

The Economics of Process Serving: A Case for Fair Compensation in Australia

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Introduction

This research was conducted during my time in the industry as an agent, as an employer of agents and a trainer in the industry. I have seen first hand how some companies treat agents and the amount of expectations clients have for the little money some pay.

Process serving is a crucial function within the legal system, ensuring that individuals receive legal documents in a timely and proper manner. Without process servers, the legal system would struggle to function efficiently, as court proceedings, debt recovery, and legal actions all rely on the proper delivery of documents to the involved parties. The role of a process server is not merely about delivering papers; it requires investigative skills, persistence, and, at times, personal risk management to ensure that documents reach their intended recipients.

Despite the importance of their work, many process servers are paid as little as \$30–\$40 per job—a rate that doesn't even cover basic expenses. This undervaluation of their services not only places undue financial strain on individual servers but also lowers the overall quality of service within the industry. When process servers are not fairly compensated, they cannot dedicate the necessary time and effort to locating hard-to-find individuals, ensuring proper documentation, or making multiple attempts at service when required. This ultimately leads to inefficiencies, increased failure rates, and dissatisfaction among clients who depend on accurate and timely service.

This whitepaper examines the financial realities of process serving, the true costs incurred by agents, and why fair compensation is not just necessary but beneficial for all parties involved. By exploring the economic breakdown of a typical process service job, comparing fair compensation models, and analyzing the broader implications of underpayment, we aim to highlight the urgent need for reform in the industry. A fair pay structure ensures that process servers remain motivated, professional, and committed to upholding the integrity of legal proceedings. It is time to recognize the critical role process servers play and ensure they are compensated accordingly.

Definition of Process Serving

Process serving is the legal procedure of delivering court documents to individuals or entities involved in legal proceedings. This ensures that all parties are properly notified and have the opportunity to respond in accordance with the law. It is a crucial function in maintaining due process and upholding the integrity of the legal system. A process server is licensed in most states as a commercial agent or in states where no license is required, some agents obtain a Private Investigators license to show accountability.

Importance of Process Serving

Process serving plays a pivotal role in the justice system, facilitating legal proceedings by ensuring that court documents, summons, subpoenas, and other legal notices are delivered to the intended recipients. The importance of process serving extends to:

- **Ensuring Due Process:** Provides individuals with the necessary legal notice to respond to claims against them.
- **Legal Compliance:** Courts rely on effective process serving to ensure cases proceed without delays.
- **Risk Management:** Professional servers navigate challenging situations, ensuring documents are served safely and legally.
- **Supporting Legal Professionals:** Lawyers, debt collection agencies, and corporate entities rely on process servers for timely and accurate delivery of legal notices.

Licensing Requirements by State

The requirements for becoming a process server vary across Australian states and territories. Below is an outline of the current licensing requirements:

- **New South Wales (NSW):** Process servers must obtain a **Commercial Agent License** under the **Commercial Agents and Private Inquiry Agents Act 2004**.
- **Victoria (VIC):** No formal licensing is required for process serving, but individuals must comply with privacy laws and civil procedure rules.
- **Queensland (QLD):** Process servers must hold a **Commercial Agents License** issued by the **Office of Fair Trading**.
- **South Australia (SA):** Licensing is not mandatory, but process servers must adhere to the Sheriff's Office guidelines.
- **Western Australia (WA):** Process servers do not require a specific license.
- **Tasmania (TAS):** Process servers must obtain a **Commercial Agent License**.
- **Australian Capital Territory (ACT):** Process servers do not require a specific license but must operate under court regulations.
- **Northern Territory (NT):** Process servers must hold a **Commercial and Private Agent License** under the **Agents Licensing Act**.

Core Components of Process Serving

Process Modeling

Process serving follows a structured methodology to ensure legal documents are delivered effectively and in compliance with legal requirements. This process involves multiple steps:

1. **Locating the Recipient:** Conducting investigations to determine the most current and accurate address of the individual or entity being served.
2. **Identity Verification:** Confirming the identity of the recipient to avoid mistaken service and legal complications.
3. **Executing the Serve:** Delivering the documents in accordance with state laws, which may involve personal service, substituted service, or alternative methods approved by the court.
4. **Filing Proof of Service:** Preparing and submitting an affidavit or certificate of service to the court as legal evidence that the documents were properly served.

Some process servers will also offer Skip Tracing as a service. It is not an expectation for a process server to locate a person before they serve them. It is up to the client to provide clear instructions on the location to serve the documents.

If a client can not provide an address for service, they will either request the process server conduct a Skip Trace for a fee, or, our source the file to a skip tracing agency to conduct the skip trace before passing the file onto the process server.

Process Automation

The integration of technology has significantly improved the efficiency and accuracy of process serving. Key automation tools include:

- **Case Management Systems:** Digital platforms that manage assignments, track service attempts, and generate reports.
- **GPS and Time-Stamped Proof of Service:** Mobile applications that capture real-time geolocation data and time stamps to verify service completion.
- **Automated Affidavit Generation:** Software that auto-populates affidavits based on recorded service details, reducing paperwork and administrative errors.
- **Electronic Document Handling:** Secure online portals that allow for the digital transmission and tracking of service documents.

Process Monitoring and Analysis

Monitoring service attempts and analyzing data plays a crucial role in ensuring process efficiency. Key performance indicators (KPIs) used in process serving include:

- **Service Completion Rates:** The percentage of successful serves completed within the first attempt versus multiple attempts.
- **Average Time to Complete Service:** The total duration from assignment to successful service, helping firms measure operational efficiency.
- **Number of Attempts per Serve:** Identifying cases requiring additional investigative work to locate evasive recipients.
- **Compliance Accuracy:** Ensuring that service attempts align with legal requirements to prevent challenges or dismissals in court.

These KPI's are used internally by process servers to help identify profitable clients, effectiveness of their efforts and to help find ways to increase their success rate.

Process Optimization

Using insights gathered from monitoring and analysis, process servers refine their methods to enhance efficiency and accuracy. This includes:

- **Adjusting Service Times:** Conducting serves during hours when recipients are most likely to be available, such as early mornings, evenings, or weekends.
- **Enhancing Investigative Techniques:** Utilizing skip tracing, social media research, and database searches to locate hard-to-find individuals.
- **Strengthening Communication with Legal Professionals:** Establishing streamlined channels between process servers and law firms to provide real-time updates and expedite legal proceedings.
- **Implementing Continuous Training Programs:** Ensuring process servers remain updated on evolving laws, privacy regulations, and best practices.

By adopting structured workflows, leveraging technological advancements, and continuously refining methodologies, process servers can enhance their efficiency, reduce errors, and provide a higher level of professional service.

Challenges and Considerations in Process Serving

The process serving industry faces a range of challenges that can significantly impact efficiency, service quality, and overall operational success. Addressing these challenges requires a deeper understanding of the factors at play, and the implementation of strategic solutions to overcome them. Below are some key obstacles faced by process servers and the legal industry as a whole.

1. Data Quality Issues

Accurate and up-to-date data is crucial for effective process serving. Process servers rely heavily on the integrity of address records and other personal details to ensure successful service. When these records are outdated, incomplete, or incorrect, process servers are faced with delays, multiple failed attempts, and additional costs. In some cases, poor data quality can even result in invalid service, jeopardizing the legal proceedings. It's vital for process servers to access and maintain reliable data, continuously updating records and utilizing trusted sources to improve success rates. Without good data, the whole process can be unnecessarily drawn out, affecting not only the server but also the legal professionals involved.

2. Resistance to Change

One of the biggest challenges in the process serving industry is resistance to adopting new technologies and modern practices. While innovation in the legal field has advanced rapidly, many process servers continue to rely on outdated, traditional methods. A primary reason for this resistance is the low compensation that many process servers receive for their work. With fees often being minimal, many process servers view the time and investment required to learn and implement new technologies as not worth the potential benefit. Process servers may hesitate to invest in upgrading their processes, fearing that the cost of technology adoption outweighs the benefits. However, without modernizing and improving efficiency through automation or better software tools, the industry may continue to struggle with inefficiencies, human errors, and ultimately higher costs. Overcoming this resistance requires a shift in perspective, with stakeholders recognizing the long-term savings and improvements in service quality that modern solutions can provide.

3. Integration with Existing Systems

For process servers to effectively serve legal documents, their systems need to work seamlessly with the case management systems used by law firms. Integration issues can cause significant delays, as process servers might struggle to share and update information across different platforms. This disconnect can lead to administrative errors, poor tracking of service status, and missed opportunities to improve the client experience. Legal professionals often work with complex systems to manage case details, and without smooth integration between case management and process serving tools, important information may not be readily available when needed. Process servers and legal firms must prioritize software solutions that allow for seamless integration, ensuring that all case data is centralized, accurate, and easily accessible.

for all parties involved. This not only improves workflow but also helps streamline communication and updates on the status of services.

Addressing the challenges of data quality, resistance to change, and system integration is essential for improving the process serving industry's efficiency and service delivery. Legal professionals and process servers must work together to find solutions that ensure accurate data management, overcome hesitation to embrace new technologies, and improve the compatibility of systems. While it may take time and effort to overcome these obstacles, the long-term benefits of modernizing the process serving industry are clear—better service quality, reduced costs, and improved outcomes for all parties involved. By tackling these challenges head-on, the industry can evolve to meet the demands of today's fast-paced legal environment.

The Industry's Silent Crisis: The True Cost of Underpaying Process Servers

With the basics of the process serving side of the industry laid out, it's time to address the elephant in the room, an issue that has plagued this industry for years, creating immense stress for agents and undermining the overall functioning of the profession. It's a topic that has been long ignored, despite its clear impact on the daily operations of process servers and the quality of service they provide. Yet, for all this time, no real action has been taken to address it. This is not a new concern, but it is one that continues to escalate and strain the individuals at the heart of the industry.

I'm talking, of course, about the issue of pay. For years, process servers have been subjected to ridiculously low compensation for the vital work they do. Despite the high level of responsibility they bear, the significant legal implications tied to their work, and the often arduous nature of the job itself, process servers continue to receive meager fees that do not reflect the value they bring to the legal process. This systemic underpayment has created an environment where process servers are stretched thin, often juggling too many cases or struggling to make ends meet.

What makes this situation even more frustrating is that the organizations that should be advocating for better conditions, industry associations and government bodies, have largely remained silent or failed to take meaningful action. These associations, which are supposed to stand up for the rights and well-being of process servers, have been largely ineffective in challenging the status quo or pushing for better compensation standards. Similarly, government agencies, who should recognize the importance of process servers in maintaining the integrity of the legal process, have done little to ensure fair compensation for these essential workers. The absence of strong advocacy from both industry groups and governmental bodies has allowed this issue to persist unchecked, leaving process servers to bear the brunt of the industry's failure to address one of its most fundamental problems.

The Economics of Process Serving: A Case for Fair Compensation

The Hidden Costs of a \$30 Job: Why It's Unsustainable

At first glance, a \$30 fee for serving legal documents may seem reasonable. However, a closer look at the real costs associated with process serving paints a different picture. Process servers must account for various expenses—many of which are often overlooked by those setting the rates. The reality is that the cost of conducting business as a process server far exceeds the compensation offered by low-paying assignments.

Income Per Job

Total received per job: \$30

Expenses Per Job

Expense	Cost Per Job
Superannuation (11%)	\$3.30
Income Tax (25%)	\$7.50
Insurance (Liability, Indemnity)	\$1.00
Printing (Documents & Affidavit)	\$0.50
Petrol (10km round trip)	\$2.00
Car Running Costs	\$7.00
Writing Affidavit (15 mins admin)	\$7.50
Postage (Registered Post)	\$6.00
Total Expenses	\$34.80

Net Earnings Per Job: \$30 - \$34.80 = -\$4.80 (Loss)

A process server operating at a loss per job is not only unsustainable but detrimental to the profession as a whole. This reality forces many servers to take on excessive workloads just to break even, often at the expense of quality, safety, and proper due diligence.

The Problem With Low Pay: No Incentive for Quality Service

When process servers are underpaid, they are financially disincentivized from going above and beyond. Every additional attempt at locating an individual or ensuring proper service further erodes their already razor-thin margins.

This leads to several issues:

- **Minimal effort to locate individuals** – With each additional attempt increasing their financial loss, process servers may avoid making extra visits or conducting thorough investigations to locate evasive subjects.
- **Rushed service attempts** – Rather than ensuring a proper serve, process servers may feel pressured to complete jobs quickly and move on to the next assignment, prioritizing volume over accuracy.
- **Higher failure rates** – With limited resources and time, process servers are more likely to report unsuccessful serves, leading to delays and additional costs for clients.
- **Attendance Fraud** – False service attempts in order to increase billing just to make a profit.

Conversely, fair compensation enables process servers to:

- **Dedicate sufficient time and effort to locating individuals.**
- **Ensure proper service of documents and accurate affidavit preparation.**
- **Maintain professional integrity and build long-term client relationships.**

A process server who is fairly compensated is far more likely to take pride in their work, follow legal procedures meticulously, and ensure a high success rate in their services. Clients benefit from this level of professionalism through increased reliability and legal compliance, making fair pay a win-win for all parties involved.

Process Serving & Attendance Fraud: Identifying and Avoiding Fake Service Attempts

Attendance fraud is a troubling issue within the process serving industry, occurring when a process server or their subcontractor falsely reports service attempts that were never made. This unethical practice is often driven by the low fees paid per job, leading some agents to claim unsuccessful attempts in order to inflate billing.

A clear red flag of attendance fraud is when a process server submits multiple failed service attempts with vague or repetitive comments, such as “no one was in attendance” or “the property was closed,” without providing detailed observations. Legitimate service attempts should include descriptions of the property, vehicle registrations, and other notable details to confirm a genuine attempt was made.

When firms encounter such reports, they risk exposure to legal challenges. If a defendant presents CCTV footage or other proof that contradicts the claimed service attempts, the case could be dismissed, damaging the credibility of both the process server and the firm handling the service.

The root cause of this issue is the low pay structure within the industry. Process servers operating on unsustainable rates have little financial incentive to conduct thorough investigations or make genuine service attempts. The rising costs of tolls, fuel, and operational expenses further contribute to the pressure to cut corners.

A reputable process serving firm will recognize these risks and take proactive steps to prevent attendance fraud. This includes implementing GPS-tracked service attempts, requiring photographic evidence of service locations, and ensuring transparent documentation. By prioritizing quality over artificially low fees, firms can safeguard their reputation, uphold legal integrity, and provide reliable service to clients.

A Sustainable Compensation Model

To establish a thriving and effective process serving industry, a compensation model must be built on fairness, sustainability, and professional recognition. A well-structured pricing model should reflect the true costs, risks, and expertise required to complete each job successfully. The following is a proposed fair compensation structure, tested and proven effective:

- **\$130 per job (plus GST)** – A baseline fee that accounts for time, effort, and operational expenses.
- **\$35 per affidavit (plus GST)** – Recognizing the administrative work involved in preparing legal affidavits.
- **Additional fees for tolls and excessive printing – 15c per page over 10 pages**, ensuring that process servers are not financially burdened by excessive printing costs.

Why \$130 Per Job Works

A fair compensation model benefits both process servers and clients alike. At \$130 per job, process servers are no longer forced to cut corners or operate at a loss. Instead, they are empowered to:

- **Deliver high-quality service** – With financial stability, agents can focus on locating and serving individuals properly rather than rushing through assignments.
- **Spend more time and effort on difficult serves** – Hard-to-find individuals require patience and investigative skills, which are only possible when process servers are adequately compensated.
- **Cover their expenses and maintain sustainability** – A fair rate ensures that process servers can afford insurance, fuel, vehicle maintenance, and other business costs without financial strain.

The Proven Benefits of Fair Pay

Experience has shown that agencies paying fair rates consistently report:

- **Higher success rates** – More serves completed correctly on the first attempt.
- **Greater client satisfaction** – Legal firms and businesses receive better service and reduced delays.
- **A professional, motivated workforce** – Process servers who are paid fairly remain dedicated, efficient, and committed to their work.

Paying \$130 per job is not an extravagant request—it is the minimum necessary for an agent to sustain their business, operate professionally, and uphold the standards expected within the legal system. Ensuring fair compensation for process servers is not just about profitability; it is about respecting the profession and maintaining the integrity of legal proceedings.

Employee vs. Contractor: The Reality of Independent Work

Unlike full-time employees, independent contractors must factor in lost benefits. These include:

Employee Benefit	Value to a Contractor
Annual Leave (4 weeks)	Equivalent to 8.3% higher rates
Sick Leave	Must self-fund lost income
Superannuation (11%)	Additional income required
Workers Compensation	Must pay for own insurance

Fair pricing ensures that process servers are compensated at rates equivalent to a full-time salary with entitlements.

The Exploitation of Process Servers

Many companies charging clients **\$300+ per job** are paying their process servers **just \$30–\$40**. This practice is unsustainable and unethical.

If process servers continue to accept low rates, companies will keep offering them. However, by refusing exploitative compensation, agents can **force companies to pay fair rates** or go out of business.

Legal and Ethical Considerations

Underpaying process servers isn't just unethical—it can be illegal. Misclassifying employees as independent contractors (a practice known as "**sham contracting**") violates Australian employment laws. Businesses found guilty face significant penalties.

For example, in **July 2024**, a Sydney-based company was fined **nearly \$200,000** for sham contracting involving workers with disabilities. This case underscores the importance of fair pay and ethical business practices.

Know Your Worth and Demand Fair Compensation

If you're a process server being offered \$30 or \$40 per job, it's time to pause and reflect on the realities of your profession. Ask yourself these critical questions:

1. Are you making minimum wage?

After accounting for expenses like fuel, vehicle maintenance, insurance, and administrative costs, 30–40 per job often leaves you earning far below the minimum wage. This is not just unfair, it's unsustainable. Your time, effort, and expertise are worth far more than what these rates reflect.

2. Are your expenses covered?

As demonstrated earlier, the average cost of completing a single job frequently exceeds the compensation you receive. When you're operating at a loss, you're essentially subsidizing the legal system out of your own pocket. This is not a viable business model, it's exploitation!

3. Is this sustainable in the long run?

Working long hours, taking on excessive workloads, and constantly worrying about covering basic expenses is a recipe for burnout. A profession that demands so much from you should, at the very least, provide financial stability and peace of mind.

The answer to these questions is a resounding no!

You Are Essential to the Legal System

Process servers are **indispensable** to the legal system. Their compensation must reflect the expertise, effort, and expenses involved in their work. Fair pay is not just a financial necessity—it upholds professional integrity, ensures compliance with legal standards, and maintains a motivated, high-performing workforce. Recognizing and respecting the work of process servers is essential for a just and efficient legal system.

Charge What You're Worth

It's time to stop accepting low rates that undervalue your work. By charging what you're worth, you not only ensure your own financial stability but also elevate the standards of the entire industry. Here's how you can take action:

- **Set a Minimum Rate:** Establish a baseline fee that covers your expenses and provides a fair wage. For example, \$130 per job (plus GST) is a reasonable starting point that accounts for time, effort, and operational costs.
- **Negotiate with Confidence:** When approached with low-paying assignments, don't be afraid to negotiate. Explain the true costs of your work and the value you bring to the table.
- **Refuse Exploitative Offers:** If a company refuses to pay fair rates, walk away. By rejecting low-paying jobs, you send a clear message that exploitative practices will not be tolerated.

Build a Professional Reputation

Charging fair rates isn't just about money, it's about professionalism. When you value your own work, clients will value it too. By providing high-quality service and maintaining ethical standards, you can build long-term relationships with legal firms and businesses that respect your expertise.

Remember, this is your business. You decide the rates you work for and you decide who you work for. If you are feeling trapped because all your clients are paying you very little, then you need to change who your clients are!

I have seen this issue raised at industry conferences before, only for it to be swiftly swept under the rug. This is a real problem affecting agents every day, yet it feels like industry associations are doing little to assist. Could it be that the same companies responsible for this underpayment are also the ones sponsoring these associations? What incentive does an association have to take meaningful action when their financial backers benefit from maintaining the status quo?

Despite this, there are many great operators in the industry, both on the client side and among the agents doing the work. But when companies charge clients significant fees for process serving, field calls, and repossessions, yet pay the agent doing the actual job only \$30 to \$40, that is nothing short of exploitation. This unethical practice is harming the profession, and it needs to stop.

The companies that require process service, field calls, and repossessions must acknowledge that they sit at the top of the food chain in this industry. They have the power and responsibility to seriously review their service providers and make inquiries into what these companies are actually paying their agents. A few finance companies have already taken this step, and when

they uncovered the shockingly low rates being paid to agents, they were mortified. Many of them swiftly changed their service providers, refusing to support a system built on exploitation.

If the industry truly values professionalism and integrity, fair compensation must become the standard, not the exception. Clients, service providers, and industry associations all have a role to play in ensuring that agents are paid what they deserve. It's time to stop turning a blind eye.