

**DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION NOTICE**

**No.2017/19**

Increase to Commonwealth penalty unit value from $180 to $210

On 1 July 2017, the value of a Commonwealth penalty unit increased from $180 to $210. Consequently, the maximum financial penalties for committing various Commonwealth offences also rose from this date. Under most Commonwealth laws, financial penalties are generally expressed in terms of ‘penalty units’ instead of dollar figures. As an example, a maximum fine would generally be expressed as ‘10 penalty units’ as opposed to a dollar value of $2,100.

This increase in the value of the penalty unit will ensure that financial penalties remain an effective punishment and deterrent to the commission of Commonwealth offences. To ensure the real value of the penalty unit is maintained, the penalty unit will then be automatically increased according to inflation every three years, beginning from 1 July 2020.

The new penalty unit value will only apply to offences that are committed on or after 1 July 2017. This means that the changes will not apply to current proceedings or offences that were committed before this date. Any fines imposed for offences committed before 1 July 2017 will be based on the value of the penalty unit at the time the offence was committed.

The table below illustrates the change with examples that indicate the maximum penalty a court may impose and what will be imposed under the Infringement Notice Scheme (INS) that came into effect on 1 February 2014.

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| --- | --- | --- | --- | --- |
| *Customs Act 1901*  Offence | Penalty amount for conduct that occurred  between 31 July 2015 and 30 June 2017 | | Penalty amount for conduct that occurs on or  after 1 July 2017 | |
| Person | Body Corporate | Person | Body Corporate |
| Sections 33(2), (3)  and (6) Interfering with goods subject to Customs control | Court  Up to 60 penalty units ($10,800)  INS  15 penalty units ($2,700) | Court  Up to 300 penalty units ($54,000)  INS  45 penalty units ($8,100) | Court  Up to 60 penalty units ($12,600)  INS  15 penalty units ($3,150) | Court  Up to 300 penalty units ($63,000)  INS  45 penalty units ($9,450) |
| Section 77R(1) Breach of conditions of a Depot Licence | Court  Up to 60 penalty units ($10,800)  INS  15 penalty units ($2,700) | Court  Up to 300 penalty units ($54,000)  INS  45 penalty units ($8,100) | Court  Up to 60 penalty units ($12,600)  INS  15 penalty units ($3,150) | Court  Up to 300 penalty units ($63,000)  INS  45 penalty units ($9,450) |

Note: All monetary figures expressed in Australian dollars.

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The Department of Immigration and Border Protection recognises that behaviour falls on a spectrum ranging from positive compliance through to intentional or criminal non-compliance. We employ a suite of treatments that are proportionate to the compliance behaviours identified and the level of risk they pose. These range from, but are not limited to, education and awareness initiatives through to the issuing of administrative penalties or prosecution for systemic or serious breaches.

Stephen Hledik Acting Commander

Customs Compliance Branch 6 July 2017