

# Ministry of Justice: Performance of the Collections Unit in collecting and enforcing fines



Report of the

**Controller and Auditor-General**  
*Tumuaki o te Mana Arotake*

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**Ministry of Justice:**

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**Collections Unit in collecting**

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**July 2005**

*This is the report of a performance audit  
we carried out under section 16 of the  
Public Audit Act 2001.*

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## Foreword

The Collections Unit, a business unit of the Ministry of Justice, is responsible for collecting Court-imposed fines, and fines that began as infringement notices.

In this audit, I examined the role of the Collections Unit in collecting and enforcing Court-imposed and infringement fines, the policies and procedures that govern the business of the Collections Unit, and its efficiency and effectiveness in collecting fines.

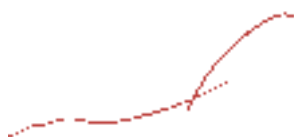
Overall, the Collections Unit met my expectations. The Collections Unit is aware of its environment, and proactive in its business responses. My report makes recommendations that may assist the Collections Unit manage its workload and balance competing priorities.

Despite the achievements of the Collections Unit, supported by additional resources and legislative changes, the amount owed in unpaid fines is likely to continue to grow. This raises questions about the most effective and efficient system for dealing with offences that currently attract fines – a system that is consuming increasing public resources for collecting and enforcing fines, and contributing to the growing fines debt.

The computer program used by the Collections Unit, COLLECT, may not be able to manage the increasing numbers of fines, but would be expensive to replace. I will take a continued interest in the effectiveness of the COLLECT system.

The current review of the infringement system will need to properly consider, among other factors, the longer-term management of the debt owed to Crown and non-Crown issuing authorities.

My team spent considerable time with the Collections Unit, in its National Office, Contact Centre, Centralised Processing Unit and several District Collections Units. I thank the General Manager of the Collections Unit and her staff for their assistance and co-operation during this audit.



K B Brady  
Controller and Auditor-General

15 July 2005



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# Summary

The Collections Unit of the Ministry of Justice collects and enforces fines. Most fines arise from infringement notices when people do not pay the fee imposed by the issuing authority. The Collections Unit also collects fines imposed by a District Court, when someone is convicted of an offence.

This audit sought to assure Parliament that the Ministry of Justice, through the Collections Unit, has effective arrangements in place to collect and enforce fines.

## Our findings

In our view, the Collections Unit does have effective arrangements in place. It actively assesses its working environment and how that environment is likely to change. The Collections Unit focuses not only on fines collection, but also identifies emerging opportunities and risks.

Collection rates are improving. However, unpaid fines have continued to increase in number and amount. No single strategy is likely to check this growth and the Collections Unit must continue to adapt and improve its business. The Collections Unit has, or is implementing, a number of strategies in response. It continues to focus on new fines, and has improved its data matching and its ability to find contact details for offenders.<sup>1</sup>

The date of birth and full names of offenders are critical to locating and identifying them. A significant proportion of the fines referred to the Collections Unit lack this information. The Collections Unit is taking steps to address this by working closely with issuing authorities and promoting a more co-ordinated approach to collecting and enforcing fines by all organisations involved. Proposed legislative changes will allow the Collections Unit to refuse to accept fines that do not meet minimum data requirements.

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<sup>1</sup> In this report, 'offender' refers to a person (or organisation) who has been given an infringement notice, or had a fine imposed or ordered by a Court.



## SUMMARY

The Collections Unit's main electronic information system (COLLECT) is being improved to provide a clear and comprehensive fines history of offenders and help Collections Unit staff pursue fines. A review of COLLECT has indicated that in its present form COLLECT will not support the continued growth in fines. Any decisions about COLLECT's future will be made after a wider review of the infringement system is complete.

The roles of Collections Unit staff are varied and demanding, requiring careful judgement and interpersonal skills, and the exercise of specific statutory powers. Staff must have extensive knowledge, skills and competencies, and be fully familiar with legislation and policy. The Collections Unit recognises the importance of ensuring its staff are appropriately skilled and trained, and has recently appointed a national training manager responsible for preparing and implementing a national training strategy.

Staff carrying out enforcement work can be exposed to health and safety risks. Increased funding for 2004-05 has been used to appoint 30 more staff for the District Collections Units so that officers can work in pairs when undertaking enforcement work, and to provide technology to give additional support and security. These additional staff members may also help the District Collections Units manage their other duties.

### Our recommendations

We recommend that the Collections Unit:

1. consider options for improving its practices for the early collection of Court-imposed fines, and ensure contact with as many offenders as possible;
2. consider how it can most effectively resource the District Collections Units, or redistribute administration work from the regions, to target enforcement to best effect – this will require enhanced management information and clear priorities;
3. implement the scheduled replacement of the Trace Management System;
4. carry out regular testing of the Trace Management System to ensure that profiles are not overlooked and that overdue fines are systematically put forward for data-matching purposes;
5. further enhance its formal relationship with the Police at a national and district level to promote the type of positive working relationships already established with local authorities; and
6. as part of its national training strategy, put in place a structured and consistent approach to training for staff in District Collections Units.



# Introduction

## Why did we look at fines collection?

- 1.1 We have a strong interest in how public entities manage debt owed to the Crown and local authorities. The Collections Unit within the Ministry of Justice is responsible for managing part of that debt. This audit sought to assure Parliament that the Collections Unit has effective arrangements in place to collect, and if necessary enforce, infringement fines and Court-imposed fines.
- 1.2 Resolving offences through imposing fines has benefits for the Government, the criminal justice system, and offenders. Effectively collecting fines benefits the Crown by improving the credibility of fines as a sentencing option, while increasing public regard for the administration of justice, promoting compliance with the law, and increasing revenue.

## Scope of the audit

- 1.3 The Collections Unit:
  - collects and enforces fines imposed by a Court (Court-imposed fines) during sentencing of an offender, including reparation to victims;
  - collects and enforces fines from infringement notices filed with the Court by issuing authorities;
  - enforces civil debts for creditors when the Courts have ordered payments to be made; and
  - serves documents for the Courts.
- 1.4 Of these debts, only Court-imposed fines and infringement fines are debts owed to the Crown or public entities (such as local authorities). We did not include reparation and civil debts in our audit, because they are payments, via the Crown, to private individuals or companies.

## INTRODUCTION

- 1.5 Reparation – the monetary penalty an offender is ordered to pay to the victims of his or her crime – indirectly affects the collection of Court-imposed and infringement fines. The Collections Unit has to collect reparation money owed by an offender before pursuing other fines offenders may owe. Since the Sentencing Act 2002 was passed, reparation has been used more often during the sentencing of an offender.
- 1.6 We did not examine the way issuing authorities, such as the Police and local authorities, issue and collect infringement fees. We examined how the Collections Unit deals with fines after it becomes responsible for collecting them.

### *Review of the infringement system*

- 1.7 During our audit, concerns over the expanding use of infringement notices led to an announcement by the Minister of Justice and the Minister for Courts of a review of the infringement system. The Ministry of Justice and the Law Commission are undertaking this review.
- 1.8 Before we started our audit, one of our objectives was to assess the basis for adding administrative charges – filing and enforcement fees – to fines. We also intended to examine how the revenue from fines was allocated to the Crown and issuing authorities. Under the Transport Act 1962, half of the revenue from certain local authority infringement notices is returned to the Crown, and the local authority retains the other half. However, after the infringement notice is filed with the Court, the Crown retains 10% of the revenue collected and 90% is returned to the local authority.
- 1.9 We raised these issues with the Collections Unit and the Treasury. We received an assurance that administration charges, and allocating fines revenue, would be addressed as part of the review. Because of this assurance, our audit did not examine the basis for these arrangements.

### **How we carried out our audit**

- 1.10 We undertook field work in the Collections Unit's National Office, both Contact Centre sites, the Centralised Processing Unit, and District Collections Units in Wellington, Manukau, Waitakere, Tauranga, Rotorua, Nelson and Christchurch. We also met with infringement services staff in the Manukau, Auckland, Christchurch and Wellington City Councils, and the Police Infringement Bureau in Wellington.

- 1.11 We reviewed corporate documents and management information, and interviewed managers and collections officers. We observed their practices with offenders and accompanied staff enforcing fines collection. We also:
- observed collection practices;
  - reviewed information contained in the Collections Unit's databases;
  - observed court procedures involving fines; and
  - discussed collection and enforcement practices with local authorities and the Police Infringement Bureau.

### What we expected to find

- 1.12 We prepared a set of performance expectations and assessed the Collections Unit against them. When forming these expectations, we consulted debt collection and credit management specialists and referred to similar performance audits undertaken by the National Audit Office in the United Kingdom and the Audit Office in New South Wales.
- 1.13 We expected to find that the Collections Unit:
- had strategies in place to encourage the prompt payment of fines;
  - took prompt and effective action to collect fines;
  - monitored and analysed fines, and other data, to guide decision-making, and set priorities to maximise collecting fines; and
  - had strategies and systems in place to gain the skills and resources needed for effective debt collection and performance improvements.
- 1.14 This report discusses our findings against these expectations.







# Background

2.1 In this Part, we describe fines – what they are, how they come to the Collections Unit, how they are increasing in number and amount owed, and how the Collections Unit manages them. We also describe the Collections Unit – its role, powers, organisation, and information systems.

## What are infringement fines and Court-imposed fines?

2.2 In this audit, we considered how the Collections Unit collects and enforces 2 types of fines – infringement fines and fines imposed by the Courts when sentencing an offender.

2.3 A fine is a monetary penalty imposed on an offender for a breach of the law. Imposing a fine can be less disruptive to the life of an offender than other forms of punishment, such as custodial sentences. Infringement fines allow minor misconduct to be dealt with quickly, with no Court hearing costs, none of the inconvenience or public embarrassment involved in a Court appearance, and no criminal record for the offender.

2.4 Each month, some 90,000 infringement fines and Court-imposed fines are referred to the Collections Unit.

2.5 As at 30 June 2004, the Collections Unit was pursuing \$522 million in fines<sup>2</sup> and administration fees (described in paragraphs 2.37 to 2.39). Fines that began as Police-issued infringement notices, and the associated administration fees, accounted for \$338 million. Fines that began as infringement notices issued by other authorities, and the associated administration fees, accounted for \$118 million. Court-imposed fines, and the associated administration fees, accounted for the remaining \$66 million.

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2 When reparation is included, the total as at 30 June 2004 was \$574.5 million.

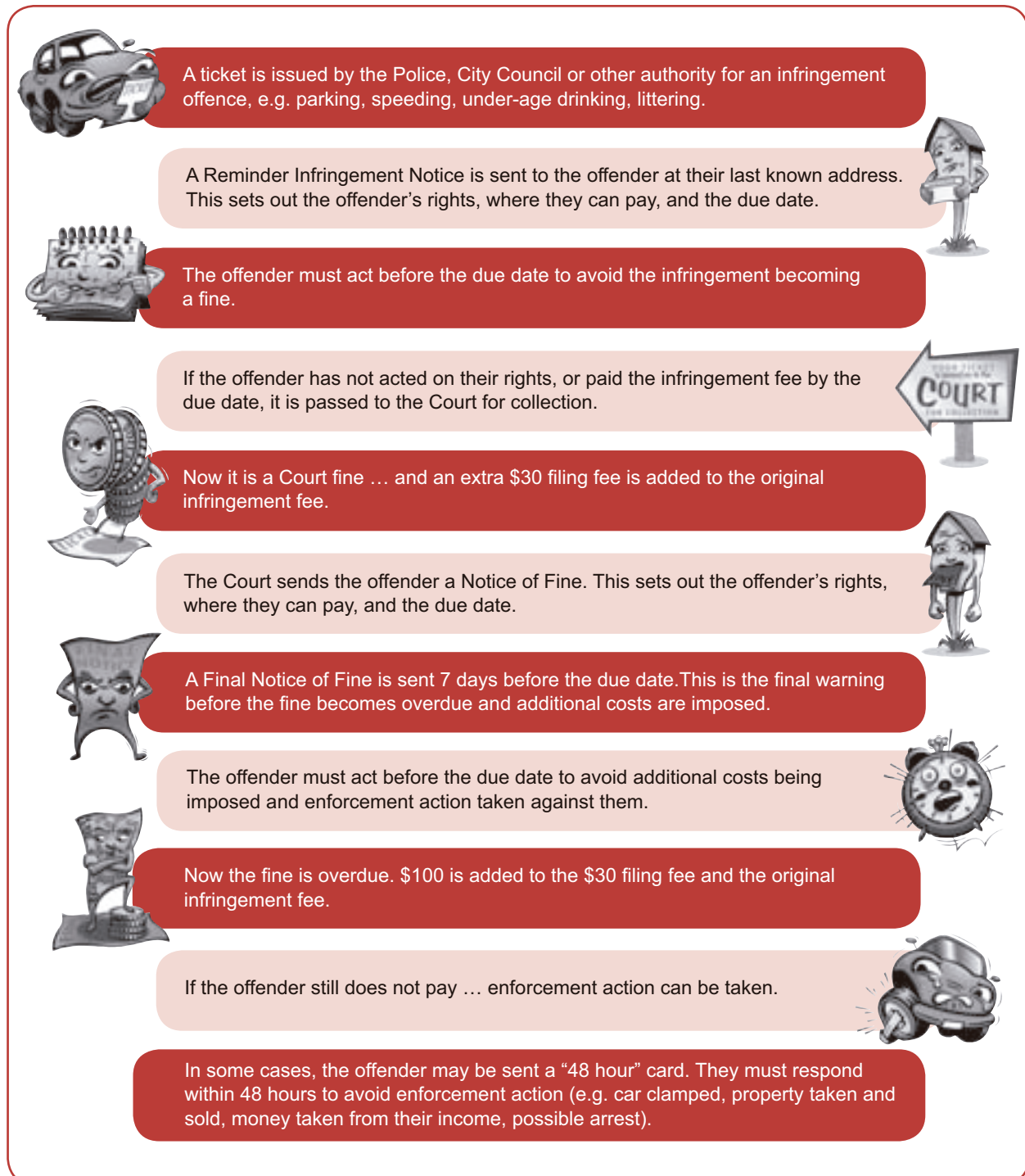
## *Infringement fines*

- 2.6** Infringement fines begin as infringement notices that demand a fee for an offence. The Police, other government agencies, local authorities, and Crown entities issue infringement notices under various statutes and for a wide range of offences. Infringement notices are used, for example, for traffic offences, breaches of local authority bylaws (such as parking offences or littering), and other regulatory matters. The issuing authority issues immediately, or sends by mail, a notice or ticket (sometimes described as an instant fine) to the offender.
- 2.7** About 100 different authorities can issue infringement notices. The Police issue most infringement notices, followed by local authorities.
- 2.8** The infringement procedure is set out in Section 21 of the Summary Proceedings Act 1957.<sup>3</sup> The Act requires that if the fee is not paid within 28 days, the issuing authority may send the offender a reminder notice. The reminder notice gives the offender a further 28 days to either pay the fee to the issuing authority or seek a Court hearing.
- 2.9** If the fee remains unpaid, the issuing authority may apply to the District Court to have the unpaid fee enforced. In practice, the issuing authority sends, electronically, information about unpaid fees to the Collections Unit via the District Courts. A \$30 filing fee is added, and from this point forward the infringement is considered a fine. The Collections Unit becomes responsible for collecting the money (see Figure 1 below).
- 2.10** In an estimated 39% of cases, the infringement fee is paid directly to the issuing authority. The rest – the infringement fees that have not been collected by the issuing authority – can be referred to the Court.
- 2.11** Sometimes people challenge their infringement notices in the Courts. If they are unsuccessful, the infringement notice is lodged with the Collections Unit and it becomes an infringement fine. A Judge or Justice of the Peace can order a \$100 hearing fee be added to the infringement fine, as well as the \$30 filing fee.
- 2.12** Most of the fines referred to the Collections Unit stem from unpaid infringement notices. Infringement fines are more difficult to collect than Court-imposed fines for several reasons. These include the length of time before an infringement notice is referred to the Collections Unit, and the limited information about the offender that issuing authorities are required to record and provide to the Collections Unit.
- 2.13** Infringement notices cannot be referred to the Collections Unit until at least 56 days after they were issued to an offender, and can be referred 12 months or more later. When an infringement notice is lodged with the Collections Unit, the fine cannot be enforced for another 28 days.

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<sup>3</sup> A modified version of this scheme applies to the regimes established under the Biosecurity Act 1993 and the Civil Aviation Act 1990.

Figure 1  
How infringement notices become fines



Source: Based on information on the website of the Collections Unit – [www.fines.govt.nz](http://www.fines.govt.nz).

### *Court-imposed fines*

- 2.14 The Collections Unit collects and enforces Court-imposed fines. A Judge, Community Magistrate or Justice of the Peace may order a fine as the whole or part of a sentence.
- 2.15 Once the sentencing Judge, Magistrate or Justice of the Peace has imposed a fine, the Court issues a “notice of fine”. Under section 80 of the Summary Proceedings Act, this notice must be paid within 28 days after the day on which it was imposed.<sup>4</sup> The Collections Unit is responsible for collecting Court-imposed fines from the time they are imposed.
- 2.16 Court-imposed fines are easier to collect than infringement fines because:
- In setting a fine, the Court is required to consider the finances and responsibilities of the offender (if they are known). This can mean that fines are set according to an individual’s ability to pay (unlike infringement fines, which are usually fixed amounts).
  - The Court is more likely to have accurate information about the offender, making it easier for the Collections Unit to locate the offender.
  - District Collections Unit staff, known as “Court-walkers”, are often in Court to arrange on-the-spot payment on the day a fine is imposed. Court walkers escort people from the Court to a “deal room” (or the Collections Unit room within the courthouse). This early contact with the offender makes it more likely that a fine will be paid quickly.

### **Changes in the pattern of fines**

- 2.17 Over time, the number of fines referred to the Collections Unit has grown. So too has the total amount of money the Collections Unit is responsible for collecting. Since 1995-96, fines filed in the District Court and referred to the Collections Unit have risen by \$10 to \$20 million each year. Since 2001-02, larger increases have occurred (see Figure 2 below).
- 2.18 While the amount owed in infringement fines has steadily increased, Court-imposed fines have remained reasonably constant. In 1992-93, the amounts owed in infringement fines and Court-imposed fines were similar (48% and 52% respectively). For the year ending 30 June 2004, infringement fines made up 81% of the fines lodged with the Collections Unit.

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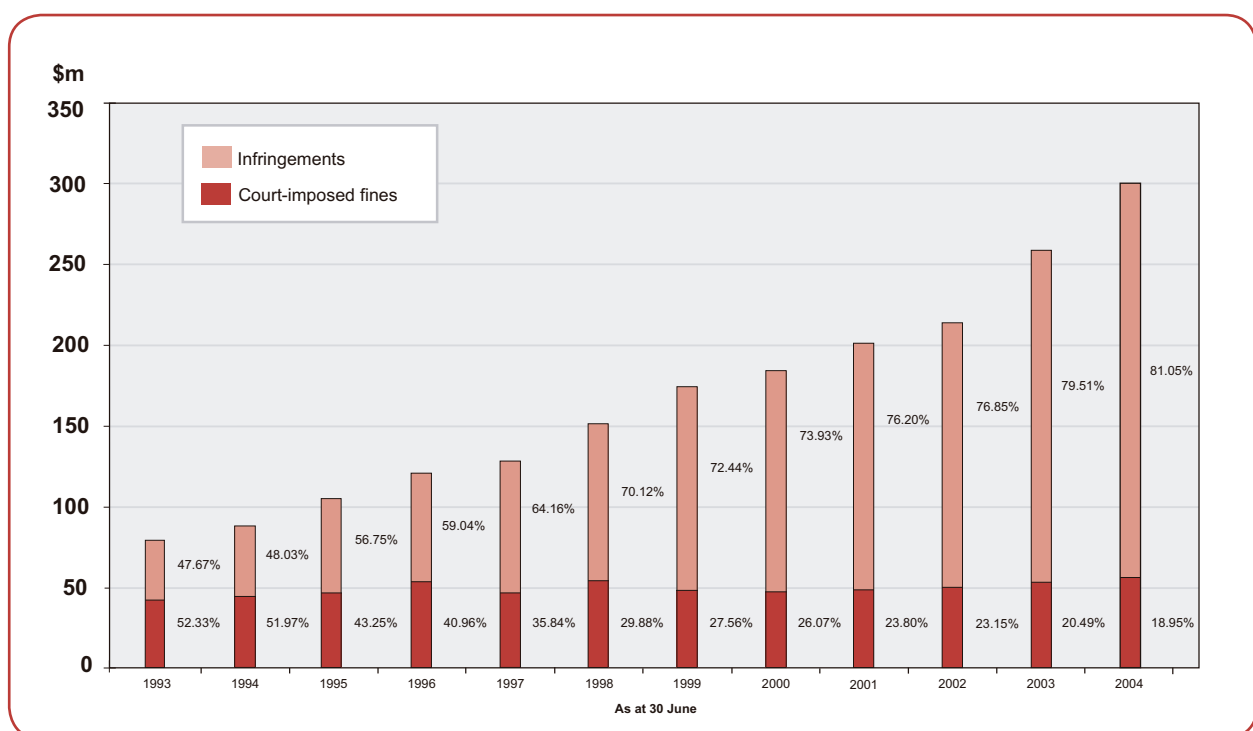
<sup>4</sup> There are exceptions to this. Under section 81, a Court may allow more than 28 days for a fine to be paid, or allow payment in instalments. Under section 83, a Court may order that a fine be paid immediately. Section 86 allows a Registrar to extend the time for payment, and Section 86A allows a Bailiff to extend the time for payment (subject to a Registrar’s approval).

2.19 The increase in infringement fines has occurred because:

- authorities are issuing more infringement notices;
- a number of government departments and agencies have set up new, or expanded existing, infringement schemes; and
- Police-issued infringement fines entering the Collections Unit have increased significantly.

Figure 2

*Changing proportion of infringement fines and Court-imposed fines lodged with the Collections Unit\**



\* In this figure, Court-imposed fines include reparation payments owed by an offender.

2.20 The Collections Unit is expecting to become responsible for collecting a further \$346 million in infringement fines during the 2004-05 financial year.

2.21 Court-imposed fines are also likely to increase. The Sentencing Act 2002 places greater emphasis on the use of fines and reparation as a penalty. The Act sets up a hierarchy of penalties and requires that a fine and reparation be imposed whenever this is fitting. The Collections Unit expects to face more pressure because of the likely increase in the use of Court-imposed fines.

## *Fewer people incurring more of the fines*

2.22 Many people incurring new fines already owe fines. Offenders who have incurred fines before owe about 80% of fines entering the Collections Unit. While the number of fines entering the Collections Unit is increasing, the number of individual profiles<sup>5</sup> is reducing – fewer people are coming to owe more of the fines.

## **Enforcing fines**

2.23 Statutory powers enable the Collections Unit to start enforcing a fine if an offender fails to pay by the due date and has not been granted more time to pay.

2.24 Enforcement can include:

- clamping the wheels of an offender's car;
- issuing a warrant to seize the offender's property;
- taking the fine from their wages, salary, social security benefit or weekly ACC payments (an attachment order);
- taking the fine from their bank accounts (a deduction notice);
- placing a charging order over the offender's property (a charging order prevents an offender from selling or disposing of land or assets without first paying his or her fines); and
- issuing a warrant to arrest the offender.

2.25 The Collections Unit adds a \$100 enforcement fee to the fine when it takes enforcement action.

## *When enforcement begins – overdue fines*

2.26 The Collections Unit begins enforcement when a fine becomes **overdue**. A fine is overdue if, after 28 days in the Collections Unit, it has not been paid, is not under a time-to-pay arrangement, and is not subject to an appeal or deferral action. Fines are also considered overdue if a payment arrangement has been breached.<sup>6</sup>

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<sup>5</sup> A profile in the Collections Unit is an electronic record of an individual or organisation, recording the details of an offender, their offence(s), and penalties.

<sup>6</sup> A payment arrangement is considered breached when an expected payment is overdue by 14 days.

- 2.27 A fine is **not overdue** if it has been with the Collections Unit for less than 28 days, is under appeal, under a time-to-pay arrangement (voluntary or enforced), or deferred for action (for example, waiting for forms to be returned, or for an offender to be released from prison).
- 2.28 Of the \$522 million the Collections Unit was pursuing as at 30 June 2004, \$225 million was not overdue and \$297 million was overdue.

## Remitting unpaid fines

- 2.29 Where enforcement options have been pursued and a fine remains unpaid, or cannot be collected for other reasons, the fine can be referred back to the Court. The Court may take various actions, including remitting all or part of the fine and imposing an alternative sentence.
- 2.30 Remitting fines is the role of the judiciary, not the Collections Unit, although Deputy Registrars can in some circumstances exercise their judicial authority and remit fines that are under \$25 and more than 3 years old.<sup>7</sup>
- 2.31 As Figure 3 shows, in the 12 months to 30 June 2004, over \$37 million in fines was remitted. The offenders who received an alternative sentence had owed, in total, nearly \$17 million. Infringement fines made up 86.7% of the fines remitted.

*Figure 3*  
*Fines remitted 2000-01 to 2003-04*

	2000-01	2001-02	2002-03	2003-04
Judge-ordered remissions	\$14.9m	\$12.8m	\$11.8m	\$16.6m
Registrar-ordered remissions	\$3.1m	\$2.1m	\$2.9m	\$4.0m
Remission with alternative sentence imposed	\$12.4m	\$14.2m	\$16.9m	\$16.6m
<b>Total remissions</b>	<b>\$30.4m</b>	<b>\$29.1m</b>	<b>\$31.6m</b>	<b>\$37.2m</b>

<sup>7</sup> This is covered by section 88B of the Summary Proceedings Act 1957.

## How administration arrangements affect fines

- 2.32 Two different administration arrangements affect the total amount of unpaid fines – time-to-pay arrangements and the administration charges that can be added to a fine.

### *Time-to-pay arrangements*

- 2.33 Offenders may apply to the Collections Unit to pay their fines in instalments, known as time-to-pay arrangements. Letting people pay in instalments increases the likelihood that fines will be collected.
- 2.34 The Collections Unit has increased its use of time-to-pay arrangements as a way to collect fines. In June 1997, the fines under time-to-pay arrangements totalled \$47 million. This increased to \$161.6 million in June 2003 and to \$213.1 million in June 2004. Since June 2002, the number of payment arrangements put in place has increased by 122%, and the total amount of the fines under these arrangements by 64%.
- 2.35 The ability of offenders to pay their fines over time partly explains the increase in the total amount of fines owed. The more time-to-pay arrangements that are entered into (instead of payment in full), the larger the total owed will be (because the total includes fines under time-to-pay arrangements).
- 2.36 More than half of the time-to-pay arrangements made by District Collections Units or the Contact Centre were in circumstances where a previous payment arrangement had been breached or cancelled. About one in 4 arrangements add a new fine to an existing arrangement. Most arrangements involve payments of between \$20 and \$50 a week.

### *Adding filing and enforcement fees to a fine*

- 2.37 When an unpaid infringement notice is referred to the Collections Unit, a \$30 filing fee is applied. If the fine remains unpaid after 28 days, and the Collections Unit uses one of the forms of enforcement described in paragraph 2.24, the Collections Unit adds an enforcement fee of \$100.<sup>8</sup> Court-imposed fines, and fines ordered after an unsuccessful challenge to an infringement notice, can also incur Court hearing costs of \$100.

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<sup>8</sup> The filing fee and enforcement fee were increased from \$25 and \$90 respectively in 1998, under the Summary Proceedings Amendment Regulations (No. 2) 1998 and the Summary Proceedings Amendment Regulations (No. 3) 1998.



- 2.38 Expanding the Contact Centre in 2003 and changing business rules after the COLLECT system was introduced has led to an increase in enforcement fees. Before the introduction of COLLECT, just one enforcement fee would be applied if more than one fine had been imposed on an offender whose fines were overdue. Since COLLECT, the enforcement fee has been added manually to every fine when enforcement starts, including older fines that had not had fees applied under the previous system.
- 2.39 This change has contributed to the increase in debt. As at 30 June 2004, of the \$522 million to be collected, about \$157 million was enforcement fees.

## The role of the Collections Unit

- 2.40 The Collections Unit is a business unit of the Ministry of Justice. Its responsibilities include collecting and enforcing fines entering the Court system. It has no role in issuing infringement notices and imposing fines.
- 2.41 The goal of the Collections Unit is to “help make New Zealand a safer and more just place through the promotion of law-abiding behaviour by ensuring compliance with monetary orders”.
- 2.42 Its objectives are to set up effective and efficient procedures to receive infringement fees from issuing authorities, and effective and efficient procedures to deal with all fines once they become the Collections Unit’s responsibility.
- 2.43 The Collections Unit has several strategies in place to enable it to meet these objectives. These are to:
- use technology to manage volumes;
  - contact offenders to encourage early payment;
  - support the initiatives of issuing authorities to collect infringement fees and reduce the numbers that are referred to the Collections Unit; and
  - propose new legislation to deal with the quality of information being provided to the Collections Unit by issuing authorities.
- 2.44 Other strategies to help the Collections Unit meet its objectives include:
- extending its enforcement powers;
  - using electronic data matching and manual searches to find offenders who have not paid their fines;
  - undertaking major publicity campaigns linked to enforcement activities;

- jointly leading an interagency review of the infringement system;
- increasing staff numbers;
- improving its workflows and business processes; and
- seeking legislative changes to intercept Court-imposed fines defaulters at airports and match its data with the information on arrival and departure cards.

## **Statutory powers**

**2.45** The Collections Unit works within clearly defined statutory boundaries and its staff have certain statutory powers when carrying out their collection duties.

**2.46** The legislation governing collecting and enforcing fines is:

- the District Courts Act 1947, which provides for the appointment and duties of a Deputy Registrar and Bailiff;
- the Summary Proceedings Act 1957 (along with the Summary Proceedings Regulations 1958), which sets out the procedures for dealing with infringements, the hearing of summary proceedings cases, and the conditions under which fines may be enforced. This Act also sets out which Court officers have the authority to collect and enforce fines; and
- the Privacy Act 1993, which sets out the rules for collecting, using, and disposing of personal information.

## *Statutory powers of Collections Unit staff*

**2.47** The Collections Unit employs Deputy Registrars, Bailiffs, and other staff to collect and enforce fines.

**2.48** The roles that staff carry out determine the quasi-judicial powers delegated to them in collecting and enforcing fines. Only a judicial officer of a higher standing – for example, a District Court Judge – can review the decisions of Collections Unit staff made in exercising these powers.

## *Powers of a Deputy Registrar*

- 2.49 A Deputy Registrar has the power<sup>9</sup> to make or extend a time-to-pay arrangement and issue deduction notices and attachment orders. A Deputy Registrar can issue a warrant to arrest an offender. He or she must also prepare a report to a District Court Judge or Community Magistrate if he or she believes an offender's fines cannot be enforced. The Judge or Magistrate may substitute a sentence, remit the fines, or take other enforcement action.
- 2.50 A Deputy Registrar can arrange to publish the name, age, and last known address of an offender in newspapers, remit up to \$25 of a fine that has been unpaid for more than 3 years, and, in certain circumstances, get information about an offender from either the Ministry of Social Development or the Inland Revenue Department.

## *Powers of a Bailiff*

- 2.51 Bailiffs are officers of the Court and are subject to the directions of a Judge, Community Magistrate and Registrar. They attend Court, serve summonses and orders, and carry out warrants seizing property for unpaid fines and warrants to arrest offenders who owe fines. Bailiffs also have the statutory powers of a special constable and must swear a special constables' oath.

## **The organisation of the Collections Unit**

- 2.52 The Collections Unit consists of a National Office in Wellington, a national Contact Centre (with sites in Wellington and Auckland), a Centralised Processing Unit in Wellington, 18 District Collections Units (mostly housed in District Courts), and 9 'satellite' offices<sup>10</sup>.
- 2.53 As at May 2004, the Collections Unit employed 543 staff. There were 41 in the National Office, 176 in the Contact Centre, 32 in the Centralised Processing Unit, and 294 in the District Collections Units.
- 2.54 A General Manager leads the Collections Unit, supported by National Office Managers, 4 Area Collections Managers and a National Contact Centre Manager. They are supported by District Collections Managers.
- 2.55 The 3 operational arms of the Collections Unit are the Contact Centre, the Centralised Processing Unit, and the District Collections Units.

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<sup>9</sup> This is covered by sections 86 and 87 of the Summary Proceedings Act 1957.

<sup>10</sup> In smaller towns, the Collections Unit does not have a permanent presence in the District Court building. Instead, staff from the nearest District Collections Unit travel to and from the courthouse.

## *The Contact Centre*

- 2.56 The Contact Centre was established in Wellington in 1997. It focuses on:
- contacting offenders to collect fines before they become overdue (that is, within the first 28 days of a fine being referred to the Collections Unit); and
  - enforcing overdue fines, where contact telephone numbers are available.<sup>11</sup>
- 2.57 Contact Centre staff hold limited powers of a Deputy Registrar. They can only take 2 types of enforcement action under the Summary Proceedings Act. They can issue attachment orders, and give an offender more time to pay a fine, either in full or in instalments. Contact Centre staff make about 22,000 payment arrangements each month.
- 2.58 The Contact Centre carries out the electronic searches to find offenders, and manages the Collections Unit's bulk mail.
- 2.59 The Contact Centre collects over half of the fines recovered by the Collections Unit. The first contact with offenders is, in most cases, through the Contact Centre. It contacts offenders with infringement fines and seeks to get the fines paid, or sets up time-to-pay arrangements before the fines become overdue.
- 2.60 All in-bound telephone calls to the Collections Unit are first directed to the Contact Centre. The Contact Centre also initiates outbound calls to offenders, using a predictive telephone dialling system.<sup>12</sup>
- 2.61 If calling the offender does not work (because the telephone number is wrong or out of date, there is no answer, the telephone is engaged, there is an answering machine, or the offender no longer lives at the address), the Contact Centre's telephone system prompts staff to try to contact the offender again. The dialling system tries all the telephone numbers recorded for each offender until all the numbers have been called, or contact has been established.
- 2.62 In 2001, the Government approved a business case to expand the Contact Centre. A second site opened in Auckland in October 2003. The Contact Centre sites work as an integrated unit. Expanding the Contact Centre was designed to increase collection rates, help keep pace with steadily increasing numbers of infringement fines, and continue its focus on contacting offenders and collecting fines as quickly as possible.
- 2.63 In 2004, the Government approved a further business case to appoint 38 more agents and 9 more support staff.

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11 Overdue fines are not enforced if the District Collections Unit has negotiated a time-to-pay arrangement with the offender.

12 A predictive telephone dialling system dials from a list of telephone numbers and turns the call over to an agent when a person answers the telephone.

## *District Collections Units*

- 2.64 District Collections Units are responsible for collecting:
- fines imposed by the Court from the day of imposition; and
  - overdue infringement fines.
- 2.65 The COLLECT system automatically assigns overdue infringement fines to District Collections Units if, after 28 days of attempts by the Contact Centre, the fines are not paid, under a payment arrangement, or under appeal.
- 2.66 Fines are referred to the District Collections Units in the area of the offender's last known address. Because all fines are in the COLLECT system, Contact Centre agents still have access to the profile of the offender and continue to try to contact them to arrange payment.
- 2.67 The District Collections Units make early contact with offenders with Court-imposed fines, request, in certain circumstances, information from the Ministry of Social Development or the Inland Revenue Department, manage payment arrangements, manage overdue fines, physically enforce overdue fines, and carry out public education in the community. District Collections Unit staff also try to physically locate offenders when all other attempts to contact them have failed.
- 2.68 Within the District Collections Units, **District Collections Managers** manage their Units and report to the Area Collections Managers. They hold the statutory powers of a Deputy Registrar.
- 2.69 **Team Leaders** support the District Collections Managers. They monitor staff performance, carry out training and mentoring, oversee quality control, assign work, and co-ordinate the teams. They too hold the statutory powers of a Deputy Registrar.
- 2.70 **Collections Officers** manage overdue fines. Collections Officers in the District Collections Unit hold the statutory powers of either a Bailiff or a Deputy Registrar. Those with Bailiff powers execute all warrants issued by a Court, and negotiate payment arrangements with offenders for Court-imposed fines and infringement fines. They also carry out physical enforcement, such as warrants to seize property and wheel clamping.
- 2.71 **Customer Services Officers** deal with people at the counter or over the telephone, and provide administrative and clerical support for the District Collections Unit. Some hold the statutory powers of a Deputy Registrar.

### *The Centralised Processing Unit*

- 2.72 The Centralised Processing Unit is responsible for trying to find the contact details of offenders when electronic attempts to locate them have failed. The Centralised Processing Unit was established in October 2003 to allow the District Collections Units to focus on collecting and enforcing fines face-to-face and physically locating offenders.
- 2.73 In 2004, the Collections Unit received funding to appoint a further 25 officers to the Centralised Processing Unit. This will help it target “hard-to-find” offenders.

### **Information systems within the Collections Unit**

- 2.74 Several information technology systems play a critical role in enabling the Collections Unit to carry out its business. The systems show the status of fines, store personal information about offenders, manage telephone calls, allow payments over the Internet, and record attempts to collect and enforce a fine.

### **COLLECT**

- 2.75 The Collection Enforcement Computer Technology (COLLECT) system is the computer program used to support the business of the Collections Unit. It replaced the Law Enforcement System (LES) and several in-house systems. It is a nationally integrated, profile-focused system that allows staff to:
- manage tasks that have been assigned to them;
  - enter and amend information about fines and offenders;
  - record payments and make payment arrangements with the offender; and
  - assign a status to a fine, depending on the nature of the action taken by the Collections Unit and the offender.
- 2.76 COLLECT contains all fines and personal information about offenders. New information is added, but old information is neither deleted nor edited. This practice provides a detailed history and lets Collections Unit staff make informed decisions.

## *Deal Recording System (DRS)*

**2.77** The Deal Recording System is used by Contact Centre staff to record the payment arrangements for fines and the results of all telephone calls into and out of the Contact Centre. It interfaces with COLLECT and the predictive telephone dialling system, and lets staff manage their call lists and enter payment arrangements. The Deal Recording System can also produce management reports.

## *Fines On-Line*

**2.78** Fines On-line is a Collections Unit website ([www.fines.govt.nz](http://www.fines.govt.nz)). Members of the public can use the website to pay fines and make enquiries. Each month an average of almost 1000 emails are received and up to \$155,000 is collected.

## *Trace Management System*

**2.79** The Collections Unit has various ways of finding the telephone numbers and addresses of offenders, including electronic data-matching agreements. The agreements have been approved by the Privacy Commissioner, and allow, under the Privacy Act 1993, data matching with the Inland Revenue Department and the Ministry of Social Development.

**2.80** The Collections Unit also uses publicly available electronic databanks, such as that held by Baycorp Advantage (NZ) Limited (formerly Baynet), and the telephone directories of Telecom New Zealand Limited, to gather more information about offenders.

**2.81** The Trace Management System receives daily all new or modified data from COLLECT (the results of staff interactions with offenders). It either passes the information to the Deal Recording System for automatic dialling (if a telephone number exists) or sends the profile to be matched with data held by external agencies (if no telephone number exists).







## Collecting fines

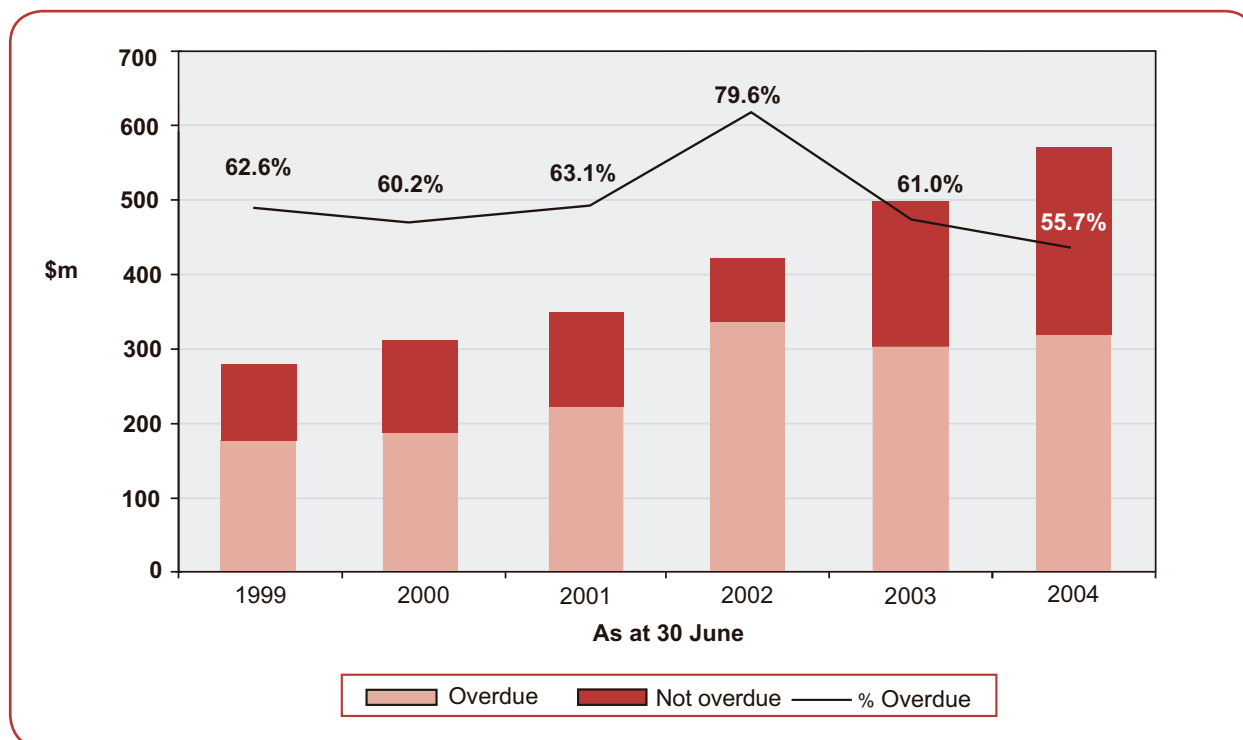
- 3.1 The Summary Proceedings Act specifies, in broad terms, the procedures to be followed when collecting and enforcing fines. We expected that the Collections Unit would follow these procedures and have policies and procedures in place to:
- maximise opportunities for collecting fines as early as possible;
  - ensure that offenders were given every opportunity to pay their fines before the fines became overdue and enforcement was considered; and
  - locate offenders.
- 3.2 To assess the Collections Unit against our expectations, we visited the Contact Centre sites and a sample of District Collections Units.
- 3.3 We interviewed staff and observed interactions with offenders. We accompanied Bailiffs on enforcement work and reviewed documents. We also examined the policies and systems for seeking payment, from when a fine is imposed or ordered by the District Court, or an unpaid infringement notice is referred to the Collections Unit.

### Overall performance of the Collections Unit

- 3.4 The revenue from fines collected has grown. For the year ended 30 June 1999, the Collections Unit collected \$112 million. At the end of the 2001 financial year, the figure collected was \$136 million. For the year ended 30 June 2004, \$192 million was collected.
- 3.5 Despite increasing numbers of fines, the Collections Unit has improved the ratio of overdue to not overdue fines (see Figure 4 – note that overdue fines in this Figure include reparation amounts).

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Figure 4  
Overdue and not overdue fines 1999-2004  
(amount and percentage)



3.6 Figure 5 shows the total owed in overdue fines at the end of the past 4 financial years, and the average age of the overdue fines.

Figure 5  
Overdue fines by source 2001-04

As at 30 June	2001	2002	2003	2004
Court-imposed fines	\$48.1m*	\$44.8m	\$40.0m	\$38.4m
Police infringements	\$115.3m	\$175.3m	\$164.4m	\$180.5m
Other infringements	\$57.2m	\$83.0m	\$79.2m	\$78.1m
<b>Total</b>	<b>\$220.6m</b>	<b>\$303.1m</b>	<b>\$283.7m</b>	<b>\$297.0m</b>
Average age of overdue fines*	3.4 years	3.3 years	3.7 years	3.4 years

Note: Figures have been rounded.

\* Reparation owed to the victim/s of a crime are included in this calculation.

- 3.7 As at 30 June 2004, 29% of the overdue fines had been scheduled for enforcement but had not yet been enforced. Payment arrangements had been breached for 9% of the overdue fines, a warrant to arrest the offender had been issued for 9% of the overdue fines, and a warrant to seize the offender's property had been issued for 9%.
- 3.8 A quarter of the overdue fines had been overdue since before 1 October 2001, and 44% had remained unpaid (and not under any payment arrangement) for 12 months or more. Vital information, such as a date of birth or a valid address, was missing for 42% of the overdue fines. Forty-three per cent of the overdue fines listed the offender's last known address as in the Collections Unit's Northern Region (north of Hamilton).

### *Resolving fines*

- 3.9 Fines remain in the Collections Unit's system until they are resolved – collected, or remitted by a Judge or Community Magistrate, or remitted by a Deputy Registrar (see paragraph 2.30). The Collections Unit resolves 30% of fines within one year. After 3 years, 68% of fines have been resolved, and this increases to 87% after 6 years. Ninety-seven per cent of all fines imposed before 1990 have been collected or remitted.
- 3.10 Of the fines the Collections Unit collects in a typical month:
- 35% relate to fines imposed in the previous 6 months;
  - 20% relate to fines from the 6 months before that;
  - 20% relate to fines from the 12 months before that; and
  - the remaining 25% relate to older fines.
- 3.11 Despite the many and varied efforts of the Collections Unit, it is not keeping up with the growth in outstanding fines. Each year, the increase in the amount owed exceeds the amount collected or remitted, and numbers of fines continue to increase.

### **Performance of the Contact Centre**

- 3.12 Early contact with offenders is critical to the successful collection of fines. The Collections Unit has a policy that requires staff, when seeking to collect a fine, to first try to contact the offender to arrange early payment. This priority is supported by the Collections Unit's training material, which highlights the importance of early contact and provides guidance on effective communication and negotiation.

## COLLECTING FINES

- 3.13 Unless an offender arranges payment through a District Collections Unit, the Contact Centre usually makes first contact with offenders. Enforcement cannot start until a fine is overdue, so this early contact is to offer help in arranging payment or obtain early payment. It usually occurs after day 11 of the fine entering the Collections Unit, giving the offender time to comply voluntarily. Contact may occur earlier, and offenders will often telephone the Contact Centre of their own volition.
- 3.14 Task lists for each Contact Centre staff member require them to follow up fines (for example, when supporting documentation is sought) and breaches of time-to-pay arrangements. Periodic prompts in COLLECT ensure that contact is maintained with offenders and the status of fines is actively monitored.
- 3.15 Performance measures in the Contact Centre focus on cash targets, early payment, getting fines under time-to-pay arrangements, and unresolved fines. They are monitored closely by Team Leaders. These performance measures underpin the primary role of the Contact Centre to make early, effective contact with offenders to obtain payment.
- 3.16 The performance measures are supported by job descriptions and performance agreements that highlight the importance of communication and negotiation skills in dealing with offenders. Effective negotiation was an important skill of the Contact Centre staff we interviewed and observed.
- 3.17 As well as trying to make early telephone contact with offenders, the Contact Centre sends offenders various forms of correspondence, encouraging them to pay their fines. This correspondence includes:
- a notice of fine and final notice of fine;
  - confirmation of time-to-pay arrangements, or copies of attachment orders; and
  - warning letters, advising that enforcement is imminent if the offender does not pay within a specified time.

### *Record of contacts with offenders*

- 3.18 Collections Unit staff are required to enter into COLLECT details of all exchanges with offenders, as well as all unsuccessful attempts to make contact. This record provides a history of the Collections Unit's interaction with an offender. It is important in verifying that every reasonable attempt has been made to contact an offender and arrange payment before the Collections Unit considers enforcement.

- 3.19 We examined a small sample of offender profiles in COLLECT. We were looking for evidence that, in practice, reasonable attempts had been made to contact the offender to arrange payment, and that the results of these attempts were recorded.
- 3.20 The notes in COLLECT recorded changes in contact details and employment status, undertakings by the offender to pay by a particular date, and, in cases where time-to-pay arrangements had been entered into, an assessment of the offender's ability to pay.
- 3.21 The notes in COLLECT were generally complete and easy to follow. Notes recorded, where necessary, that the offender had been warned that enforcement would follow if the fine was not paid by the due date, and that callers had been informed of Privacy Act constraints on the disclosure of personal details.
- 3.22 Overall, we were satisfied with the records kept of contact with offenders. Collections Unit staff had either made, or tried to make, frequent contact with offenders. Details of various forms of correspondence with offenders had been recorded in COLLECT.

## Conclusions

- 3.23 Analysis by the Collections Unit has shown that setting up the Contact Centre sites has meant the collection of a greater number of recent, easy to collect fines. This leaves the more difficult fines requiring physical enforcement to the staff in District Collections Units. A review of the effectiveness of the 2002 business case to expand the Contact Centre showed that from May 2003 the Collections Unit has been collecting more fines than projected. The effectiveness of the strategy is continually reviewed.
- 3.24 We were satisfied that the activities and procedures of the Contact Centre were appropriately focused on early collection of fines, through direct contact with offenders and, where necessary, negotiation. Systems were in place to ensure that the Collections Unit monitored the status of fines and maintained contact with offenders.

## Performance of the District Collections Units

### *Collecting Court-imposed fines*

- 3.25 The Collections Unit deals with all Court-imposed fines from the time they are imposed.
- 3.26 The District Collections Units are also responsible for attempting to contact offenders with overdue fines (Court-imposed and infringement) and enforcing those fines.

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- 3.27 In our visits to District Collections Units, we examined the effectiveness of the procedures for collecting Court-imposed fines, including how staff contact offenders receiving fines sentences to discuss payment.
- 3.28 Figure 6 shows the Collections Unit’s performance in dealing with Court-imposed fines.

*Figure 6  
Performance of the Collections Unit in dealing with  
Court-imposed fines*

	2000-01	2001-02	2002-03	2003-04
Court-imposed fines collected	\$29.2m	\$22.9m	\$27.7m	\$31.1m
Court-imposed fines either paid or under arrangement within 6 months of imposition	67.8%	75.4%	78.2%	87.8%

*Court-walkers*

- 3.29 Court-walkers – District Collections Unit staff in Court to make payment arrangements with offenders on the day a fine is imposed – are an important part of the Collections Unit’s strategy to collect Court-imposed fines as early as possible. However, there are times when Court-walkers are not in Court. They may be dealing with an offender, or not available because of other priorities.
- 3.30 To help address this, the District Collections Units receive from the Court a schedule identifying which offenders received a fine on a particular day. The District Collections Units use this information to contact offenders who were missed by the Court-walker on the day of the Court hearing.
- 3.31 District Collections Units rely on a close relationship with local Court staff. We found many examples of close co-operation to encourage offenders to pay the fines imposed by the Court. Collections Unit staff also report to sentencing Judges about fines already owed by an offender.
- 3.32 Generally, arrangements for having Collections Unit staff in Court worked well. However:
  - it can be difficult to co-ordinate Court-walking with other responsibilities and priorities;

- it can be difficult to make early contact with offenders in satellite Courts, where District Collections Units do not have a permanent presence;
- in some District Collections Units, electronic access to Court schedules is limited or lacking, making it difficult to assign staff to attend;
- with no direct access to COLLECT within courtrooms, District Collections Unit staff cannot retrieve profile information at short notice; and
- it is not possible to predict which cases will result in a fine being imposed, so District Collections Unit staff may spend idle time in Court. With access to COLLECT, staff could do other work when assigned to monitor Court proceedings.

3.33 In our view, the Collections Unit should address these issues, which would strengthen its commitment to collecting Court-imposed fines as early as possible.

**Recommendation 1**

We recommend that the Collections Unit consider options for improving its practices for the early collection of Court-imposed fines, and ensure contact with as many offenders as possible.

### *Enforcing fines and workload pressures*

- 3.34 District Collections Units have many responsibilities, including, for example, enforcing fines by executing warrants, managing work received electronically, providing a counter service for the public, enforcing civil debts, and serving Court documents.
- 3.35 This means that District Collections Units must manage their fines collection responsibilities, particularly the work generated electronically by the Collections Unit's information systems, in the face of competing priorities. For example, the Collections Unit has estimated that, for the 2004 financial year, about 78,000 civil court documents and cases were received or filed, which took up 24% of the staff's time.
- 3.36 Limited and competing resources in District Collections Units can delay the enforcement of overdue fines. District Collections Unit staff are the only ones who can physically enforce fines. While time consuming, physical enforcement is necessary and important.
- 3.37 Revenue targets for the District Collections Units reflect the Collections Unit's focus on collecting fines. To help meet those targets, the District Collections Units have tried different ways to manage their workloads. We saw useful initiatives to reduce the number of fines awaiting further action, such as joint enforcement between District Collections Units.

**COLLECTING FINES**

- 3.38 In many cases, an overdue fine has been subject to a warrant issued by a Registrar. Warrants to arrest or to seize property may stay assigned in the COLLECT system for some time before they are executed. When they are executed, many of the addresses visited by District Collections Unit staff seeking to serve a warrant are not correct. Often, an offender left the address some time ago. Although time-consuming, attempts to physically locate the offender must be made – the last known address must be shown to be incorrect before it can be referred back into the system and new attempts made to find the offender.
- 3.39 After workload issues were raised during field work, we asked questions of the District Collections Managers in the areas we visited. Responses indicated that:
- Compared with fines not yet overdue or under arrangement, the Collections Unit gathers little management information about the collection and enforcement of overdue fines.
  - District Collections Units have taken steps to reduce the amount of electronic fines management work. However, there is concern that successes are short-term, unsustainable, and create additional work for staff already stretched. Projects to reduce volumes also affect the resources available for other work (such as physical enforcement).
  - The amount of electronic work fluctuates significantly from one month to another, which makes planning difficult.
  - The electronic work competes with other tasks, some of which are a higher priority.
  - Managing overdue fines that are scheduled for enforcement is complex. Work volumes are difficult to predict, and involve choosing between related activities – including making arrangements for the payment of Court-imposed fines, serving at the counter, following up on breached payment arrangements, and executing warrants.
- 3.40 The Collections Unit supplied us with data showing, for each of its District Collections Units and satellite offices:
- the total number of fines yet to be collected at the end of each month, from January to June 2004; and
  - at 30 June 2004, how long fines had been assigned for enforcement.
- 3.41 Across the District Collections Units, we found significant differences at the end of each month. Possible explanations include how the District Collections Units were allocating resources, the effect of activities in other parts of the business unit (for example, the Contact Centre), changes in the status of fines in COLLECT because of enforcement, and different numbers of fines entering the District Collections Units.



- 3.42 The age of the fines differed markedly from one District Collections Unit to another. Again, there were several possible explanations, including different strategies taken by individual District Collections Units to collect overdue fines, and the characteristics of particular communities. For example, in communities where work is seasonal, some offenders are likely to be transient and more difficult to locate.
- 3.43 We were concerned about the allocation of resources in District Collections Units. To make the best use of the District Collections Units, the Collections Unit needs to consider where resources are best deployed. This will require setting priorities and collating improved management information to direct effort in the most effective way.
- 3.44 The Collections Unit has recognised the need to redistribute activity between the Contact Centre and the District Collections Units. We support this approach. However, a next step is to consider strategic guidance to support the District Collections Units. One option would be to expand the Centralised Processing Unit, which has, in the past, assisted with the electronic fines management tasks. Redistributing activities, and reviewing task allocation, could enable staff in the District Collections Units to undertake more enforcement. This, in turn, would help to ensure that warrants and other forms of enforcement are executed in a timely manner.

**Recommendation 2**

We recommend that the Collections Unit consider how it can most effectively resource the District Collections Units, or redistribute administration work from the regions, to target enforcement to best effect – this will require enhanced management information and clear priorities.

## Finding offenders using electronic data matching

- 3.45 Finding offenders is critical to collecting fines. The Collections Unit may struggle in its attempts to find offenders, usually because:
- the offender has moved residence, or gone overseas;
  - information provided by the issuing authority is incorrect; or
  - the issuing authority does not provide enough information for the Collections Unit to identify and find the offender.
- 3.46 The database that stores the profiles of offenders who have not been found after efforts to make contact by telephone or mail is called the trace pool. When contact details are not available, the Trace Management System periodically tries to match the details that are available in the trace pool with information from a third party. Attempting to find offenders by exchanging information with third-party databases is a vital part of the Collections Unit's business.

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- 3.47 Electronic data matching with the Ministry of Social Development started in early 1999, and with the Inland Revenue Department in May 2002. Inland Revenue Department data matches are carried out 12 times a year, with up to 40,000 profiles in each batch of data. The Collections Unit matches data with the Ministry of Social Development 6 times a year. In 2004, on average 40% of the Inland Revenue Department data matches, and 11% of the Ministry of Social Development matches, were successful.
- 3.48 The Collections Unit is also able, in certain circumstances, to request information from the Ministry of Social Development or the Inland Revenue Department about an offender's social security benefit or employer details. The information is used to determine whether an attachment order should be made. The Collections Unit must have a genuine and reasonable belief that the offender is working or receiving a benefit. This belief must be based on data less than 6 months old, which means that older information cannot always be used for this purpose.
- 3.49 The Collections Unit provided us with analysis that showed its data-matching efforts had contributed positively to the collection of fines. However, despite the Collections Unit's concerted efforts to trace offenders through data-matching programs, publicly available databases and field work, about 265,000 profiles were in the trace pool at the end of March 2004. Of these, 67% had already been sent to all the data-matching agencies used by the Collections Unit. About 90% of those recycled profiles had been to the data-matching agencies at least 3 times.

*Effectiveness of the system managing the trace pool*

- 3.50 Given the possibility that updated contact information may have become available,<sup>13</sup> we expected the Collections Unit to repeatedly try to contact offenders with older fines.
- 3.51 We were concerned that some fines profiles could, in theory, sit inactive without any periodic attempts to locate the offender. Unless profiles are systematically recycled through the Trace Management System for possible matches, the Collections Unit may lose the opportunity to contact offenders when new information becomes available.
- 3.52 We asked the Collections Unit to do some testing for us to provide assurance that profiles were systematically "popping up" from inside the trace pool. Seventy profiles were tested. Of these, 58 were properly recycled through the system. However, 12 profiles did not behave as expected.

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<sup>13</sup> If an offender receives another fine, their profile will be re-activated and updated for the new fine. This lets the Collections Unit pursue new and old fines together.

- 3.53 For various reasons, 4 profiles should not have been in the trace pool – apart from removing them, no further action was required. The problems found with 7 of the profiles will, according to the Collections Unit, be resolved when the Trace Management System is replaced. The Collections Unit is investigating why the last profile had “hung” within the system.
- 3.54 This exercise showed that it was possible for some profiles to remain inactive, preventing the Collections Unit from making periodic attempts to find offenders.

### *Opportunities to enhance data matching*

- 3.55 The Collections Unit has recognised the importance of exploring opportunities for additional electronic data matching. Pilot projects undertaken or under way include a trial with the Department of Internal Affairs for records of deaths, with the Accident Compensation Corporation, and with New Zealand Post Limited.
- 3.56 When the Collections Unit replaces the Trace Management System, it will be able to record the steps taken to find individuals and organisations it does not have valid details for. The enhanced system will be more flexible and allow further data-matching partners to be easily added.

#### **Recommendation 3**

We recommend that the Collections Unit implement the scheduled replacement of the Trace Management System.

#### **Recommendation 4**

We recommend that the Collections Unit carry out regular testing of the Trace Management System to ensure that profiles are not overlooked and that overdue fines are systematically put forward for data-matching purposes.

## **Finding offenders manually – the Centralised Processing Unit**

- 3.57** When electronic methods have not found offenders, batches of profiles are passed to the Centralised Processing Unit. Staff in the Centralised Processing Unit use manual methods to find contact details for offenders.
- 3.58** The Centralised Processing Unit began with a trial, initially dealing with creditor address requests and attempts to locate victims. It began to focus on finding fines offenders in late April, 2004.
- 3.59** The Centralised Processing Unit uses several investigative techniques and a variety of information sources to find telephone numbers, dates of birth, address details, or other contact information that might enable the Contact Centre or District Collections Units to contact an offender.
- 3.60** This manual tracing improves the quality of data about offenders contained in COLLECT. It enables the Collections Unit to contact offenders and helps clear older debt when contact details become available (for example, when an offender's circumstances change).
- 3.61** At the time of our audit, the Centralised Processing Unit was in the process of establishing standard work procedures and performance measures for its manual tracing work.
- 3.62** Results to date suggest that the Centralised Processing Unit is effectively producing contact information for use by the Contact Centre and District Collections Units. Over 10,000 profiles were dealt with over a period of 2-3 weeks during June and July 2004, with almost 6,000 successful matches. Over April and May 2004, the Centralised Processing Unit found contact details for 58% of the offenders.
- 3.63** The Centralised Processing Unit also periodically provides valuable assistance to District Collections Units with large numbers of fines scheduled for enforcement, significantly reducing numbers of older profiles.
- 3.64** A business case to increase the Centralised Processing Unit to 50 staff will support the establishment of a team dedicated to manual tracing. Expanding the Centralised Processing Unit should help the Collections Unit deal with the pool of untraceable profiles.

## Enforcement

- 3.65 We examined the policies and processes that guide the Collections Unit's staff in undertaking enforcement. We found that policies:
- set out the circumstances when enforcement may occur;
  - set out the enforcement options;
  - outline legislative requirements relating to enforcement;
  - explain how enforcement is to be recorded in COLLECT; and
  - describe the procedure to escalate fines to District Collections Units for enforcement.
- 3.66 We expected to find that the Collections Unit's staff would have exhausted all options for early compliance within the first 28 days, before considering enforcement.
- 3.67 A Deputy Registrar at the Contact Centre or in the District Collections Units is able to issue an attachment order. However, a recommendation for any other enforcement must be accompanied by evidence that other options have been exhausted, and the decision to take additional enforcement measures is subject to the approval of a Team Leader. This, and the managerial approval of procedures (which is an administrative function), ensures appropriate oversight over the use of enforcement powers.
- 3.68 Escalating the collection of a fine, from securing voluntary payment by an offender to enforcement, happens in stages and is subject to robust controls. For example, an escalation spreadsheet provides a co-ordinated method for referring profiles for enforcement to the District Collections Units from the Contact Centre, providing information in a form designed to help District Collections Unit staff decide on appropriate enforcement options. In addition, the District Collections Units administer overdue fines through the computer systems and decide upon the most appropriate enforcement action.
- 3.69 As noted earlier, the policies and procedures used by Contact Centre staff to obtain payment emphasised the importance of making early contact with an offender, and of voluntary compliance. By examining profiles in COLLECT, we also assessed whether reasonable steps had been taken to contact offenders and recover payment before enforcement was considered.
- 3.70 The cases we examined showed repeated attempts to contact offenders, and recorded a variety of correspondence to remind offenders of their payment obligations and warn of impending enforcement.

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3.71 From our discussions with Collections Officers in the Contact Centres and District Collections Units, we were satisfied that staff were well aware and informed of their powers, and the procedures they were required to follow when undertaking enforcement.

### Managing overdue fines

3.72 Managing overdue fines is an important aspect of the business of the Collections Unit. We analysed the components of overdue fines, and what was causing movements over time in the amount owed. We identified where and how those factors were being managed within the Collections Unit.

3.73 Overall, the Collections Unit actively focuses on collecting overdue fines by:

- seeking to contact offenders, a large number of whom remain untraceable, through data matching with third parties and investing in tracing capability;
- pursuing policy initiatives to improve the quality of personal information about offenders; and
- actively initiating early contact with offenders to collect older and newer fines.

3.74 The Collections Unit collects information, including how long a fine has been overdue, whether the date of birth (if the offender is a person not a company) and a valid address have been recorded, and the region (based on the offender's last known address).

3.75 There has been a steady rise in collection rates since the introduction of:

- the COLLECT system;
- the second Contact Centre site;
- the Centralised Processing Unit's manual attempts to find offenders; and
- high-profile publicity campaigns.

3.76 However, despite the rising collection rates, the amount owed in overdue fines has continued to grow. No single strategy is likely to check this growth. The Collections Unit has recognised that a mix of strategies is needed. It is continuing to focus on new fines, carrying out more data matching with third parties, seeking better information about offenders from issuing authorities, and promoting a more co-ordinated approach to collecting and enforcing fines by all organisations involved.

3.77 In response to the rising numbers of fines, in 2004 the Ministry of Justice received funding for additional resources, including more staff in the Contact Centre, Centralised Processing Unit, National Office, and in the District Collections Units.

## Our conclusions

- 3.78 Overall, the Collections Unit met our expectations. However, the number of fines entering the Collections Unit continues to rise, and the amount owed in fines has continued to grow. About 56% of the total amount owed is overdue, and, because of the rising numbers of fines it is responsible for collecting, the Collections Unit has been unable to make any substantial progress with this.
- 3.79 Because of the steady increase in infringement fines entering the Collections Unit, it has needed to review its structure and allocation of resources. Concerns about resourcing levels in the Collections Unit led to an increase in funding in 2004, enabling 63 new staff to be appointed to the Contact Centre and Centralised Processing Unit.<sup>14</sup>
- 3.80 District Collections Units are responsible for a variety of competing activities (unlike the Contact Centre, where fines can be pursued when they first enter the Centre and resources are dedicated to this task). The structures, roles and varied responsibilities of District Collections Units make a concentrated focus on fines collection more difficult and affect their ability to collect overdue fines.

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<sup>14</sup> Funding was also provided to appoint 30 additional field staff to ensure compliance with the new health and safety legislation, and for support staff in the National Office.







## Part Four

# Working with issuing authorities to improve collection rates

- 4.1 The Collections Unit has very little control over the number of infringement fines and Court-imposed fines that are referred to it, and the accuracy and completeness of information about offenders. It has little control over when fines are referred to it. These factors, discussed in more detail in Part 2, make the Collections Unit's task more difficult.
- 4.2 We did not examine how issuing authorities collect fees via infringement notices. We did consider how the Collections Unit works with issuing authorities to encourage early and successful payment.
- 4.3 We expected the Collections Unit to work with issuing authorities to:
- encourage the prompt payment of infringement notice fees, and thereby reduce the number of fines referred to the Collections Unit; and
  - improve the quality of data provided when unpaid infringement notices are referred to the Court, and subsequently to the Collections Unit.
- 4.4 The majority of infringement fines are issued either by the Police or local authorities. We focused on the relationships that the Collections Unit has with these organisations.

## Issuing authorities' limited use of time-to-pay arrangements

- 4.5 Under section 21 of the Summary Proceedings Act, issuing authorities can – but are not obliged to – accept time-to-pay arrangements for infringement notices. The Police issue most infringement notices and do not accept payments by instalment.
- 4.6 The Police advise offenders that if they wish to pay the fee for an infringement notice over time, they must wait until the unpaid fee is referred to the Collections Unit and becomes a fine.

## **WORKING WITH ISSUING AUTHORITIES TO IMPROVE COLLECTION RATES**

- 4.7 Few local authorities offer time-to-pay arrangements. The existing arrangements for the allocation of revenue from the collection of infringement fines for some traffic-related offences may act as a disincentive for authorities to offer alternative payment options (see paragraph 1.8).

### **Incomplete or incorrect information about offenders**

- 4.8 Incomplete or incorrect information makes it difficult for the Collections Unit to identify and find offenders, and collect fines. The quality of information provided by the issuing authorities varies.
- 4.9 The most important information for accurately identifying and locating an offender is a full name, date of birth (if the offender is a person and not a company), and a full address. The most important identifier is the date of birth.
- 4.10 When the offender's date of birth is known, collection rates are consistently and substantially higher. If the address provided by the issuing authority is no longer current and the date of birth is not recorded, illegible, or incorrect, the Collections Unit can undertake only a limited range of searches of public registers to locate the new address of the offender. Further, without a date of birth, the Collections Unit is unable to use other tools, such as data matching with the Ministry of Social Development and the Inland Revenue Department, to find an updated address for the offender.
- 4.11 We note that under the Courts and Criminal Matters Bill, the Ministry of Justice is proposing to establish minimum mandatory information requirements for infringement fees referred to the Collections Unit. However, this Bill will not make date of birth information mandatory, because other legislation governing infringement regimes does not provide for mandatory provision of this information by an offender to an issuing authority.

### **Working with local authorities**

- 4.12 The Collections Unit works particularly closely with the larger local authorities. We talked to Collections Unit staff and Council officers in the larger local authorities about the relationships between their organisations. Council staff told us these relationships were positive and improving, particularly because of efforts by the Collections Unit to formalise them.
- 4.13 The Collections Unit has recently appointed a national relationship manager to support local relationship management initiatives. It is developing Memoranda of Understanding, and to date has signed Memoranda with 10 local authorities. The Collections Unit is continuing to build relationships with the largest 8 councils (which issue approximately 75% of all local authority infringement notices).

## WORKING WITH ISSUING AUTHORITIES TO IMPROVE COLLECTION RATES

- 4.14 Other initiatives include joint strategic meetings, collecting and analysing the profile of infringement fines for the 8 largest local authorities, information sharing, joint initiatives, and joint public awareness campaigns.
- 4.15 The Collections Unit has also provided local authorities with data on infringement profiles and resolution rates. It has reviewed the quality of data for filing infringements, providing local authorities with tools to analyse the factors affecting their own and the Collections Unit's success rates.

### Working with the New Zealand Police

- 4.16 The relationship with the Police is important, because the Police impose most of the infringement fees referred to the Collections Unit. The Collections Unit and the Police have established a formal relationship plan.
- 4.17 The Collections Unit and Police meet quarterly to review forecasted infringements. These then form the basis for Collections Unit forecasts. As part of this, the Police have agreed to supply the Collections Unit with copies of quarterly reports to the Minister of Police, and to supplying monthly monitoring figures.
- 4.18 A close relationship with the Police enables Bailiffs to work with Police officers on joint operations, and provides security in situations where, during enforcement, Collections Unit staff may be putting their personal safety at risk. Collections Unit staff sometimes need to enter premises with a Police escort.
- 4.19 In some District Collections Units, staff and Police have undertaken joint operations, targeting common offender groups. Such initiatives can result in the collection of fines worth significant amounts of money, and have important deterrent effects. A scheme that encourages (with the co-operation of the Police and Land Transport New Zealand) young fines defaulters to gain their full driver's licence is one example of constructive local collaboration.
- 4.20 Overall, however, the relationship with the Police is less structured and formalised than the relationship with local authorities. In particular, the extent and nature of the interaction varies across District Collections Units.

#### Recommendation 5

We recommend that the Collections Unit further enhance its formal relationship with the Police at a national and district level to promote the type of positive working relationships already established with local authorities.

## **WORKING WITH ISSUING AUTHORITIES TO IMPROVE COLLECTION RATES**

### **Our conclusions**

- 4.21** The Collections Unit has recognised the need to work closely with issuing authorities, in particular local authorities and the Police, to improve early collection rates and data quality.
- 4.22** The Collections Unit has taken steps to improve the data it is provided with by issuing authorities, and to improve forecasts for fines expected to enter the Unit. It has also undertaken public awareness campaigns.
- 4.23** Relationships between the Collections Unit and local authorities were positive and progressing well. However, the formal relationship with the Police was still developing. Given that infringement notices issued by the Police generate the majority of infringement fines entering the Collections Unit, both entities would benefit from a closer working relationship.
- 4.24** We found examples of local initiatives between District Collections Units and the Police. There may be scope to apply some of these approaches more widely.



# Management systems and monitoring

- 5.1 We considered the various structures and procedures in place within the Collections Unit to support fines collection, including the organisation's strategic planning.
- 5.2 We expected that the Collections Unit would:
- undertake strategic planning, and that this would be clearly linked to the desired outcomes of the Ministry of Justice;
  - monitor and analyse fines and enforcement data, to guide decision-making and priority-setting and maximise the collection of fines;
  - forecast demand, revenue and collection rates in order to plan and devise collection and enforcement strategies;
  - have systems for quality control; and
  - have strategies in place for business process improvements.
- 5.3 We expected the Collections Unit to have strategies and systems in place to increase the skills of staff, and ensure the safety of its staff in their dealings with offenders.
- 5.4 We also expected to find performance assessment and reporting based on reliable data and analysis.
- 5.5 We did not set out to examine COLLECT as part of the audit. However, we did assess how the system was used by staff in their everyday work.

## Strategic planning

- 5.6 We assessed whether strategic planning provided an effective platform for directing and supporting fines collection and enforcement. We examined, in particular, how well aligned the planning was at national, area, and district levels of the organisation. In our view, the national strategy for the Collections Unit clearly reflects the desired outcomes of the Ministry of Justice.
- 5.7 After a national planning forum in March 2004, the Collections Unit prepared area plans that are closely aligned with the priorities set in the national strategy. The operational perspective of Area Collections Managers ensures that national policies and strategies align with initiatives in the areas. The Area Managers reinforce these links through their co-ordination and oversight of the District Collections Units.
- 5.8 Accountability documents at the operational level are also clearly aligned with the national strategy. Documents supporting recent funding bids were clearly linked to the strategic objectives of the Collections Unit.

## Monitoring and analysing fines and enforcement data

- 5.9 In conjunction with this audit, Audit New Zealand confirmed that the Collections Unit has controls over its accounting for revenue, and appropriately verifies data for its performance reporting.
- 5.10 The performance of the District Collections Units in managing fines, executing warrants, and carrying out other enforcement work, is measured at the District Collections Unit level. Their key performance indicators include revenue collected, fines dealt with, timeliness, requests for information, and warrants issued. These performance indicators are all closely linked to the Collections Unit's business plan.
- 5.11 District Collections Units produce monthly business reports for their Area Collections Manager, who in turn prepares monthly area reports for the Collections Management Team.
- 5.12 Area Collections Managers play an important role in overseeing performance and quality control, reviewing the results of quality assurance checks for their districts, and monitoring progress in meeting performance targets.
- 5.13 Area and District Collections Managers are accountable for giving effect to the Collections Unit's strategic objectives. Performance measures, targets and reporting are reflected in staff performance agreements, performance monitoring, and reviews.

## MANAGEMENT SYSTEMS AND MONITORING

- 5.14 The Contact Centre also produces monthly reports for the National Office, on:
- revenue collected and payment methods;
  - numbers of telephone calls, and the quality of those calls;
  - staff productivity; and
  - its efforts to locate offenders.
- 5.15 The National Office provides detailed reports to the Collections Unit and Contact Centre on monthly and year-to-date performance, letting managers and staff monitor progress in meeting targets. The Collections Unit’s management team meets monthly to review performance against the business plan.
- 5.16 The Collections Unit reports to the Minister monthly and quarterly, stating its performance measured against key performance indicators. These indicators are focused on the timeliness of making a time-to-pay arrangement, how early the fine is paid, and how much money is collected.

### *Data on the amount of fines still owed*

- 5.17 The Collections Unit collects information on the total amount of money owed in fines. Within COLLECT, the fines are defined as either overdue or not overdue. The status of a fine changes when different actions are taken, such as putting a fine that is not yet overdue under a time-to-pay arrangement. Initiatives by the Collections Unit, for example, to tackle backlogs of certain groups of fines, can bring about noticeable short-term changes in the total amount of money owed.<sup>15</sup>

### **Forecasting demand, revenue, and collection rates**

- 5.18 We examined the forecasting activities of the Collections Unit, looking for evidence that the Unit was forecasting demand, revenue and collection rates, in order to plan and devise collection activities, to target resources, and increase collection rates.
- 5.19 The Collections Unit collects and uses a range of management information to forecast fines volumes, workloads, revenue and expenditure, and to allocate resources and set targets.

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<sup>15</sup> The total reported debt is the gross amount owing in fines, less “doubtful” debts. The latter figure is reviewed quarterly, but the way it is calculated could change when the new forecasting model is introduced. Audit New Zealand is happy with the current methodology.

## MANAGEMENT SYSTEMS AND MONITORING

- 5.20 A new forecasting model is being prepared. The aim of the new model is to produce forecasts of the effect the Collections Unit's business processes have on the numbers of, and amount owed in, fines. The model is expected to improve forecasting, enabling the Collections Unit to analyse scenarios, identify geographical variations, and prepare responses.

### *Forecasting fines coming in and fines likely to be collected*

- 5.21 The Collections Unit estimates the number of Police-imposed infringement fines it is likely to receive, using information supplied by Police. About 26% of speed camera fines, and 65% of tickets issued by Police officers, are referred to the Collections Unit.
- 5.22 Estimates of numbers of unpaid infringement fines entering the Collections Unit from other issuing authorities are also used to forecast volumes, plan, and manage workloads.
- 5.23 The Collections Unit predicts the number of Court-imposed fines it is likely to receive. Its analysis shows that the total amount owed is increasing, but not the number of Court-imposed fines. The increases in value are largely because of the Sentencing Act 2002, which focuses on imposing monetary penalties (including reparation).
- 5.24 Forecasts of the fines likely to be collected are based on historical information, and the projected benefits of the expansion of the Contact Centre. The new forecasting model will include how changes, such as the expansion, will affect the revenue collected. Factors such as the increased use of reparation are not taken into account when forecasting but do affect collection rates (for example, because reparation owed is always collected first). The new forecasting model is being designed to consider these other factors.

### **Systems for quality control**

- 5.25 The Collections Unit has a strong quality control system in place, focusing on legislative compliance and adherence to policy. In our view, the design and implementation of the quality control system is appropriate for an organisation where processes are closely governed by legislation, and where staff exercise significant statutory powers.
- 5.26 Managers and staff we interviewed recognised the importance of legislative compliance, and the need for a quality control system to provide assurance that staff and systems were operating within the law and in accordance with Collections Unit policy.



**MANAGEMENT SYSTEMS AND MONITORING**

- 5.27 Team Leaders assign and oversee workloads, design office rosters, track performance against key performance indicators, and monitor the amount of cash collected. They also review the performance of staff in their teams.
- 5.28 Some reports and documents must be authorised by Team Leaders (remissions reports to Judges, warrants, and requests for information from the Inland Revenue Department and the Ministry of Social Development). In all of the District Collections Units we visited, Team Leaders check samples of work. District Collections Managers perform similar checks.
- 5.29 These quality control checks occur every 4 months, sometimes with the support of a Quality Improvement Advisor. The checks examine a selection of profiles for legislative and policy compliance. The system is well structured and focuses on key areas of business risk. The Collections Unit's management team considers the collated results of the quality control checks.
- 5.30 Some regions have an inter-regional peer review system for the quarterly quality control checks. All regions have a compulsory independent review each year. This independence, either quarterly or annually, brings a fresh perspective to that review, and can help to broaden awareness of common shortcomings in policies and practices.
- 5.31 Failure to meet quality control requirements in any respect automatically generates an action plan, prompting a reminder to the staff member concerned (or more extensive training) to address the matter identified.
- 5.32 Quality control checks are also carried out in the Contact Centre. Performance Quality Advisors are responsible, together with Team Leaders, for monitoring the quality of call handling against policy and statutory requirements, and checking sample calls made or received by Contact Centre staff against defined call quality criteria.
- 5.33 This work is supported by the work of Policy and Process Analysts, who assess compliance by Contact Centre staff with their Deputy Registrar powers, and report on time-to-pay arrangements.

**Business process improvement**

- 5.34 The Collections Unit has an active programme for business improvement, with over 30 projects identified in its plan for 2004-05. These projects include the multi-agency review of the infringement system, policy and legislative work to enable the Collections Unit to collect fines at airports, and introducing new software to replace the current data-matching system and improve the visibility of offender histories. Projects also include drafting fines manuals, a review of health and safety practices, developing a national stakeholder relationship plan, employing 2 business improvement advisors, and exploring other ways for offenders to pay fines.

## Developing the skills of staff

- 5.35 We asked staff and managers about the training they received on appointment, and what other training they were given.
- 5.36 A formal induction course for newly appointed staff is run twice a year, or when numbers dictate. In our view, this induction training provides useful guidance for staff in understanding the legislation they must comply with, policies they must follow, and service standards they are required to meet. Formal induction is supplemented by on-the-job training.
- 5.37 Staff in various District Collections Units had the opportunity to spend time in the Contact Centre, and Contact Centre staff the opportunity to spend time in the District Collections Units. This arrangement enables staff to become familiar with the various roles staff fill, and how they contribute to the collection of fines.
- 5.38 Training in the Contact Centres is relatively formal and intensive, with regular workshops (for example, on “one call” resolution) and team seminars (for example, on Privacy Act requirements).
- 5.39 However, the availability and consistency of training in the District Collections Units varied. In some District Collections Units, staff had received refresher or issue-specific training or workshops (such as managing difficult behaviour and call handling), which they found useful. In other District Collections Units, however, Collections Officers or Customer Services Officers had received little or no refresher training.
- 5.40 Varied and evolving roles for Collections Unit staff make training particularly important – for example, dedicated training is necessary for staff to meet the particular requirements and responsibilities of a Deputy Registrar and a Bailiff. Staff in the District Collections Units and the Contact Centre noted that work pressures can prevent them from having more training.
- 5.41 The Collections Unit has appointed a national training manager, and trainers, responsible for preparing and delivering a national training strategy. It has also set up a database to record the training undertaken by its staff. This database was being populated at the time of our audit.
- 5.42 In our view, the lack of a systematic approach to training in the District Collections Unit needs to be addressed, and should be a priority when preparing the national training strategy.

**Recommendation 6**

We recommend that the Collections Unit, as part of its national training strategy, put in place a structured and consistent approach to training for staff in District Collections Units.

## Protecting the health and safety of staff

- 5.43 Collections Unit staff – particularly Bailiffs, whose job involves executing warrants to seize vehicles or other property – sometimes have to deal with aggressive offenders and their associates.
- 5.44 Some Collections Unit staff we spoke to had been verbally and physically abused in the course of their work. They felt particularly vulnerable when working alone. We accompanied Bailiffs and saw them encounter aggression when seizing property. The Collections Unit's strategies to manage this risk included:
- consulting the Police when staff planned to visit a property and expected to encounter aggression; and
  - staff telephoning their office at regular, specified times.
- 5.45 The Collections Unit has recognised the risks faced by its staff and set up a Health and Safety Working Party in March 2004 to:
- address health and safety issues;
  - review and make recommendations on health and safety policy, standards and procedures; and
  - help with preparing a health and safety plan.
- 5.46 There is a field in COLLECT to record and access information about the safety risks that certain offenders present for staff. The Collections Unit has issued interim health and safety standards, pending the release of national standards for the Ministry of Justice. These interim standards require that:
- before making visits, staff must look in COLLECT for any information about the health and safety risks that those offenders may present;
  - staff must complete a risk assessment checklist to identify any known hazards associated with the planned visits;
  - staff must assess risk when planning to enter a property, and leave if a threatening situation arises;

## MANAGEMENT SYSTEMS AND MONITORING

- the District Collections Units must have call-in procedures to confirm at regular intervals that staff are safe; and
- in high-risk situations, staff must work in pairs.

5.47 The Collections Unit is also trialling Global Positioning System devices and other technology, so that the District Collections Units can better monitor the whereabouts of staff.

5.48 In 2004-05, the Collections Unit received funding to recruit 30 more staff, which will enable officers to work in pairs when undertaking potentially dangerous tasks. The funding will also allow the Collections Unit to buy communication devices for staff doing enforcement work. These measures are intended to enhance the ability of the Collections Unit to meet its obligations under the Health and Safety Amendment Act 2002.

### The COLLECT computer program

5.49 During our audit, some staff noted that COLLECT was not always available. We obtained data about outages over a six-month period in 2004: the system was unavailable for only short periods, and in our view, outages were not a significant issue. At the time of our audit, the Collections Unit was surveying staff about the performance of COLLECT.

5.50 Our own testing of selected screens in COLLECT, interviews, and observations of staff working at terminals in Contact Centres and the District Collections Units confirmed that the system was generally easy to navigate and work with. Valuable features of the system include the ability to link new fines to existing profiles (given that 70-80% of new fines are for offenders who already owe fines), assign work, and generate data for performance reporting.

5.51 From March 2005, changes to COLLECT will enable staff to better track changes made to a fines profile. COLLECT does not show all the procedures the Collections Unit follows to contact offenders and recover fines, nor a full history of its interactions with an offender. A project to redesign fields in COLLECT is expected to integrate the aspects of fines collection that are currently not visible, or are fragmented.

5.52 The Collections Unit is pursuing opportunities to improve the capability of COLLECT, including the ability to produce reports focused on particular parts of the business.

### *Review of the COLLECT computer program*

- 5.53 COLLECT was commissioned in December 2001. Since then the number of users of the system has increased significantly, as have the total amount of fines being managed and the fines collected. There are currently 5.1 million profiles in the system, containing 64.6 million transactions.
- 5.54 The Ministry of Justice has commissioned a review of COLLECT to assess whether it is capable of meeting the Collections Unit's future business requirements. The review concluded that COLLECT in its present form is unlikely to support the long-term growth in business. However, given the possibility of changes to the infringement system, the review recommended that the Ministry address some of the more significant issues with COLLECT and continue to use the system until future business requirements are better defined. At that point, the review recommended that the Ministry should consider replacing COLLECT. We will take a continued interest in the effectiveness of the COLLECT system.



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Collections Unit in collecting and enforcing fines**

**Controller and Auditor-General**

*Tumuaki o te Mana Arotake*

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