the Regulations included in the table do not impose a burden on the public, as they relate to controlling the management of fines within the overall fines system, and set limits for when and how Fines Victoria can take actions. The inclusion of a definition for homelessness and setting a protected level of income reduce the burden on vulnerable persons that they would otherwise be subject to under the Act, in the absence of the Regulations (by creating a specific basis for homeless people to be excused from paying fines, and by ensuring enforcement action that directly takes money from people's wages does not occur if it would leave a person with insufficient income).

Table 7: Rationale for specific parts of the current Fines Reform Regulations

Current regulation	The problem it addresses
The prescribed minimum infringement fine amount is $10 to be able to register the fine with Fines Victoria for enforcement	Enforcement agencies can only register fines with Fines Victoria if they are at least the prescribed amount (section 16). In the absence of a prescribed amount, fines of any amount could be referred to Fines Victoria for enforcement. This would not be efficient for small fines.
The prescribed attachment of debts threshold is $100	Section 78 of the Act allows the Director to make an 'attachment of debts direction', which is an order that allows money to be taken from a bank to recover the fine amount owed by a fine defaulter. A direction can only be made where a total fine debt exceeds the prescribed threshold, so for legal certainty on the operation of the provision, a minimum amount must be prescribed.
The prescribed attachment of earnings threshold is $1,000	Section 65 of the Act allows the Director to make an 'attachment of earnings direction', which is a court order that allows money to be taken directly from a fine defaulter's income to recover the fine amount. A direction can only be made where a total fine debt exceeds the prescribed threshold, so for legal certainty on the operation of the provision, a minimum amount must be prescribed.
The prescribed land charge threshold is $2,000	A notice of intention to charge land can only be issued where the total fine debt of the fine defaulter is at least the prescribed amount. In the absence of a prescribed minimum amount, land could not be charged, and the Director would have to rely on other mechanisms to recover debts. By facilitating charges over land, this provides a more efficient way of recovering debts, when used appropriately. This includes only placing a charge over land where the amount of the charge is non-trivial. The threshold is set at $2,000 to more closely align with other states, and in response to criticism by the Victorian Ombudsman that the previous $10,000 threshold was too high ('Own motion investigation into unenforced warrants', August 2013)
Prescribed the protected level of income for the purposes of an attachment of earning direction	The protected level of income threshold provides a basis for which a fine defaulter can apply to have an attachment of earnings direction varied or cancelled. It ensures that money cannot be taken from a person's income if they would be left with too low a level of income. Without prescribing a protected level of income, fine defaulters in vulnerable circumstances may be adversely affected.
Prescribed criteria for determining that a person is homeless	Homelessness is a basis for being an eligible person to participate in the work and development permit scheme. However, criteria must be prescribed to provide a basis for determining whether a person is homeless. In the absence of prescribing criteria, homeless people may not be able to access the scheme.
Prescribes the period in which a detained or immobilised motor vehicle may be returned to the	If an enforcement warrant has been issued against a registered operator of a motor vehicle, whether or not a seven-day notice has been served on that person in respect of the enforcement warrant, the Fines Reform Act allows for the immobilisation, detention, seizure, and

Current regulation	The problem it addresses
owner/operator if the fine debt has been paid or expiated	sale of a person's motor vehicle. However, the vehicle must be released to the owner if the fine debt is paid or expiated within the prescribed period. The purpose of immobilisation and detainment is primarily to motivate payment of the fine, which may differ significantly in value from the motor vehicle. Retention of the vehicle may disproportionately punish a fine recipient, and it is fair to set a period within which the vehicle can be returned if the fine is expiated. The prescribed period aligns to the seven-day notice period and provides a further opportunity to pay or otherwise expiate the fine. A timeframe of this length is sufficient for the owner/operator to act, while accounting for the fact that they may not have been present when the vehicle was immobilised or detained. The Regulation establishes a clear time limit for when that option remains open.
Prescribes the period in which the Sheriff's Office cannot commence process to sell a seized motor vehicle	To give effect to the above opportunity for a person to pay or expiate a fine debt for a certain period after a vehicle is detained, it is necessary to ensure that the Sheriff's Office does not commence processes to sell the motor vehicle until after this set period.

As noted in the above descriptions, the Regulations must prescribe certain things in order for parts of the Act to work properly. While it is not feasible to not prescribe such information, there is scope to review the particular thresholds, definitions and time periods to ensure they remain appropriate. These are discussed in Chapter 6.

Some parts of the current Fines Reform Regulations deal with matters that do impose a burden on the public—although the burden is very small.

For certain purposes under the Fines Reform Act, section 59 of the Act allows the Director to request a statement of financial circumstances from a fine defaulter. The purpose of obtaining this information is to determine a fine recipient's capacity to pay a fine and inform further enforcement action to encourage dealing with the fine. The Act requires that the statement be in the form and contain the information as prescribed in regulations. In the absence of the regulations, there would be no prescribed form or prescribed information. However, the Director could rely on other powers under the Fines Reform Act to request information[38] and specify the information required to be provided on a case-by-case basis. The problem being addressed by prescribing a form and the required information needed for the purpose of providing information on a person's financial circumstances is to avoid less efficient and potentially inconsistent ways of obtaining the information.

Under the Fines Reform Act, an infringement offender who has been arrested may be released on a community work permit (an alternative to being taken before the court). Under such a permit, they are required to attend a community corrections centre or other place to perform unpaid community work. The Act allows for conditions of work permits to be set in Regulations or on a case-by-case basis. In the absence of Regulations prescribing these requirements, the conditions attached to work permits would not be transparent or consistent for all community work permit participants. Setting conditions related to consumption and possession of alcohol and drugs, entering or leaving the centre without permission, notification of absences or delays in attendance, and production of medical certificates in cases of absence due to illness, promotes a person's ability and readiness to participate and reflects what is expected in all workplaces. The conditions are similar to requirements applying to those doing community work on court orders (such as a Community Corrections Order or a Drug Court Order.)

[38] For example, under section 178.

2.4 Consultation

In the development of the proposed Regulations and this RIS in 2024, the department invited feedback from all agencies that issue infringements (including those that do not register fines with Fines Victoria) to:

- better understand the costs to enforcement agencies of the actions they undertake within the fines enforcement system
- seek views about the effectiveness of current fees in recovering costs and providing appropriate incentives
- seek views about the operation of the non-fee parts of the current Regulations and opportunities for improvement.

Responses were received from 40 agencies, with most of them focussed on fee-related questions. The limited feedback on non-fee regulations related to the definition of homelessness, the timeframe for conducting internal reviews, and a range of matters out of scope of the Regulations.

Additional activity cost data was obtained from Victoria Police, the City of Melbourne, Bayside City Council, the Magistrates' Court, and the Department of Transport and Planning (VicRoads).

This feedback was used to inform the design and assessment of the fee options, and to make changes to the non-fee regulations (see chapter 6).

In addition, the department sought feedback on the non-fee regulations from the Infringements Working Group (IWG), a joint-working group of the Federation of Community Legal Centres (Victoria) (FCLC), Financial Counselling Victoria (FCVic) and Victoria Legal Aid (VLA), representing 37 member organisations in the community legal and financial counselling sector. The IWG recommended a number of areas for improvement including:

- improving access to legal and financial counselling assistance for fine recipients at critical points in their infringements journey
- introducing a concessional exemption system in relation to late fees and charges similar to the COVID-19 fines concessional scheme, and strengthening other financial protections, to alleviate the disproportionate impact of fines on people experiencing financial hardship
- improving transparency and communication of options to deal with fines other than payment at critical points in the fines lifecycle
- amending timeframes for certain processes to ensure fairness and access to legal or financial counselling assistance
- improvements to data reporting.

These recommendations were considered and are reflected in some of the changes made to the non-fee parts of the proposed Regulations. An option for concessional rates of fees is assessed in this RIS.

Feedback on enforcement agencies' statistical data reporting requirements under the Infringements Regulations was not sought through the above consultation in 2024, as the department had already consulted all agencies on this throughout 2022 and 2023. The changes to agency reporting requirements in the proposed Regulations reflect the outcome of these earlier consultations.

3 The objectives to be achieved by the proposed Regulations

In articulating appropriate objectives for the proposed Regulations, it is necessary to consider the problems identified in the previous chapter in the context of the objectives of existing policies and broader government objectives. The regulatory objectives should be consistent with the Government's strategic policy aims as well as other relevant Government objectives as expressed in policy statements, other official documents and relevant legislation. For fees, this includes consistency with relevant government policies on fee setting.

3.1 Relevant legislative objectives

The Infringements Act has no stated objectives, but its stated purposes[39] are to provide for:

- a framework for the issuing and serving of infringement notices
- a framework for internal review of a decision by an enforcement agency to serve an infringement notice
- the payment of an infringement penalty by payment plan
- the work and development permit scheme.

The objectives of the Fines Reform Act are:[40]

- to provide for the centralised collection and enforcement of infringement fines and court fines by an administrative entity
- to strengthen enforcement mechanisms to better deter people that would otherwise avoid paying their fines
- to support vulnerable people with fines
- to enhance review and oversight processes—(i) to ensure that the infringements system operates fairly and transparently; and (ii) to reduce the burden on the courts system.

3.2 Relevant policy objectives

3.2.1 Infringements system

The objective of the infringements system is to reduce the costs on the criminal justice system by creating a mechanism to deal with low-level offences in an efficient manner, and to provide pathways, including review mechanisms and non-financial options to expiate fines to assist vulnerable people.

It is implicit that the infringement system only works to support the criminal justice system where the setting, issuing and enforcement of infringements:

- incentivises compliance with laws regulating community safety, such as road safety rules, and the collective enjoyment of public resources, such as the amenity to park in a public area
- punishes socially harmful behaviour in proportion to the seriousness of the wrongdoing.

[39] Section 1, Infringements Act.

[40] Section 3A, Fines Reform Act.

3.2.2 Fines Reform

The intention of Fines Reform is to increase the efficiency and effectiveness of processing and revenue collection and to improve the experience of fine recipients, particularly vulnerable Victorians. This model aims to:

- centralise managing and enforcing infringements and court fines with Fines Victoria
- shorten collection and enforcement time frames to improve the efficiency and effectiveness of the fines system in deterring unlawful behaviour and fine avoiders
- provide improved social justice initiatives to support vulnerable and disadvantaged people to deal with their fines
- enhance and streamline review processes to ensure a fair and transparent infringement system and reduce the burden on the court system.

The objective of the administrative model for management and enforcement of fines under Fines Reform is to create a one stop shop for fine recipients to manage all their fine debt fairly and effectively regardless of the issuers.

While the changes under Fines Reform apply across state government agencies, it also enables non-state government agencies (such as local councils) to make use of the centralised system. While these agencies are free to choose whether to register their fines with Fines Victoria, the department considers there is a clear benefit in them doing so, including:

- providing a simpler and more consistent system for fine recipients, particularly those who may have fines from several different agencies, by enabling them to deal with all their fine debt through a single agency. This is simpler for fine recipients and has the potential to improve payment rates.
- relieving pressure on the Magistrates' Court, as fines that are not registered can only be enforced through the court
- reducing the agency's costs of dealing with unpaid fines through the courts, particularly as most council-issued fines are relatively small and court costs would far exceed the value of the fine.

3.2.3 Government policy on fee setting

The setting of fees in the current Regulations, last reviewed in 2017, was based on the Victorian Government's *Cost Recovery Guidelines*, which provided an approach to measuring the cost of services and determining appropriate fees.

From 1 July 2021, the *Pricing for Value Guide* replaced the *Cost Recovery Guidelines*. The new guide is intended to improve consistency and capability in price-setting across government. It updates pricing principles to align with current best practice.

The guide helps departments and agencies use pricing to recover the costs of regulating and delivering services, and as a tool to support wider policy objectives.[41]

A key feature of the new *Pricing for Value Guide* is a principles-based approach to identify opportunities to set government charges in better ways. The Pricing Principles are as follows:

1	Agencies should aim to recover the full costs of service provision to promote efficient consumption
2	The cost of service provision should be borne by those who benefit from the service
3	Services creating broad benefits for the community should be priced to support efficient consumption
4	The cost of interagency services should be borne by the user agency
5	The price of services should not limit access to those with a lower ability to pay

[41] Further information about the Pricing for Value Guide can be found on the website www.dtf.vic.gov.au.

1	Agencies should aim to recover the full costs of service provision to promote efficient consumption
6	Users should pay for differentiated service based on the value created by that differentiation
7	The public should share in the value generated by pricing based on user differentiation
8	Pricing should support positive behaviours
9	Pricing should ensure sustainable usage of public services and reflect the value of natural resources
10	Where services are in competition with the private sector, pricing should be relative to market prices
11	Pricing structures should be easy to understand and simple to administer
12	Pricing arrangements should be monitored annually and reviewed periodically

While the previous *Cost Recovery Guidelines* focused on cost considerations, the new pricing principles go beyond cost recovery to identify a range of potential benefits. Cost recovery remains one principle among a broader range of principles. Some principles support setting prices below cost recovery, while some principles support setting prices above cost recovery.

Not all of the above principles will be relevant or need to be applied in all circumstances. Agencies and departments must consider which principles should be considered, within the context and objectives of the services being assessed.

The new guide provides practical step-by-step guidance for undertaking the review of fees. Reviews are a detailed process to collect data, consult with stakeholders, and identify and test a range of different pricing strategies.

To inform the setting of fees in the proposed Regulations, the department completed a review of fees in accordance with the *Pricing for Value Guide*. For the purposes of remaking the fees in the regulations, the scope of the pricing review was limited to the fees that are authorised under the respective legislation. Fee options that would be outside the regulation-making powers of the Acts were not considered.

The review identified the following as the most relevant Principles to guide fee setting under the proposed Regulations:

1	Agencies should aim to recover the full costs of service provision to promote efficient consumption
2	The cost of service provision should be borne by those who benefit from the service (or in this particular case, those whose actions give rise to the need for government expenditure)
6	Users should pay for differentiated service based on the value created by that differentiation
8	Pricing should support positive behaviours
11	Pricing structures should be easy to understand and simple to administer
12	Pricing arrangements should be monitored annually and reviewed periodically

Therefore, aside from cost recovery, fees could also consider promoting good behaviour (in other words, whether the structure and amount of fees adequately incentivises compliance prior to each escalation), differentiation (for example, whether fees should be a fixed dollar amount or a percentage of the infringement amount), while also being clear and easy to implement in practice. Arrangements for fees to be monitored and reviewed are discussed in Chapter 8.

Pricing Principle 5 (the price of services should not limit access to those with a lower ability to pay) is not directly relevant to the setting of the proposed fees. This is for two reasons:

- The ‘services’ to which the fees relate are the additional activities performed by government where a person has not paid or otherwise expiated their fine within the required time. The nature of the service means there is no concern about people being able to access this service. Anyone who accesses the services subject to the fees is doing so by their own inaction, and the government would prefer a fine recipient to deal with their fines before these services are needed (with a preference that offence not occur in the first place). For fine recipients with a lower ability to pay, there are alternative options that can be taken prior to the reminder notice or enforcement stages. Therefore, a fine recipient that becomes subject to the proposed fees need not be because of their ability to pay the original fine.

- Further, even where the proposed fees are imposed on a fine recipient that has limited ability to pay the fee (on top of the original fine), there remain other opportunities for that person to request delayed payment or payment by instalments, to expiate the fine (and fee) through the work and development permit scheme, or to request an enforcement review due to their personal circumstances. In enforcing a fine debt through an attachment of earnings direction, the Director can consider whether this affects a fine recipient's protected level of income.

Therefore, there is no need to explicitly allow for lower ability to pay in the setting of fees.

Pricing Principle 4 (the cost of interagency services should be borne by the user agency) is partially relevant to the setting of the registration fee.

- For state government agencies and courts, the costs of fine enforcement are recovered through the collection fee and enforcement warrant fee, which are remitted to the State Budget (Consolidated Fund) with the original fine amount, and not returned to the particular agency for their own use.[42] As the policy intention of Fines Victoria is to act as a 'one stop shop' for fines enforcement on behalf of the government as a whole, and to encourage efficiencies, it is not necessary for Fines Victoria to charge these agencies a fee for enforcement activities.[43]
- For non-state agencies (mostly local councils and some education agencies), when a fine is collected, it is returned to the agency that issued the fine. As a consequence of various legislation dealing with financial management, the penalty reminder fee and collection fee collected with a fine are also remitted to the agency that issued the fine. Therefore, the State does not keep the revenue from the collection fee, despite it being prescribed to recover the costs to Fines Victoria of enforcing the fine. Therefore, the Regulations require that non-state enforcement agencies pay a 'registration fee' to Fines Victoria when they register a fine for enforcement.

3.3 Objectives of the proposed Regulations

In relation to setting fees, the objectives of the proposed Regulations are:

- to recover the full additional cost to the government and other enforcement agencies that arise from people's inaction in dealing with fines
- to ensure fees are consistent with the objectives of fines reform (see section 3.2.2 above)
- to ensure fees are fair
- to ensure fees are easy to administer and simple to understand.

The objective of setting fees for fines enforcement is to recover the costs of services—to the extent that cost recovery is appropriate for the service provided—while ensuring other principles such as vertical equity[44] and simplicity are also maintained.

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[42] There are a small number of Acts that require the revenue collected from fines be retained by the enforcement agency (usually only to be used for a specific purpose and/or to be accounted to a special fund). In these situations, any fees collected with the fine are also returned to the agency for that purpose.

[43] Where some government agencies also use the services of Fines Victoria for the infringement stage (pre-registration), a processing fee is paid by the agency to Fines Victoria. This is not prescribed in regulation, but managed via agreement.

[44] Vertical equity suggests that in some situations different people should pay different amounts for the same service, to reflect factors such as ability to pay.

The review of fees against the Pricing Principles indicated that fees should be set to recover all costs to government that arise as additional costs due to a fine recipient's inaction upon receiving an infringement notice or court fine collection statement, and subsequent inaction upon receiving a penalty reminder notice, notice of final demand, enforcement warrant or seven-day notice.

Full cost recovery is consistent with the objectives of the legislation and the operational policy objectives. However, to be effective, the fee structure should also be easy to understand and implement.

In the context of the fines system, late fees also seek to incentivise fine recipients to deal with their fines as early as possible, as this helps strengthen the intended effect of fines in deterring further law breaking.

For the parts of the Regulations other than setting fees, the objective of the proposed Regulations is to ensure the fines system contained in the Infringements Act and Fines Reform Act operates effectively, efficiently, and fairly.

4 Identification of feasible fee options

The purpose of charging fees is to recover the costs to the state and other enforcement agencies that arise because of people not taking an available action to deal with their fine in response to receiving an infringement notice or court fine collection statement within the required time.

As noted in Chapter 3, the review of fees against the Pricing Principles indicated that fees should be set to recover all costs that arise as additional costs due to a fine recipient's inaction upon receiving an infringement notice or court fine collection statement, and subsequent inaction upon receiving a penalty reminder notice (in the case of infringement fines), a notice of final demand, or following the issue of an enforcement warrant.

Full cost recovery is consistent with the objectives of the legislation and the operational policy objectives. However, to be effective, the fee structure should also be easy to understand and implement. There is also a need to consider issues of cross-subsidisation, equity (ability to pay), and the relationship between Fines Victoria and individual enforcement agencies (particularly those outside the state government sector).

The fee options are also constrained by what is allowed under the legislation, and what is practically feasible given the existing systems used by Fines Victoria and enforcement agencies across the infringement system to manage fines (including how the systems of numerous different enforcement agencies must integrate into the central system managed by Fines Victoria).

The Infringements Act provides for the prescribing of a penalty reminder notice fee, which becomes payable upon the issue of a penalty reminder notice.[45] Under the Act, the amount of the fee is payable at that time notwithstanding that a person may pay their infringement fine (and fee) immediately upon receiving the penalty reminder notice, or they may make use of other options at that stage that give rise to specific costs for the agency (for example, request an internal review or a payment plan). Therefore, under all feasible options, the penalty reminder fee is used as the only fee for the infringements stage. A large amount of cross-subsidisation among the group of fine recipients that receive a PRN is a necessary consequence of how this fee is required to be set by the Act.

The Infringements Act provides that in prescribing the PRN fee, the regulations may provide for specific fees, maximum fees, minimum fees, or fees that vary according to value or time. Section 168(3) provides that regulations may (among other things) be of limited or general application, leave a matter or thing to be decided by a specified person, or provide for reduction in part of fees in relation to certain matters or classes of matters or certain persons or classes of persons or certain agencies or classes of agencies.

Under the Fines Reform Act, there are a number of heads of power to set fees. These include:

- prescribing a collection fee, which becomes payable upon the issue of a notice of final demand[46]
- prescribing an enforcement warrant fee, which becomes payable upon the issue of an enforcement warrant[47]
- fees in respect of the execution by the sheriff of any enforcement warrant[48]
- fees in respect of the exercise by the Director of any power or function of the Director under the Act[49]

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[45] See Infringements Act ss. 168(m), (p) and ss. 29(4) and 3(1)

[46] FRA s. 23

[47] FRA s. 107

[48] FRA s. 185(f)

[49] FRA s. 185(g)

- prescribing a registration fee, to be paid by enforcement agencies when a fine is registered with Fines Victoria.[50]

Similar to the PRN fee under the Infringements Act, the use of the collection fee is intended to recover costs of Fines Victoria throughout the enforcement stage of the fines lifecycle, but as it is applied upon the issue of the notice of final demand, it is payable regardless of which services or activities are performed in the enforcement stage in relation to an individual fine. Therefore, again, a large amount of cross-subsidisation among the group of fine recipients for whom a notice of final demand is issued is a necessary consequence of relying on this fee to recover costs.

Similarly, the enforcement warrant fee is payable as soon as the court issues a warrant for the Sheriff to recover the outstanding amount (fine and fees) through the unique enforcement and warrant execution powers at the Sheriff's disposal. The fee is payable whether the debtor pays the outstanding amount before the Sheriff has taken any action or only after, for example, several visits by Sheriff's officers at their home or workplace.

The Fines Reform Act also allows the prescribing of a registration fee. This is paid by enforcement agencies when an infringement fine is registered with Fines Victoria. Once a fine and relevant fees are collected from a fine recipient, the amount collected is disbursed according to the legislation that set the original fine. This includes the fees that were intended to recover the costs incurred by Fines Victoria in enforcing the fine and executing warrants. Therefore, the registration fee ensures that enforcement agencies contribute to the costs of enforcement.

Fees prescribed under the Fines Reform Act may be set as specific fees, maximum fees, minimum fees, fees that vary according to value or time, and may be of general or limited application, and differ according to circumstance, and the regulations may also provide for the Director, Fines Victoria to reduce, waive or refund fees.

The options for fee setting in this RIS are set out in the summary table below, with further descriptions in the following sections.

[50] See FRA ss. 15(2) and 16(3).

Table 8: Summary of fee options assessed in RIS

	Current fees (for reference only)		Option 1 – Update fees for higher per activity costs		Option 2 - Lower PRN fee and higher Collection fee		Option 3 – Lower PRN fee and higher Collection fee, with a 50% discount on PRN and collection fees for concession holders		
	Fee units	*2025-26*	*Fee units*	*2025-26*	*Fee units*	*2025-26*		*Fee units*	*2025-26*
Penalty Reminder Notice Fee	1.74	$29.20	5.00	$84.00	3.00	$50.40		3.00	$50.40
							conc	1.50	$25.20
Collection Fee	9.01	$151.50	7.66	$128.80	11.11	$186.80		11.11	$186.80
							conc	5.56	$93.40
Enforcement warrant fee	3.94	$66.20	4.31	$72.40	4.31	$72.40		4.31	$72.40
(Total fees paid by fine recipient, if all stages apply)	*14.69*	$246.90	16.97	$285.20	18.42	$309.60		18.42	$309.60
							conc	11.36	$191.00
Registration fee	5.21	$87.60	6.03	$101.40	6.03	$101.40		5.13	$86.20

The above table shows the current fees and fees under each option in fee units, and the dollar amounts of these fees in 2025-26. This is for comparison only. It is proposed that the current fees will apply until 30 June 2026, and any proposed new fees will commence from 1 July 2026, at which time the value of a fee unit will be changed, and the actual fee amount will be slightly higher to reflect this.[51]

[51] The value of a fee unit for 2026-27 will be announced by the Treasurer before June 2026.

4.1 Option 1 – retain current fee structure, update fee amounts in accordance with updated data

Option 1 would replicate the existing fee structure, but revise the fee amounts based on new data collected on costs in line with the cost measurement activities and allocation outlined in Appendix B. An update to the fee amounts is warranted given the fees were set prior to the commencement of the Fines Reform Act and Fines Victoria, and now there is clearer actual data on the costs of managing fines under the new framework.[52]

Table 9: Fees under Option 1

	Current fees (for reference only)		Option 1 – Update fees for higher per activity costs		*Percentage change*
	Fee units	*2025-26*	*Fee units*	*2025-26*	
Penalty Reminder Notice Fee	1.74	$29.20	5.00	$84.00	187%
Collection Fee	9.01	$151.50	7.66	$128.80	-15%
Enforcement warrant fee	3.94	$66.20	4.31	$72.40	9%
(Total fees paid by fine recipient, if all stages apply)	*14.69*	$246.90	16.97	$285.20	16%
Registration fee	5.21	$87.60	6.03	$101.40	16%

These fees are based on full cost recovery for each stage of the fines lifecycle. The large increase in the PRN fee and reduction in the collection fee in part reflects that in 2017 some costs were apportioned to the collection fee (and to some extent the warrant fee) that are actually costs incurred in the infringement stage. For example, the government is required to pay the outsourced contractor for each fine issued by government agencies at the infringement stage, regardless of whether or not the fine advances to the enforcement or warrant stage. This option also includes in the PRN fee all activities of non-state government agencies prior to the issue of a notice of final demand (the point at which the collection fee is imposed), and so includes the cost of agencies registering fines with Fines Victoria.

The main drivers of the overall fee increases are that the current fees no longer reflect the costs to Fines Victoria and enforcement agencies of all activities in relation to later fines. The current fees also excluded costs of VicRoads and the Magistrates' Court in several functions they perform in relation to enforcement activities; these have been included in the above costs, as they are activities ultimately funded by the state government, necessarily incurred because of the fines enforcement system.

[52] Note: Under all options, the Director of Fines Victoria may waive or reduce any fees payable or paid by a person under the Fines Reform Act or the Infringements Act if satisfied that in all the circumstances it is appropriate to do so.

4.2 Option 2 – rebalancing PRN and collection fees

Option 2 is based on the same cost data as Option 1, except the PRN fee has been lowered to 60 per cent of the corresponding cost, with the collection fee raised to achieve cost recovery on balance. The increase in the collection fee is higher than the decrease in the PRN fee, compared to Option 1, as the smaller number of fines and the lower expected collection rates at the enforcement stage means a larger increase in the collection fee is needed to achieve the same overall revenue to enable full cost recovery.

The rationale for this is to recognise that the overall fee structure, as well as recovering costs, is aimed at providing incentives for people to engage with their fine earlier in the fines lifecycle, to more effectively and efficiently deter future law breaking. Adjusting fee relativities at different stages (while achieving full cost recovery overall), allows for a more graded approach to the imposition of fees, corresponding to the significance of the fine recipient's failure to deal with their fines. As such, a PRN fee that is much lower than the collection fee is used in this option as a gentler 'nudge' to encourage payment at an earlier stage. Rebalancing cost recovery between these fees involves additional cross-subsidisation between fine recipients (see section 2.2.1). Reaching a balance between minimising cross-subsidisation and enabling people to deal with matters at earlier stages is important in ensuring fees are consistent with the objectives of the fines system (which include encouraging people to engage with their fines as early as possible).

The fees under this option are as follows:

Table 10: Fees under Option 2

	Current fees (for reference only)		Option 2 - Lower PRN fee and higher Collection fee		*Percentage change*
	Fee units	*2025-26*	*Fee units*	*2025-26*	
Penalty Reminder Notice Fee	1.74	$29.20	3.00	$50.40	73%
Collection Fee	9.01	$151.50	11.11	$186.80	23%
Enforcement warrant fee	3.94	$66.20	4.31	$72.40	9%
(Total fees paid by fine recipient, if all stages apply)	*14.69*	$246.90	18.42	$309.60	25%
Registration fee	5.21	$87.60	6.03	$101.40	16%

4.3 Option 3 – rebalancing PRN and collection fees, with partial cost recovery due to concessions

Option 3 is the same as Option 2, except concession card holders would pay lower fees for the PRN and collection fees. This would account for groups where the fees set at full cost recovery could have a significant impact on their ability to pay. In this option, only the PRN and collection fee are discounted, as this should provide sufficient opportunity for fine recipients to better engage with the fines enforcement processes well ahead of the issuing of warrants.

Eligible beneficiaries (as defined under the *State Concessions Act 2004*) would be offered a 50 per cent concession on the PRN fee and collection fee payable.

The foregone revenue due to the reduced fees for concession card holders would not be recovered through higher fees for other fee payers. As such, this option would not recover all costs associated with fines enforcement.

Table 11: Fees under Option 3

	Current fees (for reference only)			Option 3 – 50 per cent reduction for concession card holders		*Percentage change*
	Fee units	*2025-26*		*Fee units*	*2025-26*	
Penalty Reminder Notice Fee	1.74	$29.20		3.00	$50.40	73%
			conc	*1.50*	*$25.20*	*-14%*
Collection Fee	9.01	$151.50		11.11	$186.80	23%
			conc	*5.56*	*$93.40*	*-38%*
Enforcement warrant fee	3.94	$66.20		4.31	$72.40	9%
(Total fees paid by fine recipient, if all stages apply)	*14.69*	$246.90		18.42	$309.60	25%
			conc	*11.36*	*$191.00*	*-23%*
Registration fee	5.21	$87.60		5.13	$86.20	-2%

4.4 Other options considered not feasible

The department examined the corresponding fees in other jurisdictions (see Appendix C). It is difficult to make comparisons with other states as there are difference legislative bases for serving and enforcing infringement notices, and different organisational arrangements, which means not all approaches in other states are directly relatable to Victoria.

The department also considered differentiating fees based on other factors, such as setting the PRN fee as a percentage of the original fine amount, setting a scale of different fees for different infringement categories or having a different PRN fee for non-state government agencies. Fees could also be set as a formula that resulted in escalating fees over time to incentivise higher/earlier payment rate, however this is not supported by the current IT system and contract arrangements. Consideration was also given to charging higher fees for people with multiple PRNs or NFDs within a given time period, as an indication for where stronger incentives were needed.

These alternative fee structures were considered not feasible as they would not be based on recovery of costs,[53] would be unnecessarily complex to administer (including the need to change IT systems in all agencies), would not be clearly supported by the intention of the legislation, or a combination of these.

In addition to the options outlined above, the department considered three additional options, but did not regard these as practical.

Extending the registration fee

One option involved extending the registration fee to also be payable by enforcement agencies for the registration of court fines, and to also be payable by all enforcement agencies (that is, extending payment to state government agencies). This option was rejected for a number of reasons:

- The extension of registration fees to state government agencies would make no change to the overall revenue collected or change the impact on the state budget, but would involve a transfer of funds within government, reflected in the financial statements of each individual agency. While one of the principles of cost recovery is that fees should apply to inter-departmental products and

[53] While setting fees as a percentage of the fine amount might align with better incentives for larger fines, it distorts how cost recovery is applied, as most of the activities within scope of cost recovery do not change because of the size of the fine (and noting there are other rules in place that limit actions on small fines).

services, this is generally expressed in relation to products and services for which there are private sector alternatives, and for where inter-departmental charging would improve resource allocation decisions. Applying the registration fee to internal state government agencies does not match these intended outcomes, as agencies are not making choices about whether they use Fines Victoria services or how much they use (there are no other options available to them). Inter-department fees in this situation would essentially be only an accounting change, with the fee not serving as a real price signal.

- Extending the registration fee to court fines would only raise an additional $739,000 per year, to be paid by non-state government agencies (mostly local councils) to the state government. However, it is considered more technically difficult to apply due to the changes needed to the technology interfaces supporting referrals from courts to Fines Victoria and the operational need to collect these fees from the relevant prosecuting agency prior to enforcing a court fine, and, because of differences in how court fines come about, would need to be assessed on a case-by-case basis to determine whether the fee is appropriate (as the same offence can be enforced by various types of agencies). It was therefore considered not practical at this time.

Recovering more costs under the warrant fee

The department also considered changes to the fee structure around recovering the cost of warrant-related activities. Currently, and under the options identified above, the costs to the Sheriff's Office in enforcing warrants after they have been issued are included in the collection fee, not the warrant fee (the warrant fee is limited to the costs of issuing and serving the warrant only). This is because all proceeds of the warrant fee must be paid into consolidated revenue, not back to the enforcement agency (unlike the PRN fee and collection fee that are disbursed to the agency). Therefore, to be able to charge non-state government agencies for the costs of providing the Sheriff's Office services in enforcing warrants (and then be able to return revenue from the fine recipient for those services once a fine is paid) the costs need to be included in the collection fee. This means there is some cross-subsidisation from those paying the collection fee to those that receive a warrant (see section 2.2.1 above for further discussion).

It is reasonable to expect that non-government agencies registering their uncollected fines with Fines Victoria contribute to the cost of all enforcement activities that flow from registration, all the way to warrant enforcement, as beneficiaries of these activities. Their contribution supports the overall fines system and helps ensure the deterrent effect of fines.

If this concern around charging non-government agencies for warrant enforcement costs was put aside, all warrant issue and enforcement costs could be included in the warrant fee so that the fee structure would better match costs to the timing of warrant-related activities. Based on current data, the fees would be set as a collection fee of $155.80, warrant fee of $178.00 and a registration fee of $70.40. However, this would mean that the state is taking on all the financial risk as to the collection of warrant fees. In effect, the general tax paying community would pay for the cost of any unsuccessful efforts to collect payment for unpaid enforcement warrants. These costs are significant on a per warrant basis, given the time and staff, equipment and other resourcing required for Sheriff's activities. Theoretically, placing this financial risk on government may incentivise more effective Sheriff action. However, the reality is that engagement and payment rates are highest closest in time to offending and decline further down the fines lifecycle. By the time a fine reaches the warrant stage, the fine recipient's contact details may be out of date, and a larger proportion of the cohort are actively disengaging from compliance, or experiencing vulnerability which may make them eligible for the fines to be withdrawn or expiating them by non-financial means. It would be unfair to make all taxpayers shoulder the burden of these activities, and therefore restructuring the allocation of warrant-related activity costs to eliminate cross-subsidisation between fine payers at these different stages of the lifecycle was considered an unsatisfactory option.

Introducing new fees for specific activities

The current fee structure is designed to capture a range of different activities that happen at each stage of the fines life cycle. As noted in Chapter 2, this leads to a degree of cross-subsidisation between different fee payers within each life cycle stage.

The department considered whether any of the separate activities performed by the Director—such as applications under the family violence scheme, work and development permit scheme, or application for an enforcement review—were suitable for setting separate fees for those making the applications. Any revenue from such new fees would be offset by slightly lowering the other fees, meaning separate new fees would not increase revenue overall, but affect which fine recipients make a larger contribution to costs.

The department determined that it was not feasible or practical to establish any additional fees at this time. Access to the family violence scheme and work and development permit scheme should not be deterred where it is appropriate that a person should use these avenues. An additional fee would be inconsistent with the intent of these schemes to support vulnerable fine recipients that meet the eligibility criteria. For a potential fee for enforcement reviews, the department considered there were equity and practical reasons why it could not be implemented at this time. If a fee for an enforcement review was to be paid regardless of the outcome of the review, it would be perceived as unfair to those for whom it was found the fine should not have been imposed. The fines system does not currently have the capability to establish a system that could manage payments of a theoretical new fee contingent on the outcome of the review, or to process refunds.

The department may revisit the option of introducing a fee for applying for enforcement review or other activity where it may be appropriate. Feedback on this concept is welcome.

5 Assessment of fee options

A multi-criteria analysis (MCA) was used to assess the feasible fee options. An MCA is usually the most appropriate decision-making tool to compare options in fees RISs. MCA involves:

- establishing criteria and weighting these criteria, which should be consistent with the objectives in the RIS
- scoring the feasible options against each criterion
- weighting scores for each criterion to determine the preferred option (the option with the highest score).[54]

For this RIS, the criteria for the MCA, consistent with the objectives described in Chapter 3, are based on the criteria typically used to assess fees in RISs. These are set out below, together with the weightings for each criterion. Each of the main objectives (efficiency, equity, effectiveness, and simplicity) were weighted at 25 per cent, given their equal importance. However, efficiency was split into two sub-criteria—15 per cent for cost recovery and 10 per cent the specific impact on cross-subsidisation, given the nature of the fees being prescribed. Under the base case, all taxpayers cross-subsidise fine recipients that do not take action on their fines. By setting fees, this cross-subsidisation is removed from taxpayers generally and instead paid for by fine recipients—the cost recovery scores reflect this improvement. However, the fees may not be fully efficient if there is significant cross-subsidisation between the fee-paying group of fine recipients (that is, some fee payers are paying for the costs that arise because of the actions of other fee payers). Therefore, the criterion for avoiding cross-subsidisation measures only cross-subsidisation between fine fee-paying fine recipients, to the extent that it takes away from the efficiency of fees usually aimed at achieving full cost recovery.

Table 12: Multi-criteria analysis criteria and weightings

Criterion	Description	Weighting
Efficiency – cost recovery	The extent to which each option recovers the full (efficient) cost of services, in aggregate.	15%
Efficiency – avoiding cross-subsidisation	While full cost recovery aims to minimise cross-subsidisation between fine recipients and taxpayers generally, it is also desirable to minimise cross-subsidisation between fine recipients. This criterion reflects the extent to which an option introduces cross subsidisation *between* different fee payers.	10%
Equity[55]	The extent to which fees affect the ability to pay (or in other words, imposition of fees may cause financial barriers to some fee payers).	25%
Effectiveness	The extent to which fees support or go against the broader policy objectives (in this case, the integrity of the criminal justice system in general and the efficacy of the infringements system in particular; this may include factors such as incentives for fine recipients to pay fines earlier by considering fee relativities at different stages, and the incentives for enforcement agencies to be active in ensuring offenders are accountable for their offences and (for non-state government agencies) to make use of the mechanisms under the Fines Reform Act).	25%

[54] Better Regulation Victoria, Guidance Note: Fees RISs, October 2021, page 10.

[55] The term equity here refers to 'vertical equity' – people pay according to their ability to pay. Another type of equity (horizontal equity – where people who consume the same (amount of a) service, and or give rise to the same level of regulatory costs, pay the same fee) is also relevant, but is essentially already reflected in the two efficiency criteria.

Criterion	Description	Weighting
Simplicity/ implementation	The extent to which fees are easy to understand by fine recipients and administer by enforcement agencies, including ease of determining appropriate fees in all situations, imposing fees, collecting payments and enforcement. For this RIS, this includes administrative and IT systems necessary to support the fines framework.	25%

Against each criterion, each option is scored relative to the base case of no fees (that is, if all costs of enforcing payment of fines are borne by the taxpayer).

5.1 Efficiency – cost recovery

Option 2 is based on setting fees to fully recover costs, so is scored 10 out of 10 on this criterion.

The fees calculated in all options are based on the current volume of fines that progress to each stage of the fines lifecycle. However, for Option 1, there is a real likelihood that a much higher PRN fee and a lower collection fee may incentivise more people who receive a PRN to take no action until they receive the later Notice of Final Demand, as the difference between the collection fee and PRN fee would be relatively smaller than under the current fee scheme. There could also be a psychological effect associated with the higher PRN fee that causes some people to be overwhelmed by it and defer or avoid dealing with their fine.[56] Consequently, on balance, under Option 1 a higher proportion of fines would be expected to progress to the enforcement stage, which leads to additional revenue (more fines attracting the collection fee) but also additional costs than under the current arrangements or under Options 2 and 3 (which are expected to broadly maintain the same proportions of fines at each stage). This would result in costs being higher than those projected to calculate the fees[57] as there would be more fines at the later stage that enforcement agencies would need to register with Fines Victoria, for which Fines Victoria would have to take additional steps to recover the amounts owed. Evidence suggests that collection rates on fines are also lower after a collection fee has been imposed.

In practice, this means that the calculated fees in Option 1 are likely to fall short of recovering the actual costs to agencies and Fines Victoria, and therefore do not achieve full cost recovery. While it is difficult to estimate the precise impacts, the department believes that the change in PRN/collection fee relativities may lead to 25-30 per cent more fines progressing to the enforcement stage. This would lead to additional costs in the order of $20-$25 million higher per year than the base case or Options 2 and 3, while the additional revenue from the change in the number of fines progressing to the enforcement stage would be only around $10-$12 million higher per year. In total, this means Option 1 may only recover around 93 per cent of recoverable costs. As such, the score for Option 1 is 9 out 10, reflecting the lower rate of cost recovery, despite the overall revenue being higher.

There is also a potential risk for Options 2 and 3, due to some of the costs at the earlier infringement stage being moved to the collection fee, that if more people pay their fines earlier (before attracting the collection fee) then total revenue may not meet the actual costs. For illustration, if 25 per cent fewer fines progress to the enforcement stage, costs would be around $9 million lower, but revenue would be around $18 million lower, leaving a shortfall of around $9 million per year (or achieving only 94 per cent cost recovery). However, the fees calculated for each option are based on the current proportions of

[56] In addition to incentivising deferral or avoidance of taking action, there may also be a small group of people who are incentivised by the higher PRN to have the matter heard in court instead of utilising the administrative options within the infringements system. This would add to the costs to courts, although the larger impact under Option 1 would be that more people would disengage. For context, under 1 per cent of infringement fines are currently contested in court.

[57] The fee amounts in Option 1 were calculated based on the current payment and expiation behaviours of fine recipients, without explicitly factoring in the risk of changed behaviours because of the changes in fee relativities.

fines at each stage (under the current fees), which the department believes will be broadly maintained under Option 2 and 3 as those options, while they do involve fee increases, maintain a similar gradation of a relatively small PRN fee followed by a larger collection fee. Therefore, the risk of material under-recovery of costs for Option 2 is much lower than Option 1.

Option 3 (concessional fees) was scored only 9 out of 10, as the inclusion of lower fees for concession card holders would reduce revenue collected from those that receive concessional treatment. Option 3 would raise around 86 per cent of the revenue as compared to Options 2.

Estimated revenue under each option is outlined in Appendix A.

Table 13: Assessment of options (cost recovery)

Option	Score
Option 1 – full cost recovery, based on current fee structure	9
Option 2 – full cost recovery, with rebalanced PRN and collection fees	10
Option 3 – partial cost recovery with concessional rates	9

5.2 Efficiency – avoiding cross-subsidisation

As discussed above (see section 2.2.1), all options involve significant cross-subsidisation within the group of fine recipients. This is because of the timing of when fees are imposed—fees must reflect the likelihood that a fine recipient will require use of enforcement activities at the *start* of each stage of the fines lifecycle. This means a fine recipient pays a fee regardless of which services are provided in relation to that individual fine recipient in that stage of the fines lifecycle. In practice, this means that a large number of fine recipients are paying fees higher than the additional costs they individually give rise to (for example, a fine recipient who pays their fine immediately after receiving a notice of final demand), while other fine recipients do not pay for the full cost of the activities they give rise to (for example, where a fine recipient requests a review and then further sanctions and enforcement effort is required to recover the fine debt, including through warrant enforcement activities). This is largely unavoidable because of how and when fees are imposed, however it is nevertheless important to reflect the extent of cross-subsidisation in comparing fee options.

Option 1 has a moderate level of cross-subsidisation. While it is difficult to quantify the extent of cross-subsidisation in a single value, it is estimated that at each of the PRN stage and collection fee stage, there are about 40 per cent of fine recipients that become liable for that fee that contribute only a very small amount to government costs (essentially only the costs of issuing the respective notices and collecting payment). To establish a baseline for scoring the options, the cross-subsidisation under Option 1 was scored -4.

Option 2 performs more poorly than Option 1 on cross-subsidisation. While the proportions of some fine recipients cross-subsidising others remains the same as Option 1, the rebalancing of fees between the PRN fee and collection fee means there is also a group of fine recipients charged the collection fee that covers some of the cost at the PRN stage (that is, activities provided in relation to some people who are not charged the collection fee). Of course, there is a large amount of overlap between the people charged both the PRN fee and collection fee, which mitigates against problems with cross-subsidisation between these two separate groups of fee payers. Overall, the additional cross-subsidisation under this option was scored -7 to reflect its significance in relation to Option 1.

Option 3 is essentially the same level of cross-subsidisation as Option 2, despite the actual nominal value of the amounts being paid by some fine recipients (concession card holders) being less. Under this option, the foregone revenue from the concessional fees is not recouped through higher fees elsewhere, so this option does not add to the level of cross-subsidisation any more than Option 2.

Table 14: Assessment of options (cross-subsidisation)

Option	Score
Option 1 – full cost recovery, based on current fee structure	-4
Option 2 – full cost recovery, with rebalanced PRN and collection fees	-7
Option 3 – partial cost recovery with concessional rates	-7

5.3 Equity

When assessing fee options against the equity criterion, scores are negative, reflecting that the fees impose a cost on the fee payer, and the ability of fee payers (in this case fine recipients) is less than the ability of taxpayers to meet the costs. Options 1 and 2 were scored -1 for equity, as they were considered to have a slightly negative impact on equity, while Option 3 (concessional fees) was scored -0.5, as it would provide less negative effects on equity compared to Options 1 and 2.

Equity and the ability to pay should not be considered in the abstract. The reason why equity in assessing fees is important is because fees paid may be a barrier for people to access important services. However, the 'service' being provided within the fines framework is not the type of service for which government should ensure access to the service as a basic right. Therefore, for this criterion, the setting of fees is expected to have only a very minor impact on equity: fees do not stop a person accessing services, and indeed any services available to a person to expiate their fine are also available before any fees are imposed. Therefore, options 1 and 2 were scored -1 on this criterion, reflecting the very small practical impact on equity, while Option 3 (concessional fees) would provide for a minor improvement over options 1 and 2 (hence scored -0.5).

Government policy in relation to concessional fees as a means of promoting equity and fairness is on the basis that fees should not prohibit or impede access to services that are essential to livelihood, wellbeing or generally regarded as a basic right. The activities to which the proposed fees relate are not considered such a service. Indeed, use of the services is wholly avoidable, if a person who received a fine expiates their fine before any of the proposed fees become applicable (or avoids attracting a fine in the first place). The time for expiation is reasonable. For fine recipients in financial hardship or who may be legitimately unaware of their fine before fees are added, there are alternative options that can be taken prior to the reminder notice or enforcement stages.

Further, even once a fee has been imposed, Victorian fines legislation provides a range of options to support people in financial hardship, including the option to enter payment plans and use the work and development permit scheme, or to request an enforcement review due to special circumstances such as homelessness. In enforcing a fine debt through an attachment of earnings direction, the Director can consider whether this affects a fine recipient's protected level of income. In limited circumstances, most commonly in conjunction with a decision relating to one of the available review or social justice options, the Director may reduce or waive a fee payable if satisfied that in all the circumstances it is appropriate to do so.

Option 3 would provide only marginal improvement in equity, noting the existing supports for those with limited ability to pay set out above, which are likely to be accessed instead of paying a concessional fee.

Table 15: Assessment of options (equity)

Option	Score
Option 1 – full cost recovery, based on current fee structure	-1
Option 2 – full cost recovery, with rebalanced PRN and collection fees	-1
Option 3 – partial cost recovery with concessional rates	-0.5

5.4 Effectiveness

The fee options are expected to have different impacts on the integrity of the criminal justice system in general and the efficacy of the infringements system in particular.

Option 1 involves a very large increase to the PRN fee and a reduction to the collection fee, such that the PRN fee would be 65 per cent of the amount of the collection fee, compared to less than 20 per cent currently. While it is important that fees reflect costs of services as a price signal to use government services more efficiently (as reflected in the efficiency criterion above), the department considers that the overall fee profile should align to the intention of Victorian fines legislation.

A higher PRN fee is not consistent with encouraging compliance at the early stages of the fines lifecycle. Fine recipients may not be aware of the amount of the PRN fee before it is imposed, and once imposed, a high fee may discourage some people from dealing with the fine. This may be exacerbated if the collection fee—the next step in the process if no action is taken—is of similar magnitude. The department considers that a more graduated approach, with clear escalation of consequences between PRN and collection fees, is appropriate to achieve a better compliance outcome, which in turn is more consistent with the objectives of the fines system. Therefore Option 1, which does not achieve this, is scored -3 for this criterion.

Option 2 provides an improvement compared to Option 1 by rebalancing these two fees to provide a more neutral approach to achieving compliance and meeting the objectives of the legislation (more in line with the graduated nature of the fees in the current Regulations). Option 2 was therefore scored zero (essentially no change from the base case in terms of incentives for people to pay fines early—the graduated nature of the fees may encourage some people to pay earlier (compared to a base case of no late fees), but may also mean some other people are discouraged from dealing with their fine, and others may consider a lower PRN fee is not a meaningful incentive).

Option 3 also includes the rebalanced PRN/collection fee structure in Option 2. The inclusion of concessional fees may also assist with greater compliance for those who might otherwise be deterred from paying fines because of their financial position. The improvement is only minor, as, for the reasons discussed above, there are already mechanisms in place to assist and support people who are vulnerable or have limited financial means. As such the improvements in compliance for this group because of the concessional fees is not expected to be significant (that is, most concession card holders would continue to be assisted more by the other existing mechanisms rather than a lower fee in engaging with their fines earlier and satisfactorily expiating their fine). A concession fee *per se* would provide only a very minor improvement in these outcomes.

Table 16: Assessment of options (effectiveness)

Option	Score
Option 1 – full cost recovery, based on current fee structure	-3
Option 2 – full cost recovery, with rebalanced PRN and collection fees	0
Option 3 – partial cost recovery with concessional rates	1

5.5 Simplicity/implementation

Under the base case (if there were no fees), the arrangements for the management of fines among enforcement agencies and Fines Victoria would continue as they do now. Fine recipients would still receive PRNs, notices of final demand, enforcement warrants. The way the current system manages the imposition of the current fees is to automatically add the fees to the notices and amount owed at each stage. The amount owed at each stage is clearly stated on each notice, so is easy for fine recipients to understand. If there were no fees in the future, the systems would need significant changes to remove the automatic adding of fees at each stage, and relevant notices and other information to assist fine recipients would need to be changed to remove references to such fees.

Under Options 1 and 2, which retain the same structure of fees as the status quo, there would be little change required to implement each option. While fee amounts would need to be updated (which they already are each year in line with the indexation of fees as set by the Treasurer), this is considered easier to implement than reverting to a system of no fees, which would require significantly more changes to the fines system for the department and for enforcement agencies. The fees under Options 1 and 2 are easy to apply (as they are applied within existing systems) and easy for fine recipients to understand, although likely slightly more complex for a fine recipient to understand the total amount owed compared to the base case. Overall, Options 1 and 2 were considered broadly the same as the base case for simplicity and implementation.

Option 3 would introduce more complexity in terms of understanding when and how fees apply, the systems needed to impose and administer the new separate fees (including IT upgrades), or other implementation issues that would need to be worked through. Option 3 would require significant changes to IT functionality and administrative support within Fines Victoria and also in each enforcement agency to be able to assess the concession status of each fine recipient and manage differential fee amounts within their IT systems.

Table 17: Assessment of options (simplicity)

Option	Score
Option 1 – full cost recovery, based on current fee structure	0
Option 2 – full cost recovery, with rebalanced PRN and collection fees	0
Option 3 – partial cost recovery with concessional rates	-6

5.6 Outcome of MCA

The table below summarises the MCA scores for each of the options assessed.

Table 18: Summary of MCA outcomes

	Option 1		Option 2		Option 3	
	Score	Weighted score	Score	Weighted score	Score	Weighted score
Efficiency – cost recovery (15%)	**9**	1.35	**10**	1.5	**9**	1.35
Efficiency – avoiding cross-subsidisation (10%)	**-4**	-0.4	**-7**	-0.7	**-7**	-0.7
Equity (25%)	-1	-0.25	-1	-0.25	-0.5	-0.125
Effectiveness (25%)	**-3**	-0.75	**0**	0	**1**	0.25
Simplicity (25%)	**0**	0	**0**	0	**-6**	-1.5
Total score (weighted)		**-0.05**		**0.55**		**-0.725**

In summary, Option 1 scores highly on efficiency (high cost recovery) and has the least amount of cross-subsidisation of the options. However, it scores the worst on effectiveness, because the high PRN fee and lower collection fee distort the incentives for earlier payment, risk higher non-compliance overall, and are inconsistent with the legislative intent of the fines system.

Option 2 also scores highly on efficiency (full cost recovery), but has a worse impact on the amount of cross-subsidisation. However, Option 2 is more closely aligned to a 'neutral' fee structure to be consistent with providing the right incentives for compliance with payment requirements as early as possible in the fines lifecycle.

Option 3 provides minor improvement in the areas of equity and effectiveness, but the impact is limited given the existing mechanisms already in place to support fine recipients with limited ability to pay (including support to pay before any fees are imposed). However, this option would reduce efficiency by recovering less than the full costs of services, have a similar impact in terms of cross-subsidisation, and importantly, require significant more administrative effort to change systems to provide for concessional rates as well as be able to verify the concessional status of a large group of fine recipients. For these reasons, this option was found to be not an improvement.

Of the options assessed, Option 2 received the highest overall weighted score. It is noted that the outcome of the MCA analysis is subjective, based on the department's judgment and experience, and changes to the weighting of criteria or individual scores may change the outcome. However, the above scores reflect the department's views in relation to the factors considered, with the weighting of each broad set of factors (efficiency, equity, effectiveness and simplicity) being consistent, at 25 per cent each. On this basis, the department's preferred option is Option 2.

6 Other parts of the proposed Regulations

6.1 Prescribed forms and information

The proposed Infringements Regulations prescribe:

- the content that must be included on notices served under the Infringements Act, such as infringement notices, official warnings, penalty reminder notices and withdrawals of infringement notices or official warnings
- information to be given to the Court when an infringement is referred to the Magistrates' Court for determination
- the statistical data required to be reported by enforcement agencies to the Attorney-General.

The proposed Fines Reform Regulations prescribe forms and details to be included in documents such as a notice of final demand, a summons, notice of intention to charge land, notice of intention to sell charged land, an enforcement warrant, a seven-day notice, community work permit, and other forms required to be prescribed under that Act.

These regulations are necessary for the effective operation of the Acts, and by prescribing forms and information, they ensure that the processes occur consistently and efficiently.

These regulations impose requirements only on enforcement agencies, Fines Victoria, or the courts, and therefore do not impose any regulatory burden on a sector of the public.[58] They are therefore not assessed in detail in this RIS.

The department has reviewed the prescribed forms and information, including consulting enforcement agencies using the forms and reporting information. The department considers these regulations remain largely fit-for-purpose, and the only feasible option for managing such information.

Based on feedback from enforcement agencies and internal review by Fines Victoria, some minor changes are proposed to standard forms and notices:

- the updated form for withdrawal of official notice or penalty reminder notice will remove the requirement to assign and include an enforcement agency identifying reference number for the withdrawal—this change reflects that these notices already include the infringement notice number and obligation number (a number assigned by the Director, Fines Victoria) and so further reference numbers are not required to identify the specific obligation and may lead to confusion for the fine recipient
- clarifying for infringement notices and penalty reminder notices that the notice recipient can take action other than paying the fine to avoid further enforcement action being taken
- adding legal and financial advice referral information to the prescribed details for a penalty reminder notice, and notice of final demand
- amending the prescribed details for a notice of intention to charge land under section 95(3)(a) of the Fines Reform Act to include information on options for a person to deal with their fines, and legal and financial advice referral information
- amending the prescribed details for a notice of intention to sell charged land under section 101(2)(a) of the Fines Reform Act to include legal and financial advice referral information
- amending the prescribed details for a seven-day notice under section 119(1)(a) of the Fines Reform Act to include clearer information on the manner in which a person may apply for the work

[58] For the purposes of the Subordinate Legislation Act 1994.

and development permit scheme or the family violence scheme under the Fines Reform Act, and to include additional legal and financial advice referral information.

Some information required to be included in notices has also been updated to reflect changes in other legislation, and organisational changes in Victoria Police and other technical references.

These changes are aimed at providing clearer information to fine recipients to help them understand their options at each point, and therefore is expected to assist fine recipients expiate their fines more easily. Referral information is being added at the suggestion of the community legal and financial counselling sector. Adding referral information to support services is intended to help people experiencing vulnerability to take action on their fines, rather than leave them unactioned and accumulating late fees. It is hoped that it will increase the number of fines being actioned, whether that will be through payment in full, payment arrangements, or the various review and social justice options available. The additional information may be of assistance to fine recipients by helping them to make greater use of available avenues such as payment plans or other schemes, or to better understand the consequences of not taking timely action.

Other changes to prescribed information are:

- amending the prescribed details for the statement of financial circumstances to require the person to provide information about the nature of any rental property, details of any Centrelink payments, and details of any other sums owed *by* them (the costs of providing statements of financial circumstances is discussed below—see 6.6)
- enforcement agencies will be required to report infringements data to Fines Victoria by reference to an infringement offence "code", which is a four-digit number generated by the fines IT system for each infringement offence, rather than infringement offence categories – this is intended to provide more useful data and transparency with respect to agency operations as part of the infringements system.

6.2 Definition of homelessness

The proposed Infringements Regulations and Fines Regulations include criteria for determining homelessness under each of the corresponding Acts.

The definition in the Infringements Regulations is needed in order to give effect to the 'special circumstances' provisions of the Infringement Act and the Fines Reform Act in relation to people that are homeless[59]—meeting the criteria for special circumstances is a ground for seeking review of an infringement notice or review of enforcement action, and may be taken into account by a court in making an enforcement order.

Under the Fines Reform Act, homelessness is a basis for being an eligible person to participate in the Work and Development permit scheme. However, criteria must be prescribed to provide a basis for determining whether a person is homeless. In the absence of prescribing criteria, homeless people may not be able to access the scheme.

The department proposes to continue with the current criteria for determining homeless under both sets of Regulations. That is, the prescribed criterion for determining that a person is homeless is that the person satisfies at least one of the following:

(a) the person is living in crisis accommodation

(b) the person is living in transitional accommodation

[59] The Infringements Act also includes other special circumstances, such as health or disability, metal health, and family violence, however only homelessness requires regulations to prescribe criteria for determining status.

(c) the person is living in any other accommodation provided under the *Supported Accommodation Assistance Act 1994* of the Commonwealth

(d) the person has inadequate access to safe and secure housing as defined in section 4(2) of the Supported Accommodation Assistance Act.

As noted in the recent parliamentary inquiry into homelessness,[60] there is no universal or agreed definition of homelessness.

During the development of the proposed Regulations, the department sought and received feedback from key relevant stakeholders including the community legal and financial counselling sector.

Based on this feedback, the department considers the current definition remains appropriate. The definition in the current Regulations is broad and allows for consideration of the kinds of circumstances and factors discussed in the parliamentary inquiry's report. The definition ensures that persons considered homeless under the Commonwealth legislation fall within the definition, as well as explicitly recognising those in crisis or transitional accommodation.

6.3 Protected level of income

The protected level of income threshold provides a basis for which a person with a fine debt at the enforcement stage can apply to have an attachment of earnings direction varied or cancelled. It ensures that money cannot be taken from a person's income if they would be left with too low a level of income. Without prescribing a protected level of income, fine defaulters in vulnerable circumstances may be adversely affected. Hence, prescribing a protected level of income relieves a burden on vulnerable persons.

The protected level of income prescribed in the current Fines Reform Regulations is expressed in terms of the former NewStart Allowance—being 75 per cent of the maximum fortnightly basic rate of the allowance for a person who is 21 or older, partnered and without dependents.

Since 20 March 2020, the NewStart Allowance has been replaced with the Jobseeker Payment, although it is still calculated under the same provisions in the *Social Security Act 1991 (Cth)*.

The proposed Regulations will amend the descriptions of the protected level of income for an attachment of earnings direction under section 68(2)(b) of the Fines Reform Act to reflect the change from the NewStart Allowance to the JobSeeker payment as the current primary social benefit for persons under the Age Pension age, including adding references to the 'maximum basic rate' and the definition of the JobSeeker payment to promote clarity and use terminology from the *Social Security Act 1991* (Cth). This change is not intended to change the level of protected income but to simply update this regulation to reflect the current main social security benefit at the Commonwealth level, including changes to relevant terminology.

The reason for prescribing the level of protected income at 75 per cent of the JobSeeker payment is to preserve the deterrent effect of the fines system for people who are on low incomes but ineligible for any of the review or social justice programs within the system. If all or a higher proportion of a low income was protected, a fine recipient on a low income and without a vehicle or other seizable assets could avoid all consequences for their offending, apart from being arrested, and therefore have limited incentive to behave in a way that avoids attracting the original infringement.

The fines system has options for low-income earners to deal with their fines, including payment arrangements and access to the WDP scheme (if in acute financial hardship). If a fine recipient takes no action to deal with their fines, the Director has discretion to consider the person's circumstances and not to make the attachment of earnings direction if this would impose financial hardship, even

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[60] Legislative Council Legal and Social Issues Committee, *Inquiry into homelessness in Victoria*, Final Report released 4 March 2021. See https://www.parliament.vic.gov.au/get-involved/inquiries/inquiry-into-homelessness-in-victoria/reports

above the prescribed threshold (see section 68 of the Fines Reform Act). Once an attachment of earnings direction is in force, the Director may vary, cancel, or suspend it, including on application by the fine recipient. To maintain flexibility in considering each individual's circumstances, changes to the prescribed minimum protected level of income are not supported. The department understands that maintaining operational flexibility as much as possible rather than prescribing strict limits is also the approach taken in other jurisdictions.

6.4 Prescribing thresholds for certain enforcement activities

The current Fines Reform Regulations prescribe the following monetary thresholds.

Table 19: Prescribed thresholds for registration and certain enforcement activities

Relevant activity	Current prescribed threshold
The minimum infringement fine amount for an infringement to be registered with Fines Victoria for enforcement	$10
The minimum amount of a fine debt required for the Director to make an attachment of debts direction	$100
The minimum amount of a fine debt required for the Director to make an attachment of earnings direction	$1,000
The minimum amount of a fine debt required for the Director to issue a notice of intention to charge land	$2,000

For the last three activities, the fine debt may relate to more than one infringement or court fine outstanding, and includes any fees or other costs that are also owed on fines.

The intention of prescribing minimum thresholds is to ensure that costly activities are not undertaken to recover small amounts (relative to the costs). Therefore, they ensure that the overall enforcement system is managed efficiently.

The $10 threshold for registration of fines is based on Fines Victoria IT systems' settings that a matter paid within $10 of the actual debt amount is considered paid. Hence, fines registered at less than $10 would not be actioned. There are no fines issued for less than $10 (noting that at the point of registration, an infringement fine amount owing includes the penalty reminder notice fee), and as such this threshold is focused only on residual amounts, and would not allow a fine recipient to ignore a fine with no consequences.

In the absence of prescribed thresholds, Fines Victoria could exercise some discretion in terms of which enforcement activities they pursue to recover unpaid fine debts. However, given the Fines Reform Act makes reference to only allowing those activities that meet the prescribed threshold, it is prudent to prescribe nominal amounts for these purposes. For infringements or fine debts above these thresholds, Fines Victoria would still have discretion about which enforcement activities it considers appropriate.

6.5 Prescribing time periods

The current Infringements Regulations set the time period within which an internal review[61] of an infringement must occur at 90 days.

The department considers that 90 days remains appropriate. The department is aware that for some agencies, meeting this timeframe can be a challenge from time to time. However, extending the timeframe would likely delay the review process for all fine recipients and compromise the efficiency

[61] Internal reviews are reviews conducted by the agency that issued the infringement, done at the infringement stage of the lifecycle (before it is registered with Fines Victoria).

and effectiveness of the system, particularly given that the infringements system aims to provide a quick way to resolve an offence, and the deterrent effect of fines.

The current Fines Reform Regulations set the period in which a person, after having their motor vehicle seized, detained or immobilised, can have the vehicle released to them if they pay the fine debt. This is currently set at seven days. After that period, the motor vehicle does not need to be released, even if the person pays the fine, and the Sheriff's Office may commence processes to sell the vehicle.

The department considers the seven-day period remains appropriate, to promote efficient responses to the seizure of motor vehicles and avoid additional costs to the Sheriff's Office from holding vehicles for long periods. This also aligns with the seven-day notice period in scenarios where sheriff's officer intercepts the person (not just their vehicle) and serves a seven-day notice to them.

6.6 Regulations imposing a burden on the public

6.6.1 Providing information on financial circumstances

Section 59 of the Fines Reform Act allows the Director, Fines Victoria to request a statement of financial circumstances via a form from a fine defaulter. The purpose of obtaining this information is to determine a fine recipient's capacity to pay a fine and inform further enforcement action to encourage dealing with the fine. The Act requires that the statement be in the form and contain the information as prescribed in regulations.

The current Regulations do not prescribe a particular form for the statement, but allows the required form to be determined by the Director, Fines Victoria, as appropriate, provided that the form must contain the prescribed details. This will continue, as it is most efficient to be able to update the form as needed, and allows for flexibility. In any case, the form used by Fines Victoria only captures the prescribed information.

The proposed Regulations retain largely the same prescribed information to be included in a statement of financial circumstances as the current Regulations, with some additional requirements. The required information to be included in the statement includes details such as:

- personal details
- employment and income details
- expenses
- debts owed to the person
- bank details
- ownership of property
- licence and vehicle details
- dependents
- any business interests.

The proposed Regulations will also include information about the nature of any rental property, details of any Centrelink payments, and details of any other sums owed to and *by* them. These are considered only minor incremental changes (and largely specify information that could be included under the current requirements). The additional information to be included, like the existing requirements, is information that a person should reasonably have at hand or able to access easily.

The Regulations also prescribe other information that must be attached to a statement of financial circumstances, including payslips, bank statements, evidence of debts, or evidence of land ownership.[62]

Similar requirements are prescribed for persons who must provide information to the court following issue of a summons for oral examination and production of information.[63]

The RIS prepared for the current Regulations in 2017 assumed there would be around 6,000 requests for production of information on financial circumstances. To date, since the commencement of the Fines Reform Act, these requests have not been used extensively but the department considers that 6,000 per year remains a suitable projection for the future. It is therefore considered a conservative estimate of the impact of the burden.

The cost burden of these requirements is calculated as follows:

Cost burden = *6,000 requests per year*

x *time spent to locate, assemble and provide information*

x *hourly cost of a person's time*

The time spent by a person to provide the information to the Director or to the court is estimated to be around 1 hour on average. Most information required would be already known or readily available to the person providing the statement.

The hourly cost of a person's time is taken as $31.60.[64]

This gives a total cost of $189,000 per year (and $1.9 million over the life of the Regulations (expressed in 2024-25 dollars).

Statements are requested from people who have not taken any action on their fine, to see if they have earnings, debts, or assets that could be used for recovering the owing amount. The amount of effort required to provide this information will likely differ for different people—people with complex financial interests may take more time to provide the statement, while lower-income people are likely to not have complex incomes, investments or assets, and for them completing the form will be relatively straight forward. When receiving the request to provide a statement of financial circumstances, the request will now also include contact details for community legal or financial counselling support services, in case people need help with the process.

While this is the direct cost of complying with the Regulations, it is not necessarily the *additional* cost caused by prescribing the information in the proposed Regulations. In the absence of the regulations, the Director could rely on other powers to under the Fines Reform Act to request information[65] and specify the information required to be provided on a case-by-case basis. There may also be other ways that the court could order production of information. Prescribing the required information needed for this purpose provides a more efficient and more consistent way of obtaining the information. The true incremental cost of the Regulations would be only the extent to which the prescribed information includes more details than would usually be needed for a particular matter. The department has

[62] The matters listed here are for a natural person. Corresponding required details are also prescribed for bodies corporate, such as business entity details, financial accounts, etc.

[63] See section 63 of the Fines Reform Act.

[64] Hourly cost is based on the average weekly ordinary time earnings for full-time adults (seasonally adjusted) for Victoria in November 2023 of $1.858.10 per week (ABS, Average Weekly Earnings, released 22 February 2024), divided by 39.7 hours worked for a full-time worker. As the time to provide the information is assumed to be a person's leisure time (as opposed to part of their work time), the after-tax rate has been used to better reflect the opportunity cost of the persons time (using the marginal tax rate of 32.5% for those on average incomes).

[65] For example, under section 178.

reviewed the details required under the Regulations and considers that all of the information prescribed is important to performing the relevant enforcement functions under the Act.

6.6.2 Employer notifications to Fines Victoria

The Fines Reform Act also requires an employer to notify Fines Victoria if a person to whom an attachment of earnings direction has been issued, ceases their employment with the employer. The Act requires this notice to be in the prescribed form. The current Regulations prescribe a very short form that requires only the name of the employer and former employee, details of the person making the statement, and the date on which the employment ceased. This is considered to have a negligible cost (as it does not require any other information that would not be sought from the employer in the absence of the regulations), and is only required in a small number of matters per year.

7 Summary of preferred option

7.1 Proposed fees

The preferred option for the setting of fees is Option 2 (see Chapter 5). The proposed fees are:

Table 20: Proposed fees

	Current fees		Proposed fees		*Percentage change*
	Fee units	*Fee amount in 2025-26*	*Fee units*	*Fee amount in 2025-26*	
Penalty Reminder Notice fee	1.74	$29.20	3.00	$50.40	73%
Collection fee	9.01	$151.50	11.11	$186.80	23%
Enforcement warrant fee	3.94	$66.20	4.31	$72.40	9%
(Total fees paid by fine recipient, if all stages apply)	*14.69*	*$246.90*	*18.42*	*$309.60*	*25%*
Registration fee	5.21	$87.60	6.03	$101.40	16%

This is expected to raise the following revenue:

Table 21: Impact on revenue of preferred option

Revenue Summary	Current fees[66]	Proposed fees
State revenue		
Fee revenue from fine recipients for fines issued by state government enforcement agencies (all fees), and enforcement warrant fees for warrants on all fines	$94,828,438	$120,778,489
Revenue from registration fee from non-state government enforcement agencies	$28,902,271	$33,455,368
Total revenue to state from fees	$123,730,709	$154,233,857
change		*$30,503,148*
Non-state government enforcement agencies		
Fee revenue collected from fine recipients (collected directly by agency or collected on behalf of agency by Fines Victoria)	$28,529,518	$40,057,870
Registration fees paid by non-state agencies to the state	-$28,902,271	-$33,455,368
Net revenue from fees	-$372,753	$6,602,502
change		*$6,975,255*
Total fee revenue collected from fine recipients	$123,357,956	$160,836,359
change		*$37,478,403*
Total costs to state and enforcement agencies	$160,900,000	$160,900,000

[66] All revenue figures in this RIS are forward projections (from 2025-26 onwards). They are only modelled estimates (based on expected fines volumes, the relevant fee amounts and the average rates of payment of fees) for each year (based on the year in which the fine is issued); as such they may differ from actual collected revenue, including the timing of when the payment of fees is actually collected. See also Appendix A.

The total amount of fees collected from fine recipients under the proposed option is around $161 million per year, which equates to the estimated costs to the state and other enforcement agencies of dealing with fine recipients after their fines becomes 'late'.

The preferred option achieves full cost recovery, but like the other options considered, involves a moderate amount of cross-subsidisation

Of the options assessed, the preferred option received the highest overall weighted score. It is noted that the outcome of the MCA analysis may change if the weighting of criteria or individual scores were changed.

7.2 Non-fee regulations

The proposed Regulations also set out a number of matters required to be prescribed under the Infringements Act or the Fines Reform Act, including:

- the content that must be included on notices served under the Infringements Act, such as infringement notices, official warnings, penalty reminder notices, and withdrawals of infringement notices or official warnings, notices of final demand, a summons, notice of intention to charge land, notice of intention to sell charged land, an enforcement warrant, a seven-day notice, community work permit
- information to be given to the Court when an infringement is referred to the Magistrates' Court for determination
- the statistical data enforcement agencies are required to report to the Attorney-General
- the time period within which an internal review of an infringement must occur
- criteria for determining homelessness, in order to give effect to the special circumstances provisions of the Infringement Act and the Fines Reform Act.

The prescribing of required information in these regulations ensures that information is conveyed in a consistent and efficient manner. In the absence of these regulations, information given to a fine recipient or the court about an infringement may be incomplete, misunderstood, or inaccurate. These regulations impose requirements only on enforcement agencies, the Magistrates' Court or Fines Victoria, and therefore do not impose any regulatory burden on a sector of the public. The proposed Regulations include a number of amendments to the requirement information in the notices to provide clearer information to fine recipients, and to assist them expiate their fines more easily.

The proposed Regulations also prescribed a number of thresholds, definitions and time periods that enable Fines Victoria to take actions in relation to outstanding fines. This includes providing a definition of homelessness, to ensure that people experiencing homelessness can apply for a review due to special circumstances and make use of other options to expiate fines other than payment, and a definition of protected level of income, to ensure money cannot be taken from a fine recipient's wages if they would be left with too low a level of income.

The proposed Regulations further set out the information a person is required to provide to Fines Victoria or the Court when requested to provide details of their financial circumstances. This is expected to have a burden (through taking up a person's time) to provide the required information. The total burden is estimated at around $189,000 per year. This is considered a very small cost, given the importance of obtaining the correct financial information when making decisions about a person's fine debts. This cost is shared across 6,000 fine recipients each year.

7.3 Distributional impacts

The proposed Regulations are not expected to have any disproportionate impact on a particular sector of the public or regional areas, given the fines system applies equally across all Victorians. The only group directly affected by the proposed Regulations are people who receive a fine and do not pay the fine or otherwise seek to deal with it within the time allowed, and (a subgroup of that group), people who received a request to provide details of their financial circumstances in relation to an outstanding fine debt.

Care has been taken to avoid excessive burden on vulnerable and low-income Victorians. Outside of the content of the Regulations, the fines system includes a number of mechanisms to allow people to pay in instalments, seek review or not pay their fine under certain circumstances, which includes financial position, homelessness and family violence. Information is provided at each stage of the fines process to assist and support people to access these mechanisms. The proposed Regulations include a number of changes to provide additional information to support vulnerable persons and provide information about how they can obtain further assistance.

7.4 Impacts on competition and small business

This RIS has not identified any restrictions on competition imposed by the proposed Regulations.

The proposed Regulations are not expected to have a disproportionate impact on small businesses. While fines, and hence also fees, will apply to small businesses, this is not expected to have an adverse impact on small businesses due to their business size. The amount of the fees is not significant in the context of ordinary business costs (and small businesses, like all fine recipients, can avoid paying any of the fees if they deal with their fines promptly).

8 Implementation and evaluation

8.1 Implementing the proposed Regulations

The proposed Regulations largely remake the current Regulations with some changes. As such, the implementation of the proposed Regulations largely relies on the existing systems in place by Fines Victoria and enforcement agencies. There are not expected to be any additional resourcing requirements to implement the proposed Regulations.

The proposed Regulations change the fee amounts to be charged by Fines Victoria and enforcement agencies. Fee amounts are already updated annually on 1 July in line with annual changes to the value of fee units under the *Monetary Units Act 2004*. It is proposed that the new Regulations will be made in the first half of 2026, with any fee changes to take effect from 1 July 2026, allowing the changes to coincide with the annual update to fee amounts.

Making the Regulations well ahead of the key changes commencing on 1 July 2026 provides certainty to enforcement agencies of forthcoming fee changes and allows time for agencies to update relevant systems and information about the fee changes. Since the current Infringements Regulations sunset on 7 June 2026, the new Infringement Regulations will also extend the current fee amounts from the current Regulations until 30 June 2026.

The proposed Regulations also make minor changes to information to be included in various notices and information to be reported by enforcement agencies. The planned timing of making the new Regulations will provide appropriate lead time to ensure changes to internal systems and public information are made ready for commencement. Fines Victoria has established engagement channels with all enforcement agencies that issue infringements and will provide relevant information to agencies well ahead of the commencement of the proposed Regulations.

The department is not anticipating significant costs for implementing the minor changes to prescribed forms and notices administered by Fines Victoria.

8.2 Evaluation of the proposed Regulations

In Victoria, regulations generally are made for a ten-year period before automatically sunsetting. This provides the opportunity to re-evaluate the need for regulation, the impacts of the regulations, and whether they remain fit-for-purpose. The proposed Regulations will sunset in 2036, and be subject to a subsequent regulatory impact statement process.

Given the level of revenue generated by these Regulations, the department will consider undertaking a review of the proposed Regulations by end of 2031, subject to the timing of other fine system changes that broadly affect fees. This mid-point review would aim to check whether fees are still matched to costs, and assess whether the changes to fees has led to changes in compliance (that is, more timely payment of fines).

Ahead of that review, Fines Victoria will continue to collect a wide range of data about the fines system, as is currently collected and reported in the Annual Report on the Infringements System. Fines Victoria also regularly consults with enforcement agencies and other peak bodies on opportunities to make improvements to the fines system, including through its role in advising on the creation of infringements and the setting of their penalty values.

Appendix A: Revenue collected under each option

Table 22: Summary of revenue impacts under each fee option

Revenue Summary	Current fees	Option 1	Option 2	Option 3
State revenue				
Fee revenue from fine recipients for fines issued by state government enforcement agencies (all fees) and enforcement warrant fees for warrants on all fines	$94,828,438	$126,062,407	$120,778,489	$106,691,482
Revenue from registration fee received from non-state government enforcement agencies	$28,902,271	$46,333,168	$33,455,368	$28,440,362
Total revenue to state from fees	$123,730,709	$172,395,575	$154,233,857	$135,131,844
change		$48,664,866	$30,503,148	$11,401,135
Non-state government enforcement agencies				
Fee revenue collected from fine recipients collected directly by agency or collected on behalf of agency by Fines Victoria)	$28,529,518	$46,708,350	$40,057,870	$33,081,313
Registration fees paid by non-state enforcement agencies to the state (equal to the amount received by the state above)	-$28,902,271	-$46,333,168	-$33,455,368	-$27,615,526
Net revenue from fees	-$372,753	$375,182	$6,602,502	$5,465,787
change		$747,935	$6,975,255	$5,981,580
Total revenue from fine recipients	$123,357,956	$172,770,757	$160,836,359	$140,740,671
change		$49,412,801	$37,478,403	$17,382,715
Estimated total costs to state government and enforcement agencies	$160,900,000	$184,300,000	$160,900,000	$160,900,000

Notes to Table 22:

All revenue figures in this RIS are forward projections (from 2025-26 onwards). They are only modelled estimates (based on expected fines volumes, the relevant fee amounts and the average rates of payment of fees) for each year (based on the year in which the fine is issued); as such they may differ from actual collected revenue, including the timing of when the payment of fees is actually collected.

The revenue estimates are for a full financial year, expressed in 2025-26 dollars. Despite population growth, the total number of fines issued has decreased generally over the past 10 years (see section 1.2 above), and aside from the impacts of COVID-19 period and elections, has remained relatively stable over the past five years. Therefore, the department does not anticipate any particular growth in the number of fines over the next ten years, however even with no change in the number of fines at each stage of the fines lifecycle, the revenue would grow as a consequence of the automatic indexation of fees each year.

These summary figures are based on cash collections only (based on historical collection rates) but will differ from budget net impacts due to different timing of when unpaid/doubtful debts are written off for accounting purposes.

Revenues under the current fees and Options 2 and 3 are based on current fines numbers at each stage of lifecycle. If the proposed changes in fees encourage more people to pay on time, revenues from late fees will be less. Also, greater use of sanctions may lead to fewer warrants. The revenue projections for Option 1, given that that option would involve a substantial change to the fee relativities between the PRN fee and the collection fee, incorporates an expected shift in more fine recipients who receive a PRN progressing through to the enforcement stage (attracting the collection fees). The revenue reflects a higher proportion of fines at the enforcement stage (increasing revenue from the collection fee) more than offsetting lower collection of the PRN fee.

Under the current fee and options 2 and 3, the revenue from fine recipients compares to the modelled costs for enforcement agencies and Fines Victoria of around $161 million per year. For Option 1, the projected costs would be around $180-185 million per year, although there is more uncertainty around both costs and revenue for that option. See Appendix B for further details on the composition of costs.

Appendix B: Methodology for determining fee amounts

This appendix sets out how costs were estimated and fee amounts calculated.

It is important to distinguish between costs that arise because of the existence of the infringements system and those that arise only in connection with the heads of power to charge fees. There are activities which agencies undertake in relation to the issuing of fines, collecting payments, and managing other options for the expiation of fines during the 21 days after a fine is issued. While these are costs for agencies, these costs are not recovered from fees at that time, because it is understood that:

- a benefit of having an infringement system at all is that it saves agencies costs by having a more efficient means to deal with offending behaviour than prosecuting all offences in court
- where most fine recipients pay their fines on time, the revenue collected from those fines, while intended as a penalty, defrays some of the costs of issuing and managing those fines.

However, where a fine recipient does not pay a fine on time, or otherwise deal with the fine upon initial receipt, agencies incur additional costs in recovering those fines. These costs arise not from the existence of the infringement system itself, but because of actions and decisions of individuals to not deal with fines when they first receive them. Hence, the scope of the costs considered in this RIS are those costs that are avoidable if a person paid or otherwise expiated their fines promptly.

Where actions within the fines lifecycle return a person to a situation that would occur in the absence of the fines system, those costs are not included. For example, if a person elects to have the matter heard in court, the costs of the court hearing are not within scope, because in the absence of issuing a fine, the matter would have been heard in court anyway.

The costs identified as within scope and estimated for this RIS follow the approach outlined in the BRV *Guidance Note: Fees RISs* (October 2021). As noted in that Guidance, although the *Cost Recovery Guidelines* have been replaced as the primary policy for reviewing fees, they contain useful material on how to estimate costs, including efficient costs, in detail.[67]

Identify the specific services provided and/or processes undertaken by the department or agency

This step involves identifying all individual activities that are undertaken by the government (or other enforcement agency) within the fines system. These activities relate to the relevant stages of the fines lifecycle (see Figure 3 on page 66).

The additional services and processes identified can be broken into the following categories:

Stage/event	Additional actions undertaken by government or other enforcement agencies
If a person takes no action to pay or expiate fine within required period	• send fine recipient a penalty reminder notice (PRN) • respond to questions about PRNs • collect payment • process applications for internal review • process nominations (if relevant) • elections for court hearings • payment plans • refer to Fines Victoria work and development permit scheme/family violence scheme

[67] https://www.vic.gov.au/sites/default/files/2025-03/Guidance-Note-Fees-RISs-Oct-2021.pdf

Stage/event	Additional actions undertaken by government or other enforcement agencies
	• Fines Victoria makes decision on work and/or development permit and family violence scheme • Enforcement agency processes Fines Victoria's decision (for example, by withdrawing the fine).
If a person still takes no action after receiving PRN	• Enforcement agency registers the fine with Fines Victoria (if relevant) • Fines Victoria issues fine recipient a notice of final demand (NFD)
After a person receives NFD	Fines Victoria: • responds to questions about NFDs • collects payment • processes applications for: – payment arrangement – enforcement review – work and development permits – family violence scheme – time served scheme • considers waiving or reducing costs or fees • sends SMS reminders to targeted debtor cohorts to encourage them to pay or otherwise action their fines (at any stage of the lifecycle) • considers and applies administrative enforcement activities (if relevant): – driver and vehicle sanctions (applied by VicRoads) – directions for corporate director liability – directions for production of information – charges over land and sale of real property – directions for attachment of earnings (AOE) – directions of attachment of debt (AOD)
If a person has still not expiated a fine and an enforcement warrant is issued	• Fines Victoria applies for a warrant • Magistrates' Court issues a warrant • Sheriff's officers enforce and/or execute the warrant: – wheel clamping – removal of number plates – seizure and sale of goods – third party claims – serve a seven-day notice and make a payment demand – arrest and release on bail or community work permit, or lodge at a police station – external contractor processing activities – provide court with enforcement and payment report

Method of estimating costs

This step involves deciding the appropriate costing approach and the identification of all costs to be recovered. This requires a choice of an appropriate method that reflects the particular nature of the provision of the goods, services and regulatory activities by government.

The *Cost Recovery Guidelines*[68] outline two broad methodologies for determining the appropriate cost base, and describe the circumstances where it may be appropriate to use each approach.

The first broad approach is the 'fully distributed cost' method. This represents the most comprehensive costing approach, and allocates all costs (including direct, indirect and capital cost components) to the output, and is typically used where cost-recovered activities account for a large proportion of an agency's activities.

The second broad approach is the 'incremental cost' method. This method recognises that, at times, it may be inappropriate to attempt to recover overhead and capital costs if these would be incurred anyway even if the particular activity were not undertaken (for example the activity represents an 'add on' to an existing core activity).

This RIS uses a combination of the two approaches to estimate the costs of the above activities, depending on where the activities are undertaken.

For activities undertaken by Enforcement and Support Services (ESS) group within Fines and Enforcement Services (FES) in DJCS, a fully distributed cost method was used, recognising that management and enforcement of fines is the sole activity of the group. Most staff that work in ESS devote all their time to specific activities and programs in the fines system, so it was appropriate to use total staff time as the basis for allocating costs.

For activities undertaken by other enforcement agencies in the infringement stage, and for the Sheriff's Office at the warrant stage, the costs were estimated on an incremental basis, using the above activities to collect data on the staff time taken for each activity. This was the appropriate methodology as these agencies undertake a range of other activities, so it was necessary to isolate the costs attributable to the enforcement of fines. The direct costs were based on staff hourly costs,[69] plus employee oncosts such as superannuation, and indirect costs were estimated based on a pro-rata approach for those organisations.[70]

There are also some direct financial costs noted below where relevant, such as the costs paid to undertake searches of national registers, and the contract payments under outsourced service arrangements. These are included at the actual costs paid by the department.

Allocating costs to the service or activity

Activities undertaken by enforcement agencies in the infringement stage

There are nearly 140 enforcement agencies in Victoria who may issue an infringement fine on detection of an infringement offence. Their activities relevant to this RIS relate to dealing with fines not paid by the minimum 28 days from the date of issue, and include:

- sending PRNs
- collecting payments, including through payment plans
- processing applications for internal review, nominations (if relevant), and elections for court hearings

[68] DTF (2013), page 22.

[69] Using a marginal costing approach, which focuses on the change in costs arising from an additional unit of output (see Cost Recovery Guidelines page 23)

[70] See DTF, Cost Recovery Guidelines (2013), page 42.

- referring to Fines Victoria work and development permit scheme or family violence scheme
- processing Fines Victoria decisions (for example, by withdrawing the fine following family violence scheme determination)
- registering unexpiated fines with Fines Victoria (if choosing to do so).

Fines Victoria manages the infringement stage on behalf of approximately 30 enforcement agencies within Victorian state government. While purely administrative tasks are managed by Civica BPO (performing administrative functions as Fines Victoria-see below), each of these agencies manage any activities requiring discretion independently.

Approximately 110 enforcement agencies manage their own infringement stage processes. This is largely made up of local councils, health services, TAFE Institutes and universities.

The per unit costs of each activity in the infringement stage was estimated using the incremental cost method described above. The costs of activities at the infringement stage (see fee calculation section below) were based on of the unit cost of each activity provided by Victoria Police (as the largest state government enforcement agency) and City of Melbourne (which represents the large majority of fines managed outside the Civica BPO contract). Because of their volume, these two agencies are likely to represent efficient costs.

Unit cost data was also collected from Bayside City Council as a means of moderating the costs, giving some weight to activities for which some agencies are likely to be unable to achieve the efficiencies of City of Melbourne. Separate detailed cost data was not collected from other enforcement agencies, given the relatively small proportion of fines that are managed by any of those agencies individually.

In addition, in a questionnaire sent to all enforcement agencies, agencies were asked about costs of activities covered by the PRN fee and costs of registering fines with Fines Victoria. Responses were received from 40 enforcement agencies and used to validate modelling assumptions where possible.

Activities undertaken by Enforcement and Support Services (DJCS)

Enforcement and Support Services (ESS), a division within DJCS Fines and Enforcement Services (FES), which performs the functions as Fines Victoria), is responsible for the bulk of the fines collection, management and enforcement activities during the enforcement stage. For this group of activities, a fully distributed cost method was used, recognising that enforcement of fines is the sole activity of the group.

The total direct staff costs (salaries only) of ESS staff that are directly involved in undertaking activities within Fines Victoria are around $11.9 million per annum (in 2023-24 dollars, based on June 2024 reporting). This is based on the following allocation of staff across different functions:

Business unit	FTE	Total staff salary costs (2023-24)
Enforcement Operations	85.60	$6.9 million
Family Violence Program	10.0	$898,400
Debt Program	12.0	$1.2 million
Work and Development Permit scheme	19.0	$2.0 million
Time Served Program	9.0	$830,000
Total	**135.60**	**$11.69 million**

The total salary costs take account of the different staff levels within each business unit, applying the actual salary rates paid to staff. [71]

For staff oncosts, a multiplier of 1.165 was used to account for payroll tax, superannuation, training costs, workers' compensation premiums, overtime and other allowances.[72] This is intended to reflect all costs within 'employee expenses' reported in financial reports.

To account for other overhead costs, another multiplier is applied. This accounts for expenditure that is necessary to support the staff that perform the respective enforcement activities. These costs include accommodation, equipment, supplies, corporate services, IT, and other staff within FES that support the enforcement functions.

The department analysed its financial expenditure by functional area to estimate these overhead costs. Excluding costs attributable to the Sheriff's Office (discussed below), staff positions that have a policy rather than operational focus, and any other costs that were included in the direct unit costs (such as outsourced contract payments), the department estimated that the overhead multiplier for the ESS functions involved in managing and enforcing fines is estimated at 2.1. While this is higher than the average of other departments, [73] it is considered appropriate given the special and unique costs involved, in particular the use of a bespoke IT platform. Some of the other costs included in the overhead costs (aside from accommodation and general corporate functions) include a dedicated team of systems development and support, specialised legal staff (a higher requirement per employee than other areas of government not involved in law enforcement), and other high-cost expenses such as postage costs, look-up costs for VicRoads databases, and external debt collection expenses.

To understand the costs per application for each of the avenues available for fine recipients, the total cost per relevant business unit is shown in the table below, with the number of applications processed in 2023-24.

Business unit	Total cost	Number of applications completed	Cost per application
Enforcement Operations	$16.5 million	59,723 enforcement reviews 21,071 payment arrangements	$381 $117
Family Violence Scheme	$2.1 million	1,757 applications	$1,251
Debt Program	$2.9 million	*See below*	-
Work and Development Permit scheme	$4.9 million	5,174 applications	$936
Prison Program	$2.0 million	163 time served and 3,394 waivers	$575
Total	**$28.5 million**		

[71] For reference the Victorian Public Sector Agreement 2020 salary rates as at December 2023 were: SES $198,789; VPS6 $152,773; VPS5 $117,718; VPS4 $98,544; VPS3 $82,571; VPS2 $66,063.

[72] This is based on a rate previously contained in the VGR (2011 edition) by DTF.

[73] For government department costing activities, a default multiplier of 1.5 can be used where there is no data available to estimate the actual overhead costs. (2011 edition of VGR)

For activities undertaken by the Debt Program team, it was possible to break these down into separate actions:

Debt recovery activities	Staff time spent per matter considered	Hourly total cost[74]	Cost per matter considered
Driver and vehicle sanctions	1 minute[75]	$122.01	$1.47
Corporate director liability	1,570 minutes	$189.15	$5,565.17[76]
Production of information direction	144 minutes	$152.30	$365.52
Charge over land and sale of real property	1,347 minutes	$189.15	$4,846.40[77]
Attachment of Earnings (AOE) and Attachment of Debt (AOD) directions	580 minutes	$145.75	$1,810.84[78]
Corporate statutory demands	948 minutes	$145.75	$6,802.81[79]
Processing individual bankruptcy debtors and deregistered corporate debtors	135 minutes	$112.12	$392.27[80]

ESS advised that the function of applying for warrants to the Magistrates' Court of Victoria (MCV) registrar is performed within the Debt Program team. On average, the activities are performed by a VPS3 officer for around 30 minutes per day and escalation matters are performed by a VPS4 or VPS5 officer for around 30 minutes per week. This gives a total direct staff cost over a year of around $5,400 (a combined FTE equivalent of 0.079).

Activities undertaken by Sheriff's Office

Activities undertaken by the Sheriff's Office are divided into:

- Preparation, intercepting and initial contact – finding people with outstanding warrants through operations using automatic number plate recognition (ANPR) technology to intercept vehicles registered to them, or through attending the warrant address
- Warrant enforcement and execution – taking action such as demanding payment, and clamping the vehicle, seizing assets or arresting the person if payment is not received
- Post enforcement / execution administration – processing payments received and warrants actioned

[74] This is based on average staff levels that perform individual activities within this action, based on the VPS staff rates outlined above, and included staff oncosts and overheads.

[75] Identification of debtors for this sanction is largely automated. There is also a cost for VicRoads in implementing the sanctions, this was included separately (see below).

[76] In addition to staff costs and allocation for overheads, these cost per matter also include $300 per matter to conduct searches (costs paid by Fines Victoria) and $300 per matter (minimum) for service of notices (paid by Fines Victoria to outsourced process server).

[77] In addition to staff costs and allocation for overheads, these cost per matter also include $300 per matter to conduct searches (costs paid by Fines Victoria) and $300 per matter (minimum) for service of notices (paid by Fines Victoria to outsourced process server). This item does not include the costs of sale itself (which are netted from proceeds of sale).

[78] In addition to staff costs and allocation for overheads, these cost per matter also include $100 per matter to conduct searches (costs paid by Fines Victoria) and $300 per matter (minimum) for service of notices (paid by Fines Victoria to outsourced process server).

[79] In addition to staff costs and allocation for overheads, these cost per matter also include $200 per matter to conduct searches (costs paid by Fines Victoria) and $300 per matter (minimum) for service of notices (paid by Fines Victoria to outsourced process server), and a minimum of $4,000 per matter legal fees for court hearing attendance.

[80] In addition to staff costs and allocation for overheads, these cost per matter also include $70 cost of AFSA search, which can occur twice throughout the process.

- Asset sales – with different legislated procedures depending on whether the activity involves the sale of a vehicle detained as an enforcement activity, or a vehicle or other assets seized as part of warrant execution.

The costs were estimated on a 'bottom up' basis by estimating the staff time taken for each individual activity, multiplying this by the average hourly staff cost for that activity, and using multipliers to reflect staff oncosts and corporate overheads.[81]

Costs of warrant enforcement and execution activities:

	Time taken per activity (minutes)	Average staff level	Number of staff involved per activity	Hourly staff rate	Average cost per action
PREPARATION, INTERCEPTING AND INITIAL CONTACT					
Set up / Shut down – Roadblock / Street Sweep Operations (ANPR)					
Notification to conduct a roadblock. Engage with Victoria Police and site inspection. Confirm dates.	30	VPS 3	1	$102.23	$51.12
Prepare Operational Briefing Order and other documentation for approval	120	VPS 4 or 5	2	$267.76	$535.51
Review, endorsement and preparation of operational support.	90	VPS 5 or 6	1	$167.45	$251.17
Travel to site. Set up roadblock site. Conduct operation brief. Commence operation. Pack Site and return to office location	90	VPS 2 and 3 VPS 4 x 1 VPS 5 x1	20	$2,044.64	$3,066.95
Post operation de-brief	40	VPS 2 or 3 or 4 or 5	20	$2,258.90	$1,505.93
Call to Sheriff's Communication Centre (SCS) – 1st Call, 2nd Call, Cell Allocation, Pre-Arrest, Other Checks					
Conduct *Status Check* via phone to BPO comms – VIEW, LEAP, ASIC, E-Justice, Courtlink, Red Book	7	VPS 2 or 3 or 4 or 5	1	$112.95	$13.18
Attend Warrant Address					
Travel and attend Warrant Address (1st Call and 2nd Call). Prepare Debtor file. Undertake a risk assessment of the property. Assess if any seizable assets external to property, ring / knock on door, and wait.	20	VPS 2 or 3 or 4 or 5	2	$225.89	$75.30
Debtor / Warrant System Validation – (Roadblock / Street Sweep Operations / 1st call & 2nd Call)					
Validate Debtor and Warrants on VIEW, ASIC etc	15	VPS 2 or 3 or 4 or 5	1	$112.95	$28.24
Print DSR, add BOC, & print / source required operational forms / print warrant (if required)	15	VPS 2 or 3 or 4 or 5	1	$112.95	$28.24
ENFORCEMENT AND EXECUTION ACTIVITY					
Immobilise vehicle (wheel clamping) – (Roadblock / Street Sweep Operations / 1st call & 2nd Call)					
Automatic Number Plate Technology (ANPR) – Number of Hits, identify vehicle with warrants, look up VIEW, look up Vic Roads,	10	VPS 2 or 3 or 4 or 5	1	$112.95	$18.82

[81] For the Sheriff's Office activities, the same multiplier for staff oncosts of 1.165 was used. For overheads, a higher multiplier of 4 was used, given the need to account for additional staff-related costs, largely comprising vehicle and uniform costs, special safety equipment, etc.

	Time taken per activity (minutes)	Average staff level	Number of staff involved per activity	Hourly staff rate	Average cost per action
attempt to contact debtor					
Clamp vehicle (Apply clamp, Complete wheel clamping listing sheet, attach stickers to vehicle)	20	VPS 2 or 3 or 4 or 5	2	$225.89	$75.30
Return to vehicle to remove clamp	20	VPS 2 or 3 or 4 or 5	2	$225.89	$75.30
Detain vehicle (Roadblock / Street Sweep Operations / 1st call & 2nd Call)					
Arrange towing, wait for tow truck, Load tow truck, Wheel clamping listing sheet, Warrant action sheet, Vehicle inspection report, Local purchase order form, statutory declaration, submit forms to head office	60	VPS 2 or 3 or 4 or 5	2	$225.89	$225.89
Make Payment Demand and Serve 7 Day Notice (Roadblock / Street Sweep Operations / 1st call & 2nd Call)					
Engage with or attempt to engage with debtor – Introduction of SOV, explanation of outstanding warrants	10	VPS 2 or 3 or 4 or 5	2	$225.89	$37.65
Serve 7DN and Make Demand	15	VPS 2 or 3 or 4 or 5	2	$225.89	$56.47
7DN Waived	15	VPS 2 or 3 or 4 or 5	2	$225.89	$56.47
Walking Possession (WP) – Search for seizable assets. Complete seizure form.	30	VPS 2 or 3 or 4 or 5	2	$225.89	$112.95
No payment – seizure and removal of assets					
Seizure and removal (Arrange contractors, wait for truck, Load truck, Warrant action sheet, Vehicle inspection report, Local purchase order form, Seizure form, Statutory declaration, submit forms to head office)	60	VPS 2 or 3 or 4 or 5	2	$225.89	$225.89
No payment or seizable assets – arrest (1st call & 2nd Call Only)					
Officer conduct pre-arrest check (Arrest with Warrant Report)	20	VPS 2 or 3 or 4 or 5	2	$225.89	$75.30
Arrest and release on a Community Work Permit (CWP)- Find appropriate CCS office, CWP forms. Lodge forms with BPO	20	VPS 2 or 3 or 4 or 5	2	$225.89	$75.30
Arrest and bail to appear before a Court, Arrest and bail forms, find court and hearing time, Create Bail Pack. Send Bail Pack to BPO	20	VPS 2 or 3 or 4 or 5	2	$225.89	$75.30
Arrest and lodge at police station, Lodge warrants and handover defendant at local police station	120	VPS 2 or 3 or 4 or 5	2	$225.89	$451.78
POST ENFORCEMENT / EXECUTION – ADMINISTRATION ACTIVITY					
Receipting and Banking at Australia Post (Roadblock / Street Sweep Operations / 1st call & 2nd Call)					
Payment received and receipted – cash, credit, EFTPOS – includes Paid in Full and Part Payments	15	VPS 2 or 3 or 4 or 5	1	$112.95	$28.24
Reconcile and deposit at Australia Post (cash, cheques, money orders)	20	VPS 2 or 3 or 4 or 5	2	$225.89	$75.30

	Time taken per activity (minutes)	Average staff level	Number of staff involved per activity	Hourly staff rate	Average cost per action
Reconcile Debtor / Warrant post execution and email BPO receipt the EFTPOS receipt, and DSR (EFTPOS) and / or scan and upload e.g., seizure and/or file documentation in office	20	VPS 2 or 3 or 4	1	$102.23	$34.08
Hand-In (Roadblock / Street Sweep Operations / 1st call & 2nd Call)					
One-on- one with Sergeant – hand-in	7.5	VPS 2 or 3 + VPS 4	3	$326.47	$40.81

Costs of Sheriff's asset sales:

Activity	Time taken per action (minutes)	Average VPS level	Total hourly rate	Average cost per action
SEIZED ASSETS / DETAINED VEHICLES				
Sale of assets – Detained vehicle				
Initial File Preparation	55	VPS 3 or 4	$112.12	$102.78
SAAS seize detained vehicle (Checks, travel to and from storage facility, identify vehicle, complete and send seizure paperwork and records)	177	VPS 5	$145.75	$429.96
Prepare file for auction (Vehicle valuation, letters of demand, advertisements, approvals, auction house listing, transport vehicle to auction house, auction day checks, and manage any files on hold due to applications with Fines Victoria)	160	VPS 3 or 4	$112.12	$298.99
Process disbursement / auction result (Receive auction reconciliation and bank statement, confirm execution costs, disburse against each warrant less costs on VIEW, review accumulated charges report, invoicing and memos, complete release process with purchaser and storage facility)	35	VPS 3 or 4	$112.12	$65.40
Close and archive (Update VIEW, SAAS database and electronic file)	10	VPS 3 or 4	$112.12	$18.69
Sale of assets – Seized property (enforcement warrant)				
Initial File Preparation	55	VPS 3 or 4	$112.12	$102.78
Prepare file for auction (Vehicle valuation, letters of demand, advertisements, approvals, auction house listing transport of vehicle to auction house, auction day checks, and manage any files on hold due to applications with Fines Victoria).	160	VPS 3 or 4	$112.12	$298.99
Process disbursement/ auction result (Receive auction reconciliation and bank statement, confirm execution costs, disburse against each warrant less costs on VIEW, review accumulated charges report, invoicing and memos, complete release process with purchaser and storage facility)	45	VPS 3 or 4	$112.12	$84.09
Close and archive	15	VPS 3 or 4	$112.12	$28.03

Activity	Time taken per action (minutes)	Average VPS level	Total hourly rate	Average cost per action
(Update VIEW, SAAS database and electronic file)				
Third party claims (claims accepted)[82]				
Initial contact (Assess claim, update records, request additional information (if required), correspondence to claimant, defendant, and agencies)	60	VPS 4	$122.01	$122.01
Determine the claim (Complete determination summary for approval to release or sell the vehicle, record responses from all parties, prepare correspondence and release paperwork, update records)	60	VPS 4	$122.01	$122.01
Close and archive (Update VIEW, SAAS databases, scan and TRIM file, forward hardcopy file to archive)	15	VPS 4	$122.01	$30.50
Third party claims following warrant execution (interpleader)[83]				
Initial contact (Receive claim, update records, correspondence with claimant, defendant and any agencies, seek approval from Deputy Sheriff, refer to FES Legal and Commercial Team to engage external legal representative)	60	VPS 4	$122.01	$244.02
Process court outcome (Update records, prepare to release vehicle to claimant if claim upheld, correspondence with claimant, debtor and agencies, complete release paperwork, update records)	60	VPS 4	$122.01	$244.02
Close and archive (Update VIEW, SAAS database, and electronic file)	15	VPS 4	$122.01	$30.50
Detained/Seized Assets (not sold at auction)				
Manage files that do not go to auction (Prepare file, update records, correspondence and other communications, complete release paperwork, manage any files on hold due to applications with Fines Victoria)	120	VPS 3 or 4	$112.12	$224.24
Close and archive (Update VIEW, SAAS database, and electronic file)	15	VPS 3 or 4	$112.12	$28.03

In total, the costs of undertaking the various activities by the Sheriff's Office is around $24 million per year (in 2023-24 dollars).

Activities undertaken by outsourced service provider

The State has a contractual arrangement with Civica BPO Pty Ltd, in accordance with Part 14A of the *Fines Reform Act 2014*, to provide administrative services that support the Victorian fines system, under the Fines Victoria umbrella, which includes:

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[82] A third-party claim is where someone other than the person named on the warrant claims ownership of the property seized by the Sheriff. This activity relates to third party claims for a vehicle detained and seized by the Sheriff under Part 11 of the Fines Reform Act. These claims are determined by the Sheriff.

[83] Interpleader claims relate to property (which can include a vehicle) seized by the Sheriff under Part 10 of the Fines Reform Act. Interpleader claims are determined by the Magistrates' Court.

- all infringement fines issued by Victoria Police for their whole lifecycle
- all infringement fines issued by around 30 state government enforcement agencies for their whole lifecycle
- infringement fines registered with the Director Fines Victoria for collection and enforcement by 'external agencies' such as local councils and some state government agencies
- court fines referred to the Director for collection.

The administrative services provided by Civica BPO support in part or in full the delivery of certain statutory functions of some state government enforcement agencies ('resident agencies', for which Fines Victoria undertakes some administrative services from the fine issuance stage), the Director, Fines Victoria, the Sheriff, and the courts. Civica BPO is contracted to provide the following activities in relation to fines and warrants managed on the Fines Victoria system:

- producing and sending outbound correspondence, including infringement notices, penalty reminder notices, and notices of final demand (for fines within the system at the relevant time)
- Fines Victoria contact centre/front counter service that enables fine recipients to get information about their fines and fine-related options (for fines at any stage in the lifecycle)
- receiving payments (for fines managed by Fines Victoria)
- administrative processing of applications for payment arrangements, nominations, infringement extensions, and COVID-19 fine concession scheme
- receiving correspondence and applications for other options and forwarding those to the relevant enforcement agency or ESS for action
- supporting sheriff's officers with their operations (debtor status checks for warrant amounts, VicRoads check for vehicles registered to debtor, check Redbook value of vehicle, arrange towing, process warrant enforcement outcomes)
- supporting for Director Fines Victoria's debt engagement activities including SMS campaigns.

In terms of volume of activity, the contract supports a combined annual volume of approximately 13 million "transactions" (as defined under the contract) each year, including:

- administration of approximately 7 million infringement-related documents
- over 5 million customer interactions
- processing over 1.7 million financial transactions.

The contract with Civica BPO commenced on 31 December 2017, for a five-year term, with the option of two extensions of two years each (up until the end of 2026).

The amount paid under the contract is indexed each year, generally at less than the rate of inflation to reflect efficiency improvements over time, with the indexation occurring on 1 January each year.

The cost to the government from this engagement in 2023-24 was around $18 per fine. It is incurred at the infringement stage for fines issued by 'resident' agencies, who are currently exempt from the prescribed registration fee, and pay the $18 per fine under a separate agreement with the department. 'External agencies' that register fines with Fines Victoria from the enforcement stage pay this as a component of the prescribed registration fee.

While the activities performed by Civica BPO span across the fines lifecycle, the cost to government of each fine managed by Civica BPO is triggered as soon as a fine is referred to the contractor (at either the infringement or registration stage), regardless of what steps and processes are undertaken in relation to that fine, or what other stages of the lifecycle it goes through. The amount required to be paid does not vary according to the stage of the fine enforcement.

For the purposes of the RIS, the cost per fine will continue to be indexed each year for the life of the proposed Regulations (until 2035), notwithstanding that during the course of 2026-28 the contract will be re-tendered and a new contract entered. This RIS does not pre-empt the outcomes of that process, and if costs under the new contract are substantially different, the government may revisit the amount of fees at that time.

In addition to the cost per fine paid to Civica BPO, DJCS incurred other costs in relation to the management of the contract (such as the support services provided by FES Contract Compliance Unit and Legal and Commercial team, and other parts of FES). This is included as part of corporate overhead costs outlined below.

Note that beyond the Business Services Agreement with Civica BPO, the department purchases additional essential support services from external providers, valued around $8 million in total in 2023-24. These services directly relate to administering the fines system, and include:

- agreement with Services Australia for deduction of fines payments via CentrePay
- other banking arrangements
- information Sharing Agreement with Department of Transport and Planning for access to the VicRoads database for the purposes of fines enforcement
- agreement with Australia Post for postal services.

As most of these external provider costs, and other additional costs including IT system costs, span across all areas of the fines system, they are included as part of general overhead costs for the activities listed in the other sections in this Appendix. The Civica BPO administrative services costs, however, are incurred at the start of the lifecycle and so are included in the PRN fee.

Magistrates' Court of Victoria (MCV)

There are a number of steps during the fines lifecycle that require action by MCV. These are:

- registrar issuing enforcement warrants upon application by the Director Fines Victoria
- enforcement hearings where a fine defaulter is arrested and bailed
- summonses for oral examination[84]
- declared director applications[85]
- interpleader hearings relating to property seized by the Sheriff.

These are activities the court performs because a person has not adequately expiated their fine on time, drawing on the court's resources.

MCV employs one full time Grade 4 Registrar and one full time Grade 3 Registrar whose full-time activities relates to fine enforcement.

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[84] The Director may apply to the Magistrates' Court for a summons to be issued to a fine defaulter for oral examination and the production of information for the purposes of taking enforcement action against a fine defaulter under this Act if—
(a) the Director has made a production of information direction; and
(b) the fine defaulter has failed to comply with that direction: s.62 Fines Reform Act.

[85] A Declared Director application allows a person to apply to the Magistrates' Court to overturn a declaration by the Director, Fines Victoria that the person was a director of a body corporate at the time of the commission of the offence for which an infringement notice was issued: ss.29,30 Fines Reform Act.

The Grade 4 Registrar handles the enforcement of all court and infringement fines within MCV. Only a Registrar of the court can perform these functions.

For the costs of issuing enforcement warrants, MCV advised that the total amount of time spent on enforcement warrant issue is as follows:

Activity	Time spent	Staffing
Issuance of enforcement warrants	Two hours every day	Grade 4 Registrar
Recall and cancellation of enforcement warrants	10 mins every day	Grade 4 Registrar

The Grade 3 Registrar manages the time served scheme applications which are filed by the Director. This Registrar receives and initiates the applications into the case management system, prepares the weekly list, coordinates and clerks the list, provides guidance in court and ensures relevant paperwork is received by the Sentence Calculation and Warrant Administration list after the hearing. This list sits once per week.

MCV advised that all other relevant work is performed by Grade 2 or Grade 3 Registrars and Magistrates. For each individual activity, the following resources were involved:

Activity	Time spent	Staffing
Enforcement hearings for infringement and court fines	30 mins per finalisation	Magistrate Grade 2 Registrar
Time Served Applications	One list once a week	Magistrate Grade 3 Registrar
Application to vary instalment order (s. 166 Fines Reform Act)	30 mins per finalisation	Magistrate Grade 2 Registrar
Application for re-hearing (s. 167 Fines Reform Act)	30 mins per finalisation	Magistrate Grade 2 Registrar
Application to recall warrant (s. 58 Magistrates Court Act)	30 mins per finalisation	Magistrate Grade 2 Registrar
Application to Be Deemed Not a Declared Director	10 minutes	Magistrate Grade 2 Registrar
Infringement extensions	15 minutes	Magistrate Grade 2 Registrar
Fine Conversion Orders	10 minutes	Grade 3 Registrar
Stay and Instalment orders	5 minutes	Grade 3 Registrar
Summons for oral examination (s. 63 Fines Reform Act)	30 minutes	Grade 3 Registrar

In total, the activities undertaken by MCV as part of fines enforcement activities and warrant issue amount to around $1 million per year.

VicRoads

VicRoads advised that its costs of giving effect to driver and vehicle sanctions are $0.1375 per sanction, for sanctions able to be processed automatically. A small proportion of sanctions require manual processing, which costs around $24,000 per year. In total, this amounts to additional costs to VicRoads of implementing enforcement sanctions of around $500,000 per year.

Total costs recoverable through fees

Based on the above per activity cost analysis, and the department's projections for the volumes of fines and frequency of activities going forward (see below for further details), the total costs per year over the next ten years of activities within scope of cost recovery for the fees are as follows (expressed in 2025-26 dollars):

Activities[86]	Costs under current arrangements and Options 2 and 3[87]			Costs under Option 1[88]		
	State Government[89]	*Non-state agencies[90]*	***Total***	*State Government*	*Non-state agencies*	***Total***
PRN stage activities	$31,300,000	$39,600,000	**$70,900,000**	$31,900,000	$44,400,000	**$76,300,000**
Enforcement stage activities	$52,600,000	-	**$52,600,000**	$70,600,000	-	**$70,600,000**
Warrant issue and service of warrant, 7-day notice and payment demand	$17,900,000	-	**$17,900,000**	$17,900,000	-	**$17,900,000**
Other warrant enforcement activities	$19,500,000	-	**$19,500,000**	$19,500,000	-	**$19,500,000**
Total	**$121,300,000**	**$39,600,000**	**$160,900,000**	**$139,900,000**	**$44,400,000**	**$184,300,000**

[86] The breakdown of activities in the above table should be read in conjunction with the description of activities earlier in this chapter.

[87] The estimated total annual costs to state government and enforcement agencies for Option 3 is shown as the same as the current arrangements and Option 2. As noted in Chapter 5, there is likely to be significant more effort by Fines Victoria and each enforcement agency to change systems to provide for concessional rates as well as be able to verify the concessional status of a large group of fine recipients. These additional costs have not been quantified, and are not included in the table. How each enforcement agency would do this in practice was not modelled in detail; while there would be a large upfront, one-off cost to make changes to systems, there may be for some agencies also a slight increase in ongoing operational costs, depending how much they would rely on manual processes. While these additional costs have not been quantified, the additional effort in this option is taken account of in the qualitative assessment in Chapter 5.

[88] Option 1 has higher aggregate costs because, as discussed in Chapter 5, Option 1 is expected to see a higher proportion of fines at the PRN stage move into the enforcement stage than under the current arrangements or under options 2 and 3 (which assume the same levels of engagement with fines at each stage as the current arrangements). For the PRN stage activities under Option 1, there would be a slight reduction in the costs to enforcement agencies (other than the state government agencies that used the BPO service provider to also manage the infringement stage (see Appendix D)) due to fewer fine recipients making payment or seeking other expiation avenues following receipt of the PRN. However, this would be more than offset by higher total costs of registering a greater number of fines with Fines Victoria (the costs of registering fines are included in the PRN stage activities). For the enforcement stage activities, there would be higher costs for Fines Victoria under Option 1 due to a greater number of fines being registered, leading to a higher volume of enforcement activities required.

[89] The State Government costs of activities at enforcement stage and warrant stages includes costs of Fines Victoria, Sheriff's Office of Victoria, VicRoads and MCV, as discussed above.

[90] Costs for non-state government enforcement agencies is based on the data from City of Melbourne and Bayside Council, extrapolated to all agencies on the basis of an efficient cost, rather than a measure of the actual costs for all agencies (see below for discussion of efficiency of costs).

Calculating fee amounts

To determine the costs for the PRN fee, the department relied on cost data provided by other agencies.

PRN fee required to cover costs	=	*unit cost of each activity undertaken from the issue of the PRN up until a fine is registered with Fines Victoria, expressed on a per fine basis*[91]
	x	*likelihood of each activity occurring for a given fine at the PRN stage of the lifecycle*
	÷	*expected recovery rate for that fee.*

Based on data provided by Victoria Police, City of Melbourne and Bayside City Council (and supplemented with additional data from other enforcement agencies), and applying standard staff oncosts and overheads costs, the following data (collected in 2023-24 dollars) was used to determine the costs for the PRN fee:

Activity	Cost per matter for State government agencies	Cost per matter for non-state government agencies
Civica BPO fee	$18.19	-
Issuing PRN	-	$19.00
Nomination	$25.25	$55.15
Internal review	$15.95	$69.11
Payment plans	$29.89	$29.89
Court elections	$79.74	$79.74
Action Fines Victoria decisions	$9.97	$12.63
Process seat belts exemptions	$13.29	n/a
Registration costs	n/a	$18.41

The likelihood of each activity occurring for a given fine that has reached the PRN stage is as follows:

Activity	Probability that activity is required per fine[92]	
	State government agencies	Non-state agencies
Civica BPO fee	100%	-
Issuing PRN	*(included in BPO cost)*	100%
Nomination	4%	7%
Internal review	11%	11%
Payment plans	5%	6%
Court elections	2%	1%
Action Fines Victoria decisions	16%	18%
Process seat belts exemptions	1%	-
Registration costs	-	41%

[91] For example, a single payment plan for a fine recipient usually covers multiple outstanding fines in a single plan.

[92] Data based on activities reported to the department as part of annual reporting, except seat belt exemptions (Victoria Police estimate) and actioning Fines Victoria decisions (based on department data).

In determining the contribution of these costs to the fee amounts, the cost components are effectively weighted depending on which type of agencies issues the fine. The resulting PRN fee shown in the RIS is therefore a weighted average between the estimated costs to government agencies (which largely rely on Civica BPO for most activities at this stage) and non-state government agencies who perform the tasks themselves.

To determine the collection fee and enforcement warrant fee costs, ESS and SOV costs were combined with cost data from MCV and VicRoads noted above, as well as the $18 cost per fine for outsourced services (for the fines from external agencies that become registered at this stage).

ESS and SOV components were allocated to each fee (either the collection fee or the warrant fee) based on the following formula:

Fee required to cover costs	=	*unit cost of each activity undertaken from the time a fine is registered, expressed on a per fine basis*
	x	*likelihood of each activity occurring for a given fine at that stage of the lifecycle*
	÷	*expected recovery rate for that fee.*

The likelihood of each activity occurring for a given fine is based on reported volume data

Fee component	Probability that activity is required per fine[93]
Collection fee activities	
Enforcement reviews	14.5%
Family violence program applications	2.4%
Payment arrangements (new and variation)	11.1%[94]
Work Development Permit scheme	4.6%
Prison Program	4.3%
Driver and vehicle sanctions	25.5%
Corporate director liability	0.1%
Production of information direction	0.6%
Charge over land	0.1%
AOE and AOD directions	0.4%
Corporate statutory demands	0.1%
Bankruptcy debtors and deregistered corporate debtors	1.0%

[93] These probabilities are based on the projected number of fines that are subject to each type of activity, from 2025 to 2029 (averaged) for new fines that come into the fines system and reach the stage of attracting the collection fee. Projections are based on historical data of each activity type for a given number of fines, however some items reflect an expectation that some sanctions will be used more in the future than in previous years. The probabilities recognise that a single activity may cover multiple fines, and that sanctions may be taken more than once in relation to a particular fine recipient.

[94] Only includes more complex and higher value payment arrangements that are processed directly by ESS staff. The majority of payment arrangement applications are managed by the external contract provider, and these costs are reflected in the payments made under that contract as discussed above.

Fee component	Probability that activity is required per fine[93]
Sheriff's Office – warrant enforcement activities[95]	83% of fines that receive a NFD go on to having a warrant issued
Enforcement warrant fee activities	
Application/issue of warrant	For each warrant issued
Sheriff's Office first interaction with debtors (serve seven-day notice and make payment demand)	For each warrant issued

The recovery rates used were as follows, based on averaging collection rates over 2022-23 and 2023-24:

Fee	Recovery rate[96]
PRN fee	40%
Collection fee	36%
Enforcement warrant fee	19%
(Registration fee)	*99.5% (but assumed at 100% for fee setting)*

Assess whether the estimated full cost of the activity or service is efficient

Demonstrating that costs are efficient is not straightforward. Methods often used or recommended include benchmarking the government agency charging fees for a service or activity with similar government bodies, consultation with stakeholders, and previous audits/reviews of the body.[97]

Benchmarking is not practical in this instance, as the features of Victoria's fines system are different in nature and scope to how other jurisdictions manage fines, and other bodies within Victoria do not undertake comparable functions. However, the department notes the following points that support efficiency of costs:

- Within the context of management of infringements and court fines, the establishment of Fines Victoria and centralised, consistent processes under the Fines Reform Act recognised that consolidating activities would be a more efficient approach than the prior system.
- For activities not managed centrally under Fines Victoria, the costs taken as reference are from Victoria Police and City of Melbourne, which were expected to be more efficient in the relevant activities than other enforcement agencies because of the higher volume of infringements they process each year. Recognising that some enforcement agencies may not be able to be as efficient as Victoria Police of City of Melbourne in practice, because of their smaller volume of fines and inability to realise benefits of scale, the data used to estimate costs also included detailed activity data from another council (Bayside) and validation of some assumptions against high-level data provided by agencies as part of a questionnaire. This provides a more realistic assessment of costs

[95] Sheriff's Office activities, except for the Sheriff's Office first interactions with any debtors they intercept in person (serve seven-day notice and make payment demand), with these costs (around $7 per warrant on average) being included in the warrant fee.

[96] The recovery rate means the total percentage of each fee that is actually paid from the time it is imposed, throughout all stages of the fines lifecycle. For example, some PRN fees are paid prior to the enforcement stage, some PRN fees are paid in the enforcement stage (after a notice of final demand has been issued) and some PRN fees are paid after a warrant has been issued. Across the lifecycle, 40 per cent of PRN fees end up being paid. PRN fees that are not paid may be because a fine is withdrawn at some stage, the fine is otherwise expiated that avoids payment of the fee, or may not be paid within the fines system (for example, because enforcement of the fine is pursued through the court).

[97] BRV (2021) *Guidance Note: Fees RISs*, page 9.

across other enforcement agencies, while still aiming to only include costs that are efficient. In seeking to set fees that apply across many agencies while also ensuring fees only reflect the most efficient costs, there are likely to be some agencies for whom the proposed fees will still not recover their all their costs of the relevant activities. This is likely to be small in aggregate (together Victoria Police, City of Melbourne and Bayside Council make up around 60 per cent of all infringements fines issued in 2023-24), however for an individual smaller agency, the shortfall between fee revenue and actual costs may be more significant. The department expects there should remain some incentive for all agencies to become more cost efficient over time, but acknowledges full cost recovery may not be possible for all agencies.

- The largest single cost throughout the lifecycle is the payment to the external outsourced contract provider. This cost is a result of a competitive tender process.
- For other costs, where possible, the RIS has provided additional detail on how the costs were estimated to allow interested parties to comment on whether the amount of time taken for each activity is reasonable.

Appendix C: Fees charged in other jurisdictions

Table 23: Summary of corresponding fees charged in other Australian jurisdictions[98]

	If initial action not taken (reminder notice)	Enforcement stage (final demand)	Recovery stage (warrant)
Victoria (current fees)	$29.20	$151.50	$66.20
Victoria (proposed fees)	$50.40	$186.80	$72.40
New South Wales (managed by Revenue NSW)	If a person receives an overdue fine notice, additional costs of $65 (or $25 for a person under 18)		Additional fee of up to $65 every time a debt recovery option is taken
Queensland	Fee of $80.85 when referred to the State Penalties Enforcement Registry	$135.50 if enforcement action is taken	
Tasmania (Monetary Penalties Enforcement Service)		Enforcement order (After 28 days) $102.50 Additional fees for: Driver licence suspension $61.50 Vehicle registration suspension $61.50 Garnishee of wages $205.00	Enforcement warrant fee to seize and sell property $205
South Australia	Seeking payment plans $24.10 Reminder notice $67	If the Chief Recovery Officer makes an enforcement determination: $125 Suspension of Driver licence $24.10 Prohibition of transaction with registrar of motor vehicles $24.10 Suspension of s. 97A of Motor Vehicles Act $24.10 Application to revoke enforcement determination $30.25	Costs that apply to the garnishee order can also be added to the amount owed. Any costs from the seizure and sale of assets (for example the cost of removal and storage) will be added to the amount owed. Costs from applying a charge on land will also be added to the amount owed.
Western Australia		Final demand $26.10 Enforcement certificate $22.20 Registering infringement $83.50 Notice of intention to enforce $55	Enforcement warrant issue $260 Summons $98 Additional fees for attending court, arranging sale of property, transfer of land.
ACT	Reminder notice late fee $34		Summons notice $97

As at September 2025.

[98] Empty cells generally mean that there is no corresponding fee in that jurisdiction, based on the categories used in Victoria, however the lifecycle stages may differ slightly between jurisdictions, hence some of the fees indicated above may span wider than the column in which they are placed.

Appendix D: Enforcement agencies categories

Fines Victoria deals with fines from the infringement stage for:

Coliban Region Water Corporation
Consumer Affairs Victoria
Corrections Victoria
Department of Education
Department of Energy, Environment and Climate Action
Department of Families, Fairness and Housing
Department of Health
Department of Jobs, Skills, Industry and Regions
Department of Justice and Community Safety
Department of Transport and Planning (towing fines)
Game Management Authority
Gippsland and Southern Rural Water
Goulburn-Murray Rural Water Corporation
Grampians Wimmera Mallee Water Corporation
Heritage Victoria
Lower Murray Urban and Rural Water Corporation
Melbourne Water Corporation
National Heavy Vehicle Regulator
Safe Transport Victoria (relates to commercial passenger vehicles)
Social Services Regulator
Victoria Police (including Road Policing Enforcement Division, and Licensing and Regulation Division)
Victorian Building Authority
Victorian Fisheries Authority
Victorian Gambling and Casino Control Commission
Victorian Liquor Commission
Wage Inspectorate Victoria

The following agencies are state government agencies that register infringement fines with Fines Victorian at the **enforcement stage:**

Alpine Resorts Victoria
Department of Transport and Planning (public transport fines)
Energy Safe Victoria
Environment Protection Authority
Parks Victoria
Ports Victoria
Victorian Electoral Commission
Victorian WorkCover Authority (WorkSafe)

The following agencies are public bodies outside state government agencies that register infringement fines with Fines Victoria at the **enforcement stage:**

Box Hill Institute of TAFE	Royal Melbourne Institute of Technology
La Trobe University	Melbourne Market Authority
Monash University	Macedon Ranges Shire Council
Alpine Shire Council	Manningham City Council
Ararat Rural City Council	Maribyrnong City Council
Ballarat City Council	Maroondah City Council
Banyule City Council	Melbourne City Council
Baw Baw Shire Council	Melton City Council
Bayside City Council	Merri-bek City Council
Benalla Rural City Council	Mildura Rural City Council
Boroondara City Council	Mitchell Shire Council
Borough of Queenscliffe	Moira Shire Council
Brimbank City Council	Monash City Council
Campaspe Shire Council	Moonee Valley City Council
Cardinia Shire Council	Moorabool Shire Council
Casey City Council	Mornington Peninsula Shire Council
Central Goldfields Shire Council	Mount Alexander Shire Council
Colac Otway Shire Council	Moyne Shire Council
Darebin City Council	Murrindindi Shire Council
East Gippsland Shire Council	Nillumbik Shire Council
Frankston City Council	Northern Grampians Shire Council
Gannawarra Shire Council	Port Phillip City Council
Glen Eira City Council	Pyrenees Shire Council
Golden Plains Shire Council	South Gippsland Shire Council
Greater Bendigo City Council	Southern Grampians Shire Council
Greater Dandenong City Council	Stonnington City Council
Greater Geelong City Council	Surf Coast Shire Council
Greater Shepparton City Council	Swan Hill Rural City Council
Hepburn Shire Council	Towong Shire Council
Hindmarsh Shire Council	Wangaratta Rural City Council
Hobsons Bay City Council	Warrnambool City Council
Horsham Rural City Council	Whitehorse City Council
Hume City Council	Whittlesea City Council
Indigo Shire Council	Wodonga City Council
Kingston City Council	Wyndham City Council
Knox City Council	Yarra City Council
Latrobe City Council	Yarriambiack Shire Council

The following enforcement agencies **do not** register infringement fines with Fines Victoria:

Bass Coast Shire Council	Dairy Food Safety Victoria
Buloke Shire Council	PrimeSafe
Corangamite Shire Council	Victorian Arts Centre Trust
Glenelg Shire Council	Administrative Offices within the meaning of the Public Administration Act 2004
Loddon Shire Council	Universities and TAFEs within the meaning of the Education and Training Reform Act 2006, not elsewhere listed in this Appendix.
Mansfield Shire Council	Queens College, University of Melbourne
Strathbogie Shire Council	Water Corporations within the meaning of the Water Act 1989 not elsewhere listed in this Appendix.
Wellington Shire Council	Hospitals listed in Schedule 1, 2, or 5 to the Health Services Act 1988
West Wimmera Shire Council	The House Committee within the meaning of the Parliamentary Committees Act 2003
Yarra Ranges Shire Council	Departments within the meaning of the Public Administration Act 2004, not elsewhere listed in this Appendix