1. The penalty unit is the basic monetary value for most fines and penalty infringement notices (PINs, commonly called ‘tickets’). When an offence is created by legislation, the legislation also prescribes the penalty. In most cases the penalty is prescribed as a multiple of the penalty unit. The value of the penalty unit is prescribed in section 5 of the *Penalties and Sentences Act 1992* and is $110 for most state laws.
2. The penalty for an offence is set at a level that reflects the seriousness of the offence to provide a level of deterrence or punishment considered necessary at the time. Over time the value of the penalty unit reduces relative to measures of inflation, effectively reducing the level of punishment and deterrence.
3. As a result, the Queensland Government periodically increases the penalty unit value to ensure that all monetary penalties across the statute book maintain the intended deterrent or punishment effect. In the past the periodic increases have occurred on an ad hoc basis.
4. The Penalties and Sentences (Indexation) Amendment Bill 2013 introduces a legislative mechanism to provide for the increasing of the penalty unit value. This ensures that the deterrent and punishment effect of fines and penalty infringement notices is maintained and provides the public, government departments, agencies and local governments with a level of certainty in relation to potential changes in the penalty unit value.
5. Cabinet approved the introduction into the Legislative Assembly of the Penalties and Sentences (Indexation) Amendment Bill 2013.
6. *Attachments*

* [Penalties and Sentences (Indexation) Amendment Bill 2013](Attachments/Bill.pdf)
* [Explanatory Notes](Attachments/ExNotes.pdf)