




Speech By
Trevor Watts

MEMBER FOR TOOWOOMBA NORTH

Record of Proceedings, 5 March 2014

PENALTIES AND SENTENCES (INDEXATION) AMENDMENT BILL

 **Mr WATTS** (Toowoomba North—LNP) (4.14 pm): I rise to make a brief contribution to the Penalties and Sentences (Indexation) Amendment Bill 2013. First, let me say I support the bill and I would like to thank the committee and the chair, your good self, Mr Deputy Speaker Berry, for the work that was done on the bill, and obviously I thank the minister and the department.

The bill proposes to introduce a mechanism to provide for the indexation of a penalty unit value. We need to look at exactly what that means, as this is at the heart of it. Over a period of 20 years we have had penalty units in Queensland. The people who were in charge of government over that period of time have had an ad hoc approach to how a penalty unit is worked out. Effectively, if you committed a crime in 1992 that had a punishment punishable by a penalty unit fine and if you applied Labor's methodology of dealing with their \$80 billion worth of debt and just have some patience and wait, in fact your fine would reduce in real terms. You could actually put it off, just wait out the time and your bill would reduce because CPI of course will keep increasing and obviously other things will increase. The question is: how much is it going to increase by? Obviously for people who plan and are organised and are trying to prepare their finances for the future, what they would like is some certainty. So what has been introduced in this bill is some certainty and a mechanism for dealing with that certainty.

The legislative mechanism that allows for an annual increase in the value of the penalty unit ensures that the deterrent and punishment effect of fines and penalty infringement notices is maintained, and provides a certain level of certainty in relation to those potential changes. So someone who commits an offence will actually end up paying what the judge felt was the appropriate amount at the time. I do not see what is wrong with that at all. Not only that; it is also predictable so they can work out over a period of time what it might go up by, when it will go up and how that will eventuate. Let us have a look at what a penalty unit is. I have some experience with this in running my own business when people were caught causing malicious damage.

Mr Costigan: Was it a pub?

Mr WATTS: Yes, it certainly was a pub, member for Whitsunday. In fact, they smashed my ATM. They were given a fine. A certain number of penalty units were applied and they were busy paying that off to me at around \$8 a fortnight. Certainly if they applied Labor's methodology their fine would have become very cheap because the overall cost of the fine was close to \$1,000. At \$8 a fortnight they would get a fair discount on their fine with the ad hoc approach to the government's finances that applied previous to having an organised, structured and regulated increase each year that is predictable. So we have someone like me who asks the police to press charges and follow up that criminal, yet a system that is ad hoc and poorly planned such as Labor applied over a number of years would mean that the offender gets a discount if he just applied some patience and waits.

I would prefer that the appropriate punishment that was prescribed at the time was in fact known and clearly outlined, such as the 3.5 per cent annual increase, and therefore there will be no

discount if you try to pay it off over a very long and painful period of time. I think it is good that the penalty units exist. I think it is good that there is some consistency in those penalty units. There is going to be some debate as to whether the penalty unit value should go up by CPI or whether it should be prescribed or whether it can be set. Let me just say that CPI is one methodology. It is easy to suggest that it go up by CPI at the moment when CPI might not be rocketing out of control. But if CPI were rocketing out of control, people who are genuinely trying to pay these fines off over a period of time may find that their finances will get into trouble if they do not know what the amount is going to be. So having a prescribed amount gives everybody some certainty and some ability to plan and organise both their finances and their commitment to paying back a fine that may have been imposed on them, as well as making sure that that fine is as it was prescribed at the time it was given as the appropriate amount and it stays consistent with that amount.

I might just add that the role of the Treasurer under this bill is consistent with the approach taken in Victoria. Further provisions allow the Treasurer to determine the percentage change that is considered appropriate, noting the intended policy is to maintain consistency with the indexation rate for fees and charges across the whole of government. There is a bit of wriggle room for the Treasurer to be able to make adjustments if fees and charges and our fine structure become out of kilter.

What we need to look at is what happened in the past and what we are proposing going forward. In the past there was a \$60 fine brought in on 27 November 1992. If you were fined on 28 November 1992 and you paid your fine over an extended period of time, you got a fair discount in real terms because there was no increase for seven years. So for seven years there was no increase and for seven years you got a discount on what the judge felt was the appropriate number of penalty units at the time as prescribed. That is the Labor way—no organisation, no planning, no ability for someone to have any certainty and ultimately give a discount over what the judiciary and/or the act may have prescribed.

Then all of a sudden if you committed the offence on 8 December 1999 you got a 25 per cent increase. On 6 December you get a discount; on 7 December you get a 25 per cent increase. That obviously makes it difficult for people to manage their finances depending on what fine they have been charged with. Then what happens? Ten years pass under a Labor government. As 10 years pass, on 1 January 2009 an increase is put through. A 33 per cent increase occurs after just over nine years. Again, if you committed the offence and were fined just prior to New Year's Eve in 2008, you get a discount. Commit an offence on New Year's Day and all of a sudden there is a 33 per cent increase. It is ad hoc, irresponsible management, poor planning and difficult to understand what is going on.

What have we done? We have said that it will be a 3.5 per cent annual rate increase, which if you take all the increases over the period of time since it was introduced works out to be pretty close to where you would be. It gives people some consistency. It gives people an ability to plan their finances. It gives government an ability to keep parity with other charges. That is really what this piece of legislation is all about. It is all about giving some consistency, some ability to plan both for the individual who may have incurred the penalty and for the government as it is going forward keeping track of other fees and charges that may be going up in government.

That is the LNP way—to plan and organise finances over an extended period so that people can take responsibility and pay for their obligations in a known manner—versus Labor's way, which is ad hoc, irresponsible, out of control, nobody knows what is going on, unfair, get a discount for a while and pay a penalty after a while. That is the Labor way when it comes to finances. The state of Queensland's finances that we inherited, with Labor's \$80 billion worth of debt and Labor's \$450,000 interest bills coming our way per hour, shows exactly how they managed finances.

I think the minister has done a good job in preparing this bill. It is a fair and equitable way forward for everyone that is far superior to the ad hoc methodology applied to penalty units thus far. I thank him for the bill.