

**28 February 2006**

**FEE WAIVER SCHEME ON OUTSTANDING PARKING FINES**

**Division** Finance

**Presenter** Martin Cutter, Director Finance

**Purpose**

1. To seek Council approval to accept a State Government invitation to participate in the Fee Waiver Scheme on outstanding parking fines that are settled (paid) between 1 March 2006 – 31 May 2006.

**Recommendation**

2. That Council approve participation in the Fee Waiver Scheme on outstanding parking fines that are settled (paid) between 1 March 2006 – 31 May 2006.

**Key Issues**

3. As part of the lead up to the commencement of the proposed new Infringements Act on 1 July 2006, the State Government has announced the operation of an amnesty period for the waiving of most fees attached to many outstanding fines.
4. The waiver applies to all State Government fines lodged at the PERIN Court and includes speeding and traffic infringements, littering infringements and fare and toll evasion infringements. The amnesty period for these fines is 1 February 2006 to 31 May 2006.
5. The waiver does not apply to local government and non-government agencies.
6. Local Councils have been invited to participate in the program in respect to parking fines with effect 1 March 2006 through to 31 May 2006.
7. The Department of Justice (DoJ) requires approval from any local council as to their willingness to participate in the scheme.
8. Consultation with Councillors has indicated an “in principle” support for the City of Melbourne to participate in the scheme.
9. As this is a new initiative, it is difficult to estimate potential take up rates. DoJ have advised that they are not expecting a take up rate of any more than 10 – 15%. The industry sources indicate the take-up rate will be closer to 5%.
10. Any take up of the scheme will result in an unfavourable financial impact, in the form of a write off of outstanding debt (being the fees outstanding on that fine), less what the Council has already provided for.

11. There is a potential loss of fees of \$62.90 (Registration Fee of \$22 and Lodgement Fee of \$40.90) for the Council for each fine paid during the waiver period. This amount has been recorded as revenue in Council's financial records.

### **Time Frame**

12. The scheme is available to Council from 1 March 2006 – 31 May 2006.

### **Finance**

13. The unfavourable financial impact of participating in the scheme is difficult to assess as the actual take up rate is not known. A sensitivity analysis of the likely impact on Council of this amnesty is set out below.

<b>Potential Take-Up Rate</b>	<b>Financial Impact (Unfavourable)</b>
5% of Matters at PERIN < 2 Years Old	\$157,000
10% of Matters at PERIN < 2 Years Old	\$314,000
15% of Matters at PERIN < 2 Years Old	\$471,000
20% of Matters at PERIN < 2 Years Old	\$628,000

It is worth noting that additional payments may also be received from people who take the opportunity to finalise their outstanding and overdue fines and otherwise would not have paid.

### **Legal**

14. No direct legal issues arise from a decision by Council to participate in the Fee Waiver Scheme.

### **Sustainability**

15. The commencement of the proposed Infringements Act on 1 July 2006 will ensure the effective turnover of traffic and provide equitable access to the limited on-street parking facilities. The Fee Waiver Scheme will provide an incentive for fine defaulters to finalise any outstanding fines prior to the introduction of the new sanctions to be introduced as part of the new legislation. The success of the scheme and the new legislation will be closely monitored and reported internally.

### **Background**

16. Since July 2004, Parking & Traffic Branch, along with the Municipal Association of Victoria ("MAV"), have been part of the Infringement Framework Project Group reviewing the introduction of the proposed Infringements Act, which is planned to commence on 1 July 2006.
17. The aim of this proposed Act is to provide a new framework for the issuing and management of infringement notices. The proposed Act includes improved protection for individuals who have incurred infringements, improved administrative processes and firmer enforcement measures.
18. On 31 January 2006, the Acting Attorney-General, John Lenders, announced the operation of an amnesty period for the waiving of most fees attached to many outstanding fines. The fee waiver will operate from 1 February 2006 until 31 May 2006 and provide the opportunity for people with outstanding and overdue fines to pay the original cost of the fine plus the courtesy letter fee before the commencement of the new Act.

19. The waiver applies to all State Government fines lodged at the PERIN Court and includes speeding and traffic infringements, littering infringements and fare and toll evasion infringements.
  20. Whilst some speculation existed that an amnesty was being considered as part of the new Infringements Act, Council had no pre-warning of the waiver during the consultation process.
  21. The fee waiver period is a short-term opportunity to allow people to clear their outstanding fines before the introduction of new sanctions through the new Act. These new sanctions will include wheel-clamping, suspension of driver's licence and motor vehicle registration, garnishee of wages and seizure of personal and real property.
  22. From a Council perspective, the major implications of this fee waiver period include:
    - 22.1. most PERIN Court and warrant fees and costs will be waived on eligible fines. In addition to the cost of the original fine, the only fee remaining payable is the courtesy letter fee (\$18.90); and
    - 22.2. there is a potential loss of fees of \$62.90 (Registration Fee of \$22 and Lodgement Fee of \$40.90) for the Council for each fine paid during the waiver period. This amount has been recorded as revenue in CoM's financial records.
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## FINANCE ATTACHMENT

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Funding of \$8,874,000 has been provided in the 2005/06 budget for PINs that may not be collected.

The financial implications of the scheme are as set out in Paragraph 11 and Paragraph 13.

**Kerrie Jordan**  
Acting Manager Financial Services

## LEGAL ATTACHMENT

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### FEE WAIVER SCHEME ON OUTSTANDING PARKING FINES

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No direct legal issues arise from a decision by Council to participate in the Fee Waiver Scheme. The proposed Infringement Act presently before Parliament for its consideration will, if passed, create a new framework for the issuing and serving of infringement notices for offences and the enforcement of infringement notices. Advice has and will continue to be provided as required on issues relating to the proposed Act.

**Kim Wood**  
Manager Legal Services