

# Double Punishment

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*“If you do the crime you do the time”*

# Joan's Story



Joan was in the Centrelink line for over an hour and was next in line to be served.

She knew her parking was about to run out but decided to take her chances.

The Parking Ranger left her a \$110 ticket. If payment was made within 14 days she would only need to pay \$95.

## Joan's Income: \$1,200 per fortnight

Rent	600
Food	290
Power	55
Gas	40
Fuel	50
Car payment	100
Phone	40
WA NILS	35
Medication	5
Water	5



*What if fines were fairer?*

*What if we all experienced an equivalent degree of pain for parking longer than we should?*

# Fines Measured Against Income



## Example 1:

Joan's Annual Income: \$14,560 → Her Fine: **\$100**

Matthew's Annual Income: \$110,000 → His Fine: **\$755**

## Example 2:

Joan's Annual Income: \$14,560 → Her Fine: **\$ 13**

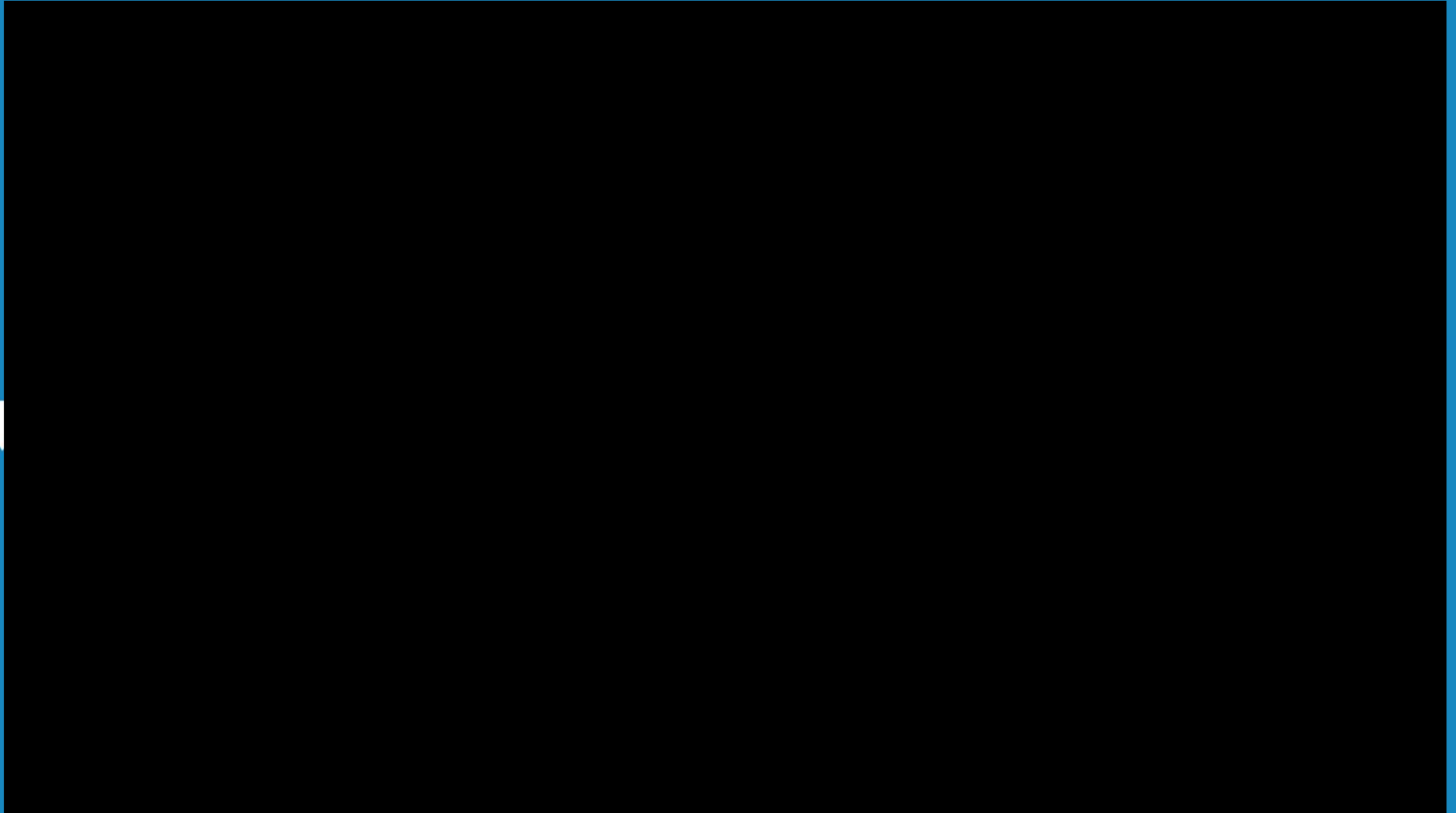
Matthew's Annual Income: \$110,000 → His Fine: **\$ 100**

*Rema Kuila, a Finish millionaire businessman was caught doing 64 mph in a 50 mph zone. His fine was €54,024 (approx. \$58,000). The calculation was on a day system where the penalty is based on how many days of income the person would lose. So in this case Mr Kuila was assessed to lose 8 days income.*

# Video

## *How we punish the poor*

Interview with Kate Rich



# Settling a Fine: Options

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- ✓ *Payment in full*
- ✓ *Payment arrangement*
- ✓ *Community work order*
- ✓ *Go to jail*
- ✓ *Do nothing*

# Cost of Imprisonment

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*In 2016 short stays of up to a week were estimated to cost about **\$770** per day.*

*Average cost of imprisonment is thought to be around **\$300** per day.*



# Double Punishment



- ✓ *Difficulty contacting creditors - small fines become huge debts*
- ✓ *Refusal of home insurance*
- ✓ *Inability to disconnect utilities*
- ✓ *Accrual of bank fees*
- ✓ *Inability to negotiate hardship arrangements for mortgages*
- ✓ *Repossession of house, cars, goods*
- ✓ *Rental arrears*
- ✓ *Inability to cancel mobile phone contracts*

# Double Punishment: Why?



- ✓ *Lack of documentation making it hard to cancel services or negotiate*
- ✓ *Lack of internet*
- ✓ *Uncompromising creditors*
- ✓ *Barriers to contacting prisoners*
- ✓ *Low levels of literacy*
- ✓ *High levels of trauma*
- ✓ *Mental health issues*

# Possible Solutions INSIDE the System



- ✓ National Debt Helpline
- ✓ Triage model for FC appointments
- ✓ Central points of contact (government, agencies etc)
- ✓ Mandatory financial health check for prisoners
- ✓ Training case workers
- ✓ Resources Toolkit for families of prisoners
- ✓ Improved service coordination
- ✓ Peer-to-peer financial capability coaching in prison
- ✓ Video education
- ✓ Financial capability workshops in prison

# Possible Solutions OUTSIDE the System



- ✓ More consistent responses from creditors & debt waivers
- ✓ Creditor portal
- ✓ NDH with category for people in prison
- ✓ Training hardship staff on impacts of prison life
- ✓ Option to work off fines in prison
- ✓ Agency visits to prisons
- ✓ Better bank account access
- ✓ Access to insurance
- ✓ Early access to super
- ✓ Funding for prison financial counsellors

# Jenny's Story

Jenny was charge with minor drug offences. Despite her lawyer believing Jenny would get bail, she was remanded in custody.

Among her debts were a small loan for a car and a lease contract for a fridge and computer. With no way of paying either debt, and no support available to arrange a hardship variation on her loan and lease contract, Jenny quickly fell into arrears.

Her car was repossessed and then sold for less than the loan amount, while a 'friend' who was looking after her computer and fridge sold them, leaving her with more debt and the threat of being charged with theft.

# Prisoner Lose, Society Loses



- ✓ Keeping a person in prison for 12 months is estimated at \$110,000
- ✓ Heavy reliance on taxpayer-funded support for social support services, including Centrelink benefits and emergency relief
- ✓ 44% of prisoners released during 2014-15 returned to prison within two years

**There are 800 financial counsellors in Australia and only about 20 make regular visits to prison**