

# Regulatory Impact Statement: Increasing the Offender Levy

<b>Decision sought</b>	Analysis produced for the purpose of informing: Cabinet decisions
<b>Agency responsible</b>	Ministry of Justice
<b>Proposing Ministers</b>	Minister of Justice
<b>Date finalised</b>	15 April 2026

RIS original: [Sentencing \(Offender Levy\) Amendment Bill 12-1 \(2009\), Government Bill Explanatory note – New Zealand Legislation](#)

This regulatory impact statement relates to a proposal to:

- enact regulations to increase the offender levy from \$50 to \$100, effective from 1 July 2026, and
- use the additional revenue to offset some of the Crown funding victim services.

## Summary: Problem definition and options

### What is the policy problem?

The offender levy is a \$50 levy imposed on all convicted offenders. Its purpose is “to ensure offenders contribute to addressing the harm that their criminal behaviour has caused to victims and to generate revenue to fund ongoing services to victims of crime”.<sup>1</sup> It is not a sentence and is separate from any reparation imposed by the court.

Although the levy was intended to fund victim entitlements,<sup>2</sup> the revenue it generates now meets only a small share of those costs. The levy has not been reviewed since it came into effect in 2010, and inflation has reduced its real value, while the cost of providing services has increased. As a result, the levy funds a much smaller portion of ongoing services for victims, and the degree to which offenders contribute to addressing harm caused to victims has eroded. It is also now lower than comparable levies in overseas jurisdictions.

### What is the policy objective?

The primary objective is to set the offender levy at a level that ensures offenders make a more meaningful contribution to addressing the harm they cause to victims and generates a more sustainable revenue stream to fund services to victims of crime, reducing reliance on Crown funding.

<sup>1</sup> As per the [Regulatory Impact Statement when the levy was introduced \(legislation.govt.nz\)](#)

<sup>2</sup> See paragraph 10 for a description of these services

### What policy options have been considered, including any alternatives to regulation?

Consideration has been given to the following options:

- A) Status quo/do nothing:** If the levy is not increased, its real value will continue to fall. A general inflation calculation indicates that \$50 in 2025 was worth only \$34 in 2009 (when the levy was set).
- B) Regulation to increase the levy:**
1. **Increase the levy by consumers price index** (CPI) inflation (from \$50 to \$75)
  2. **Increase the levy by CPI plus** a further increase to the offender contribution (from \$50 to \$100) (*Minister's preferred option*)
  3. **Increase the levy to fully offset the current cost** of victim entitlements (from \$50 to \$357)

There is no non-regulatory way to change the levy because it is set by regulation.

### What consultation has been undertaken?

As this proposal is a Budget 2026 savings initiative, we have not been able to consult because of Budget sensitivity and timing constraints.

The proposal has no direct financial implications for victims. It does not affect the level of services for victims, which is determined by appropriation funding, and it does not affect the payment of reparation to victims, which takes precedence over collection of the offender levy.

The Chief Victims Advisor has not been consulted directly. However, in July 2025 she wrote a memorandum to the Minister of Justice proposing a review of the offender levy.

We have consulted with the Ministry for Regulation, the Treasury, and Te Puni Kōkiri on this proposal. The Department of Prime Minister and Cabinet has been informed.

### Is the preferred option in the Cabinet paper the same as preferred option in the RIS?

Yes

## Summary: Minister's preferred option in the Cabinet paper

### Costs (Core information)

The proposal would directly impact offenders, who would be required to pay \$100 instead of \$50. For some people with very low or no income, the additional \$50 is likely to be significant. However, it is a one-off cost, and its impact is mitigated because offenders can enter into a payment plan, and in some circumstances all or part of the levy can be remitted where they are unable to pay. Most offenders already pay court-ordered amounts (fines, reparation and the offender levy) by instalments, and while the increase may slightly increase the time taken to pay, the Ministry expects only a small effect on collection rates.

Māori are significantly overrepresented among offenders in New Zealand, so the increased levy would disproportionately impact this group. There may also be flow-on effects for offenders' whānau, especially children, although there is no information available on the scale of those impacts. Some hardship may be reduced through payment plans and remittal decisions that take account of the offender's circumstances.

There may be a small administrative cost to the Ministry of Justice if more offenders need to pay the levy in instalments or seek remittal where possible. These costs cannot be quantified because offender levy collection costs are not separated from the costs of collecting fines and reparation. Any additional cost is expected to be minimal because the number of levies imposed is the main driver of collection costs, which is not expected to change. Any cost increase will be met within the appropriation *Collection and Enforcement of Fines and Civil Debts*.

### **Benefits (Core information)**

The main monetised benefit is additional revenue to offset the Crown's funding of victim entitlements. The increase is expected to generate up to \$2.641 million per year of additional revenue, to be recognised through Budget 2026, assuming levy volumes and collection rates remain constant. This would reduce the Crown-funded share of victim entitlements and free up funding for other government priorities.

There are also indirect, non-monetised benefits to victims and the wider community. Increasing the levy by more than inflation would require offenders to make a greater contribution to addressing the harm caused to victims of crime. This may modestly improve confidence in the criminal justice system if victims and the public see offenders as contributing more meaningfully.

### **Balance of benefits and costs (Core information)**

#### **Does the RIS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs?**

Yes. The costs fall mainly on offenders, whose offending caused the harm the levy is intended to address. The increased levy is expected to be affordable for most offenders and will increase offenders' contribution to funding victim entitlements, reducing the Crown's share of that cost.

The proposal may also improve confidence in the criminal justice system by better recognising the harm experienced by victims and increasing offenders' contribution to repairing that harm.

### **Implementation**

#### **How will the proposal be implemented, who will implement it, and what are the risks?**

The levy will be adjusted through regulations made under section 147 of the Sentencing Act 2002. The Ministry of Justice will implement and enforce the new levy amount. The Ministry already collects the offender levy alongside court-ordered fines and reparation.

The increase is planned to come into effect from 1 July 2026 and work to support implementation is already underway. Some administrative transitional arrangements may be needed to ensure offenders are charged the correct levy during the transition period and that relevant guidance and public information are updated.

### **Limitations and Constraints on Analysis**

**Time constraints:** The proposal is intended to secure Budget 2026 savings, and decisions are being sought before the Budget moratorium. The levy increase is proposed to come into force on 1 July 2026 so the full estimated saving can be realised over the new financial year. These deadlines have limited the time available to assess this proposal and prepare the RIS.

**Lack of broader consultation:** Due to the sensitivity of the proposal and timing constraints, we have not consulted with victims, offenders, or wider justice sector stakeholders on the

proposed levy increase. Te Puni Kōkiri consultation feedback highlighted that Māori are overrepresented (as both offenders and victims) in the criminal justice system and, as a group, will disproportionately bear both the costs and benefits of the increase. We have drawn on relevant evaluations, surveys, earlier select committee submissions, and information from similar overseas levy regimes to help understand likely views and impacts.

**Data limitations:** There is limited data on the average time offenders take to pay the levy and on the reasons for remitting levies. Collection costs for the levy are not separated from the costs of collecting fines and reparations. As a result, the Ministry cannot quantify the likely effect of increasing the levy on collection rates, payment duration, or collection costs.

It is difficult to objectively quantify demand for the victim services which the levy helps fund. The grants distributed under the Victim Assistance Scheme are discretionary, and the number made (and their amounts) differs from year to year.

**Regulatory limitations:** The offender levy framework is governed by primary legislation and only the amount of the levy can be adjusted through regulations. Other changes, such as tiered levy amounts, would require amending the primary legislation.

**I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.**

Deputy Secretary signature:



Caroline Greaney

**Deputy Secretary Policy**

15 April 2026

## Quality Assurance Statement

**Reviewing Agency:** Ministry of Justice

**QA rating:** Partially meets

### Panel Comment:

The Ministry of Justice's Regulatory Impact Assessment quality assurance panel has reviewed the Regulatory Impact Statement *Increasing the Offender Levy* prepared by the Ministry of Justice. The panel considers that the information and analysis summarised in the Regulatory Impact Statement partially meets the Quality Assurance criteria.

The RIS is complete, clear and concise. As noted in the RIS, there is limited data relating to the scale or significance of the problem and the likely impact of intervention on payment and remittal rates. The analysis has been constrained by this as well as by limited timeframes, and lack of consultation. Consultation with stakeholder groups or the broader public would enable further testing of the assumptions underpinning the analysis, particularly around accountability and confidence in the justice system.

Nonetheless, within the constraints outlined in the RIS, the panel considers that the analysis can be relied on for decision making.

## Section 1: Diagnosing the policy problem

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### What is the context behind the policy problem and how is the status quo expected to develop?

1. The offender levy is a mandatory \$50 levy imposed under section 105B of the Sentencing Act<sup>3</sup> on any person or company convicted of an offence when they are sentenced or convicted and discharged. It is not a sentence in itself. It applies in addition to any penalty the court imposes, such as imprisonment, community service, a fine, or reparation.
2. The levy's purpose is "to ensure offenders contribute to addressing the harm that their criminal behaviour has caused victims and to generate revenue that will fund ongoing services to victims of crime". The levy helps fund victim entitlements,<sup>4</sup> such as counselling and court travel assistance, which are different from reparation and help meet costs that victims would otherwise bear themselves.

*The levy is payable in the same way as reparation and fines*

3. The enforcement provisions in the Summary Proceedings Act 1957 generally apply to the offender levy in the same way as they do to reparations and fines (except for the seizure and warrant powers). The levy must be paid within 28 days, unless the court allows more time or payment in instalments.
4. If an offender does not pay the levy when required, enforcement action may include deductions from the offender's wages and/or benefits. The Ministry of Justice cannot collect more than 40% of a person's net earnings for debt repayment. This is a legal safeguard to ensure that debtors maintain a basic standard of living while repaying their debts. It balances financial obligations with financial stability.

*Similar regimes in international jurisdictions were considered when setting the levy*

5. When it was introduced in 2009, the levy was intentionally set at \$50 to minimise the potential to cause hardship and to maximise collection rates, recognising that many offenders have little or no income and may have difficulty paying the levy and other court-imposed monies. It was set at a similar level to low-level infringement penalties.
6. Similar levy regimes in overseas jurisdictions were also considered when determining the levy amount:
  - In 2009, Canada's equivalent 'victims' surcharge' was set at CA\$50 (then NZ\$80) for Summary Offences and CA\$100 (then NZ\$160) for indictable offences.<sup>5</sup>
  - In 2008, New South Wales' 'victim compensation levy' was AU\$70 (then NZ\$88) when the person was convicted on indictment and AU\$30 (then NZ\$38) in other cases.<sup>6</sup>
  - In 2009, the United Kingdom (UK) imposed a £15 (then NZ\$43) 'victim surcharge' on anyone fined by the court after being convicted of a criminal offence.<sup>7</sup>

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<sup>3</sup> The Act allows the levy amount to be adjusted through regulations made under section 147 of the Sentencing Act.

<sup>4</sup> *Victim Entitlements* is a non-departmental other expense within the *Community Justice Support and Assistance* multi-category appropriation in Vote Justice, which funds services to victims.

<sup>5</sup> Section 737(2) of Canada's Criminal Code R.S.C 1985, as at 2 October 2009

<sup>6</sup> Section 79(1) and Section 80 of the Victim Support and Rehabilitation Act 1996 No 115

<sup>7</sup> Part 4 of the The Criminal Justice Act 2003 (Surcharge)(No 2) Order 2007

*Victim entitlements are funded predominantly by the Crown, supplemented with revenue generated by the offender levy*

7. The Sentencing Act allows the levy to be paid to an approved agency that provides services to victims and will apply the money to services for, and grants to, victims of crime (for example, Victim Support distributes financial grants to victims to cover unexpected costs resulting from crime).
8. When the levy was set, there was no information about the total funding needed to provide an adequate level of victim services. As the funding available from the offender levy has been insufficient to fully fund victim entitlements and the levy income has fluctuated, the Government has increasingly been providing the bulk of the funding for victim entitlements to ensure victims' services can operate consistently and sustainably.

*There has been an expansion in the volume and range of services provided, increasing expenditure*

9. Since 2010, expenditure on the victim services that the levy contributes to has significantly increased. This is a result of several factors:
  - Increased uptake of services: When these services were introduced, many victims were not aware they existed or that they were eligible to receive them. Successive governments have invested in promoting awareness of the services, increasing demand and uptake. In 2021/22, there were 3,211 financial grants made under the Victim Assistance Scheme (VAS), while there were 8,015 grants made in 2024/25.
  - Greater eligibility for services: Eligibility for services has gradually expanded. For example, in 2022, the requirement for sexual violence victims to provide evidence of their expenses to access support was removed.
  - Increased range of services provided: Additional services have been funded over time, to respond to the needs of victims (for example, Whānau Protect).
  - Increased financial support: Over time the level of support provided to victims has increased. For example, funding was provided through Budget 2024 to increase grants by \$500.
  - Increased service costs: Aside from service expansion, costs (e.g. staff costs) of providing services have risen with inflation.

*The services the levy currently funds are effective and are consistently utilised*

10. Revenue from the offender levy currently contributes to funding the below services:
  - Victim Assistance Scheme grants provided to victims of serious crimes to cover unexpected costs as a result of the crime, or to support the victim to participate in the justice process (administered by Victim Support).
  - Homicide Caseworker service provides specialist support to families bereaved by homicide (administered by Victim Support).
  - Whānau Protect (National Home Safety Service) supports high-risk victims by providing practical safety assistance in the form of home security upgrades, monitored alarms, and referrals to other agencies (administered by Women's Refuge).
  - Additional funeral grants supplement the funeral grants paid by ACC to families bereaved by homicide (administered by Victim Support).

11. A 2025 evaluation of the VAS found that the services the levy funds fulfil an important and unique function in the justice system, have been effective in relieving victims' financial burdens, and have improved their wellbeing.<sup>8</sup>

### **What is the policy problem or opportunity?**

*The levy's real value has fallen and it is no longer set at a level which achieves its dual purposes*

12. The offender levy amount has not been reviewed since it was set in 2009, despite a general inflation calculation showing a 51% increase in inflation from 2009 to 2025. The real value of the offender levy in 2025<sup>9</sup> was about \$34 in 2009 money. Assuming continued inflation, the real value of the levy will continue to decrease over time.
13. The levy was set at \$50 to strike an appropriate balance between ensuring offenders make a material contribution to addressing the harm they cause, and maximising collection rates to sustain revenue. Erosion of the levy's value may mean it is no longer set at a level which maintains this balance and requires offenders to meaningfully contribute to repairing harm to victims, lessening confidence in the justice system.<sup>10</sup>

*The cost of providing victim entitlements has increased, while the levy has not been adjusted*

14. The levy was introduced to provide a revenue stream to fill gaps in the services available to victims not covered by reparation, or other state support. However, there was no information about the likely level of demand for the new services, or the full extent of the services necessary to address the gaps. The Government has therefore provided additional funding over time to expand the volume and type of services available to meet demand. In 2024/25, the levy covered approximately \$2.6 million of the cost (14%), with the remaining \$15.9 million being Crown-funded, whereas in 2010/11, 90% of victim entitlements were funded by the levy.

*The levy is now out of step with the comparable levies in overseas jurisdictions*

15. New Zealand's offender levy is now significantly lower than in comparable jurisdictions which have adjusted their levies over time.
  - Canada's victim surcharge is now CA\$100 (NZ\$125) for summary offences and CA\$200 (NZ\$250) for indictable offences, or 30% of any fine imposed.<sup>11</sup> The Canadian Parliament legislated to increase the surcharge in 2013 to ensure it met its goal of "making offenders accountable to victims as a group by ensuring that the offenders contribute meaningful amounts to victim services".<sup>12</sup>
  - New South Wales' victim support levy is now AU\$104 (NZ\$124) for summary offences and AU\$229 (\$274) for indictable offences.<sup>13</sup> The levy automatically increases at the end of each financial year as it is indexed to CPI inflation to maintain its real value.
  - The UK has made several changes. The victim surcharge amount now differs depending on the severity of the offender's sentence, ranging from £26 (NZ\$64) for a conditional discharge to £228 (NZ\$524) for a custodial sentence of more than two

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<sup>8</sup> Evaluation of the Victim Assistance Scheme (VAS), Allen and Clarke, 1 August 2025

<sup>9</sup> Data on the real value of the levy in 2026 is not yet available.

<sup>10</sup> Cycle 7 of the New Zealand Crime and Victims survey found that only 30% of highly victimised people had high trust in the justice system (compared with 45% of the general population). However, there is limited information on whether the current offender levy amount contributes to this lack of trust.

<sup>11</sup> Part 3 of the Increasing Offenders' Accountability for Victims Act S.C 2013, c 11

<sup>12</sup> Quote from the Parliamentary Secretary to the Minister of Justice, made during the third reading of the Bill adjusting the surcharge. [Bill C-37 \(Historical\) | openparliament.ca](#)

<sup>13</sup> [Legal Aid NSW](#)

years.<sup>14</sup> The rationale for the latest 20% increase in 2022 was the need for offenders to pay a proportionate contribution to the cost of supporting victims.<sup>15</sup>

### What objectives are sought in relation to the policy problem?

16. The primary objective is to set the offender levy at a level that ensures offenders make a more meaningful contribution to addressing the harm they cause and generates a more sustainable revenue stream to fund services to victims of crime, reducing the reliance on Crown funding.

### What consultation has been undertaken?

17. No consultation has been undertaken on this proposal due to Budget sensitivity and timing constraints. While consultation has not been possible, we have taken data and information from relevant evaluations, submissions and surveys to gauge the views of victims and the public. For example, we have used an evaluation of the VAS to ascertain victims' views on the effectiveness of victim support services and the latest cycle of the New Zealand Crime and Victim Survey (NZCVS) to assess overall confidence in the justice system. We have considered the submissions made to select committee in 2009 when the Bill establishing the levy was introduced, and submissions made on proposed increases to similar levies overseas.
18. The Chief Victims Advisor has not been consulted directly. However, in July 2025 she wrote a memorandum to the Minister of Justice proposing a review of the offender levy including how the money is spent on and its impact on victims.
19. Agencies consulted on this RIS include the Treasury, Te Puni Kōkiri, and the Ministry for Regulation. The Department of Prime Minister and Cabinet was informed.

## Section 2: Assessing options to address the policy problem

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### What criteria will be used to compare options to the status quo?

20. The following criteria have been used to assess options against the status quo:

Criterion	Description
Generation of <b>sustainable revenue stream</b> to fund victim entitlements	The extent to which the option will reduce reliance on Crown funding for victim entitlements by increasing the offender-funded share of the appropriation.
<b>Confidence in the justice system</b>	Whether the option will increase victims' and the public's confidence that justice is being done.
<b>Offender contribution is proportionate</b>	Whether the option is proportionate and sets the levy at a level most offenders can pay, without imposing hardship on offenders (i.e., the levy is neither trivial nor excessive).
<b>Impact on other collections</b>	The extent to which the option will affect offenders' ability to pay any fines and/or reparation.

<sup>14</sup> Part 2 of the The Sentencing Act 2020 (Surcharge) (Amendment) Regulations 2022

<sup>15</sup> Of those consulted, 76% supported the increase.

### **What scope will options be considered within?**

21. Options will be considered within the existing legislative framework. There are no plans to amend the primary legislation.

### **What options are being considered?**

*Option One – Status quo (no increase, remaining at \$50)*

22. The status quo is not to amend the levy and keep it at \$50.

*Option Two – General inflation adjustment (\$25 increase to \$75)*

23. An inflation adjustment would increase the offender levy from \$50 to \$75. We have used CPI inflation rather than other inflation measures to calculate the adjustment because it is often used to calculate increases to other fees/benefits and similar levies internationally, so makes a good comparator, and is the most readily available and understandable measure.

*Option Three – General inflation adjustment and additional funding offset (\$50 increase to \$100)*

24. This option would increase the levy amount from \$50 to \$100. This would include the \$25 inflation adjustment and an additional \$25 uplift to offset a larger portion of the cost of providing victim entitlements.

*Option Four – Full funding offset (\$307 increase to \$357)*

25. This option would increase the levy amount from \$50 to \$357. Assuming collection rates and levy volumes remained constant, this would provide enough revenue to fully cover the funding allocated to victim entitlements.

**How do the options compare to the status quo/counterfactual?**

	<b>Option One – Status Quo</b>	<b>Option Two – General inflation adjustment (\$25 increase to \$75)</b>	<b>Option Three – General inflation adjustment &amp; additional funding offset (\$50 increase to \$100)</b>	<b>Option Four- Full funding offset (\$307 increase to \$357)</b>
<b>Generation of sustainable revenue stream to fund victim entitlements</b>	<b>0</b>	<b>+</b> If collection and imposition rates remain constant, expected to generate additional revenue of \$1.321 million per annum, which will go towards funding victim support services and offset the existing Crown contribution to the victim entitlements appropriation.  The Ministry anticipates only a small impact on collection rates at this level, given payment plans are available.	<b>++</b> If collection and imposition rates remain constant, expected to generate additional revenue of \$2.641 million per annum, which will go towards funding victim support services and offset the existing Crown contribution to the victim entitlements appropriation.  The Ministry anticipates only a small impact on collection rates at this level, given payment plans are available.	<b>+++</b> If collection and imposition rates remain constant, expected to fully cover the costs of victim entitlements. No Crown funding would be needed for the existing appropriation in this case.  As this would be a 614% increase on the current levy, we expect there to be a material decrease in collection rate so a Crown top-up would still be required (however this is still likely to be lower than under option two or three). <sup>16</sup>
<b>Confidence in the justice system</b>	<b>0</b>	<b>+</b> The real value of the levy is restored. Offenders paying the levy make a higher financial contribution to addressing the harm caused, and collectively the increase in the share of services that offenders fund is material. This may increase victims’ and the public’s confidence in the justice system.  Confidence in the justice system is more likely to be affected by offenders’	<b>++</b> The levy increases in real value, demonstrating the Government’s commitment to supporting victims and denouncing crime.  Offenders paying the levy make a higher financial contribution to addressing the harm caused, and collectively the increase in the share of services that offenders fund is material. This may	<b>±</b> The levy increases in real value, demonstrating the Government’s commitment to supporting victims and denouncing crime.  Offenders paying the levy would make a <u>much</u> greater financial contribution to addressing the harm caused.  Confidence in the justice system may increase if offenders collectively (at least in theory) bear the full cost of

<sup>16</sup> It is not possible to model the change in collection rate, so the amount of Crown ‘top-up’ funding which will be necessary is unknown.

		<p>sentence lengths and reparation orders (which more directly compensate victims for harm).</p>	<p>increase victims' and the public's confidence in the justice system. Confidence in the justice system is more likely to be affected by offenders' sentence lengths and reparation orders (which more directly compensate victims for harm).</p>	<p>providing victim entitlements. However, an increase in the number of non-payments may undermine this confidence. Further, there is a risk that at this level, the levy may be perceived by the public as unfair, which can erode perceptions of legitimacy.<sup>17</sup> Note that sentence lengths and reparation orders are still likely to be the primary influence on system confidence.</p>
<p><b>Offender contribution is proportionate</b></p>	<p><b>0</b></p>	<p style="text-align: center;"><b>+</b></p> <p>Adjustment for inflation is reasonable. However, the value of the levy remains low and could be viewed as trivial, particularly where the crime is serious. We estimate that most offenders will still be able to pay the levy.</p>	<p style="text-align: center;"><b>++</b></p> <p>The value of the levy remains modest, and we estimate most offenders will still be able to pay the levy without experiencing hardship. Under this option, the lift in the offender's contribution is still proportionate for most cases.</p>	<p style="text-align: center;"><b>--</b></p> <p>The increase to the levy is significant and likely to decrease some offenders' ability to pay and increase the number of remittals and payments outstanding. There is a higher risk the levy will cause hardship, and more offenders may have enforcement action taken against them. At this level, the levy is significantly more likely to be disproportionate, especially for low-level offending or where the levy is 'harsher' than the sentence, fine, or other penalty imposed on the offender (or where no</p>

<sup>17</sup> As we have not been able to consult with victims, offenders and the wider public the general view on proportionality and fairness of each of these options is unclear. However, evidence from international jurisdictions (such as the UK's public consultation on the 2022 victim surcharge increase) indicates most people support offenders bearing more of the cost of victim services.

				sentence is imposed at all). The levy is more likely to function as a penalty, which is not its purpose.
<b>Impact on other collections</b>	<b>0</b>	- Slight risk that the collection rate of court fines will decrease (as fines are paid after the levy). This risk is minimal given the size of the increase and the availability of payment plans. Any reparations are paid before the levy and therefore will not be affected.	- Greater risk that the collection rate of court fines will decrease. This risk is still minimal given the size of the increase and the availability of payment plans. Any reparations are paid before the levy and therefore will not be affected.	-- Given the size of the levy, there is a high risk the collection rate of court fines will decrease. Any reparations are paid before the levy and therefore will not be affected.
<b>Overall assessment</b>	<b>0</b>	+	++	±

**What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?**

26. On balance, the Ministry's preferred option is Option Three; a \$50 increase in the levy. This option best achieves the purpose of the levy and balances offenders' ability to pay with ensuring they make a more meaningful contribution to funding victim entitlements, the cost of which has significantly increased.
27. We consider Option Three to be preferable to the other options:
- It requires offenders to contribute more meaningfully to the cost of victim entitlements, while keeping this financial obligation at a manageable level.
  - It reduces reliance on Crown funding for victim entitlements without materially affecting collection rates or administration costs.<sup>18</sup>
  - Most offenders are still likely to pay the levy (rather than having it remitted where possible, or leaving the payment outstanding).
  - Increasing the levy beyond inflation may help maintain and restore victims' and the public's confidence in the justice system, which the NZCVS indicates is currently relatively low.
  - Although it remains lower, setting the offender levy at \$100 brings New Zealand more in line with international jurisdictions, for example Canada and New South Wales' levy for summary offences.
  - The savings to the Government free up funding to be used for other priorities or reinvested in victim services if demand increases.
28. The Ministry has modelled the revenue impact of increasing the offender levy on these assumptions:
- that the volume of levies imposed remains consistent with recent years,
  - increasing the levy amount will extend the total time to pay rather than result in an inability to pay,<sup>19</sup> and
  - the same proportion (15%) of levies will continue to be remitted for nonpayment.

**Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?**

29. Yes.

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<sup>18</sup> Adjusting the levy to fully cover the cost of providing victim entitlements is expected to be unaffordable for many offenders, would disproportionately impact vulnerable offenders with little or no income and the cumulative effect may increase debt over their lifetime.

<sup>19</sup> For example, an offender may be paying the current \$50 levy and a \$100 fine at \$10 per week, over 15 payments. Increasing the levy to \$100 will not affect the ability to pay \$10 a week but will mean an additional 5 weeks are required for payment in full.

## What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	Comment	Impact	Evidence Certainty
<b>Additional costs of the preferred option compared to taking no action</b>			
Offenders	<p><b>Ongoing</b> - offenders will be required to pay a higher levy. This may have an adverse impact if it exacerbates financial pressures, or offenders are unable to pay and have enforcement action taken against them. Offenders with low (or no) income are more likely to be unable to pay the new levy.</p> <p>The 40% cap on deductions from a person's net earnings will help mitigate any hardship that may be caused if enforcement action is taken.</p>	<p><b>\$50 increase per offender</b>  <b>\$2.641 million collective increase</b></p> <p>Modelling indicates that offenders will collectively bear \$2.641 million more of the cost of victim entitlements per annum.</p> <p>Although we have not consulted, we consider it unlikely that the increase will significantly impact most offenders' ability to pay. The impact on individual offenders will depend on their circumstances.</p> <p>The increase is more likely to be material for low-income people. The primary effect will be felt by those on the margins i.e. people who could once pay the levy without experiencing hardship but may now struggle, especially if they have other debts.</p>	<p><b>Medium</b> - The collective monetary impact is based on modelling which assumes current rates of collection and nonpayment. These are not expected to significantly change.</p> <p>It is unclear the impact the increase will have on enforcement action.</p>
Māori offenders	<p><b>Ongoing</b> - Māori are overrepresented at every stage in the justice system. 45% of those convicted in 2025 were Māori, despite making up only about 14.5% of the NZ population aged over 17. This group will disproportionately bear the cost of the increase.</p>	<p><b>Medium</b> - Collectively, Māori will disproportionately bear the cost of the increase.</p>	<p><b>High</b> - Conviction rates are based on data collected by the Ministry of Justice.</p>
Offenders' whānau	<p><b>Ongoing</b> - the increase in the levy may exacerbate financial pressures, making it harder for offenders to support their family, especially children. An offender's family may be adversely impacted if enforcement action is taken.</p>	<p><b>Medium</b> - Any financial pressure will be felt immediately by the offender, but may extend to family, particularly if the offender is the primary income provider.</p>	<p><b>Medium</b> - It is unclear the impact the increase will have on enforcement action. The circumstances of the offender (including any dependents) can be considered in decisions about waiving the levy or taking enforcement action.</p>
Frontline staff (Courts,	<p><b>One-off and ongoing</b> - There will be one-off costs</p>	<p><b>Low</b> - We expect any impact to be marginal. Collection and</p>	<p><b>Low/Medium</b> - We have consulted with various</p>

Ministry of Justice collections unit, etc.)	associated with communicating the levy increase to affected parties (e.g. offenders, the judiciary). If more offenders pay via payment plans rather than upfront, collection costs may increase.	administrative costs are mainly determined by the number of levies imposed rather than the levy amount.	affected service delivery teams across the Ministry. However, it is not possible to quantify the change in collection rates and costs. We have not consulted with the judiciary.
Total monetised costs		<b>\$50 increase per offender \$2.641 million collective increase</b>	
Non-monetised costs		<b>Low - Medium</b>	
<b>Additional benefits of the preferred option compared to taking no action</b>			
Crown	<b>Ongoing</b> - The increase will generate additional revenue to offset the cost to the Crown of funding victim entitlements.	<b>High</b> - modelling indicates that the increase will generate revenue of \$2.641 million per annum.	<b>Medium</b> - The modelling assumes current rates of collection and nonpayment. These are not expected to significantly change.
Victims	<b>Ongoing</b> - Victims may feel more 'seen' as offenders' bear more of the cost of addressing the harm they have caused.	<b>Low</b> - Victims are more likely to be affected by offenders' sentence lengths and reparations made.	<b>Low</b> - There is limited anecdotal evidence that victims feel the levy is too low.
Māori victims	<b>Ongoing</b> - Māori are overrepresented among victims. In 2025, Māori were significantly more likely to experience an offence (33%) compared to the New Zealand average (28%).	<b>Low</b> - Benefits to victims will disproportionately fall to Māori, as they are more likely to be victims of crime.	<b>High</b> - Victimization rates are based on data collected by the Ministry of Justice.
General public	<b>Ongoing</b> - Over time, public confidence in the justice system may increase if offenders bear a greater share of the cost of victim entitlements.	<b>Low</b> - Confidence in the justice system is more likely to be affected by offenders' sentence lengths and reparations made.	<b>Low</b> - The projected benefit is highly speculative.
<b>Total monetised benefits</b>		<b>\$2.641 million per annum</b>	
<b>Non-monetised benefits</b>		<b>Medium</b>	

## Section 3: Delivering an option

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### How will the proposal be implemented?

30. The levy amount will be adjusted through regulations made under section 147 of the Sentencing Act and brought into force by Order in Council. The 28 Day Rule will allow time to communicate the change before it comes into effect on 1 July 2026.
31. The Ministry of Justice advises offenders convicted of an offence about the obligation to pay the offender levy. The levy is required to be paid within 28 days unless the person enters into a payment arrangement. The judiciary, the legal profession (including community law centres), and other stakeholders will be notified of the increase.
32. The Ministry of Justice's Collections Unit is responsible for collecting the levy, alongside other payments such as fines and reparation. Offenders can pay over the counter at courts and specified locations or online. If not paid, the Ministry of Justice can enforce payment, which may include deducting funds from wages or benefits, or issuing an enforcement fee.
33. The Ministry of Justice's annual report 2024-25 shows that in 74% of cases, the offender levy was collected or placed under arrangement within four months.

### How will the proposal be monitored, evaluated, and reviewed?

34. The Ministry of Justice monitors the collection of court-ordered payments including the offender levy. The Ministry reports annually on the percentage of offender levy collected or placed under arrangement within four months. The reporting comes under the *Collection and Enforcement of Fines and Civil Debts Services*.