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## Media release

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## Traffic fines - Pay according to income

The Australia Institute has called for Australia to follow Britain's example and introduce a system of traffic and parking fines that is graded according to an offender's capacity to pay.

The Institute argues that the current system of applying a flat fine to all imposes much more pain on low-income people than it does on high income earners.

"A speeding fine of \$125 represents one third of the weekly income of someone earning \$20,000 a year but only 6 per cent of the weekly income of someone with an income of \$100,000," Institute Director Dr Clive Hamilton said today.

"Some rich Australians consciously break the law knowing that paying any fine will have a negligible effect on them. Well-heeled drivers from the affluent Sydney suburb of Mosman have been reported to dismiss fines as 'only pocket money to us'. On the other hand, a \$68 parking ticket can cause serious distress to a student or pensioner.

"A fine that amounts to the weekly food bill for some is no more than the cost of a bottle of wine for others."

In a paper released today, the Institute proposes that traffic fines be imposed on a sliding scale according to the offender's income and thus capacity to pay. Each infringement notice would be issued showing a fine for each of five levels of taxable income.

An offence that currently attracts a flat-rate fine of \$125 would see an offender on less than \$30,000 pay a fine of \$75 while an offender on over \$100,000 would be liable for \$385. In both cases, offenders would be fined at 16 per cent of weekly income in contrast to the present system under which the low income earner is penalised at 31 per cent of weekly income and the high income earner at 5 per cent for the same offence.

"An income-contingent fine would ensure that the fine has the intended deterrent effect," Dr Hamilton said. "It would also be popular as justice would be seen to be meted out fairly."

He said such schemes already operate in Germany, Sweden, Finland, Denmark, France, Portugal and Greece and is soon to be introduced in Britain.

The report can be read under What's New at [www.tai.org.au](http://www.tai.org.au).