

# Statutory Body: Prostitution Licensing Authority

## Overview

The *Prostitution Act 1999* (the Act) established the Prostitution Licensing Authority (PLA). The PLA commenced operation on 1 July 2000. The PLA employs 8.5 full-time equivalent staff.

The PLA is responsible for granting brothel licences and managers' certificates to suitable people, regulating the licensed brothel industry, monitoring the provision of prostitution through licensed brothels, receiving complaints about prostitution and approving advertisements for prostitution. The strategic priorities of the PLA are to ensure an efficient and effective brothel licensing regime, to ensure that licensed brothels operate in accordance with the legislation and that the objectives of the legislation are achieved.

The PLA contributes to the Government's outcome Safe and Secure Communities. The PLA administers a regime that has high guarantees of health and safety for sex workers and their clients. Licensed brothels are subject to regular scheduled and unannounced compliance audits, and brothel licence conditions are continually monitored by the PLA and updated as required. The PLA, in conjunction with the Queensland Police Service, conducts exhaustive and extensive probity checks of brothel licence applicants to ensure that they are a suitable person to operate a licensed brothel. There is no evidence of involvement of organised crime or official corruption in licensed brothels.

## Review of Performance

### Recent achievements

During 2007-2008 the PLA:

- developed guidelines and a user guide on the approved form for prostitution advertising
- commenced liaison with Queensland Health on potential amendments to the *Prostitution Regulation 2000* regarding sexual health examinations for sex workers at licensed brothels
- revised and updated the PLA's existing fact sheets and developed seven others, as well as published a brochure, *Sex Work in Queensland*
- continued to achieve a high level of compliance by brothel licensees with their statutory obligations and licence conditions
- successfully implemented the changes from the August 2007 amendments to the Act.

### Future Developments

During 2008-2009 the PLA will:

- enhance the compliance program with more targeted unannounced inspections
- monitor and review the impact of the advertising guidelines
- educate and provide guidance on the new prostitution advertising guidelines
- make any amendments to the *Prostitution Regulation 2000*, which may arise from discussions with Queensland Health.

# Statements

## Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Number of licensed brothel premises operating		26	24	24
Number of brothel and certificate applications investigated	1	195	191	195
Number of brothel and certificate applications decided	1	206	203	206
Percentage of complaints resolved		>91%	98%	>91%
Number of compliance activities conducted		205	202	205
Number of licensed brothels implementing best practice standards	2	26	24	24
Number of brothels requiring 6 weekly health certificates	3	26	..	Discontinued
Number of brothels requiring three monthly health certificates	4	New measure	24	24
Satisfaction of key local authorities with PLA liaison	5	100%	100%	Discontinued
Satisfaction of applicants with PLA client service		85%	100%	85%
Satisfaction of Self-Health for Queensland Workers in the Sex Industry with liaison between the PLA and the sex industry	6	..	..	Discontinued
Satisfaction of the Independent Assessor with support provided by the PLA		100%	100%	100%
Applications processed within PLA and forwarded to QPS within 30 days	7	95%	99%	Discontinued
Applications processed within PLA and forwarded to QPS within 20 business days	8	New measure	99%	95%
Advertising requests processed within 30 days	9	95%	100%	Discontinued
Complaints to the PLA about prostitution resolved within 30 days	7	95%	98%	Discontinued
Complaints to the PLA resolved within 20 business days	10	New measure	98%	95%
<b>State contribution (\$'000)</b>		<b>575</b>	<b>405</b>	<b>590</b>
<b>Other revenue(\$'000)</b>		<b>787</b>	<b>766</b>	<b>799</b>
<b>Total cost (\$'000)</b>		<b>1,362</b>	<b>1,086</b>	<b>1,389</b>

Notes:

1. Numbers include both new and renewed applications.
2. All licensed brothels implement best practice standards.
3. This measure has been discontinued from 2008-09. Section 9 of the *Prostitution Regulation 2000* has been amended by the *Prostitution Amendment Regulation (No. 1) 2007* to now apply a three monthly interval for medical examination of sex workers at licensed brothels, rather than six weekly as was previously the case. It is a licence condition that all brothels require three monthly health certificates.
4. This is a new measure, reflecting the requirement for three monthly medical examinations of sex workers at licensed brothels.
5. This measure has been discontinued from 2008-09. The PLA does not engage in regular liaison with local government authorities. The current performance measure, "Satisfaction of the Independent Assessor with support provided by the PLA" addresses the limited relationship that the PLA has with local government authorities.
6. This measure has been discontinued from 2008-09. A satisfaction measure is no longer possible as SQWISI has been disbanded and not replaced by another similar representative organisation.
7. This measure has been discontinued from 2008-09 and replaced by a measure which specifies 20 business days.

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8. This is a new measure replacing the measure, “Applications processed within PLA and forwarded to QPS within 30 days”. The use of business days is in greater conformity with the language used in the *Prostitution Act 1999*. Practically, it will involve no change because 20 business days is more or less exactly the same as 30 days.
  9. This measure has been discontinued from 2008-09. This reflects changes to the approval of advertisements for prostitution that are contained in the *Prostitution Amendment Act 2006*. The role of the PLA has shifted from approving advertisements to providing advice to the sex industry and publishers on the interpretation and application of the advertising guidelines.
  10. This is a new measure replacing the measure, “Complaints to the PLA about prostitution resolved within 30 days”. The removal of the reference to ‘prostitution’ reflects that the measure is about complaints in general, not just complaints about prostitution. The use of business days is in greater conformity with the language used in the *Prostitution Act 1999*. Practically, it involves no change because 20 business days is more or less exactly the same as 30 days.

## Income Statement

Prostitution Licensing Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
<b>Income</b>				
User charges		..	..	..
Grants and other contributions	1,6	575	405	590
Other revenue		787	766	799
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>1,362</b>	<b>1,171</b>	<b>1,389</b>
<b>Expenses</b>				
Employee expenses	2,7	756	607	788
Supplies and services	4,8	371	395	521
Grants and subsidies		..	..	..
Depreciation and amortisation		23	22	22
Finance/borrowing costs		..	..	..
Other expenses	3,5	212	62	58
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>1,362</b>	<b>1,086</b>	<b>1,389</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>85</b>	<b>..</b>

## Statement of Changes in Equity

Prostitution Licensing Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	85	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>85</b>	<b>..</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>85</b>	<b>..</b>

## Balance Sheet

Prostitution Licensing Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	9,11,15	564	918	764
Receivables		10	11	11
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	2	2
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>574</b>	<b>931</b>	<b>777</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	12,16	121	119	100
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>121</b>	<b>119</b>	<b>100</b>
<b>TOTAL ASSETS</b>		<b>695</b>	<b>1,050</b>	<b>877</b>
<b>CURRENT LIABILITIES</b>				
Payables		33	36	36
Employee benefits obligations	13	52	59	62
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	10,17	145	321	151
<b>Total current liabilities</b>		<b>230</b>	<b>416</b>	<b>249</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Employee benefits obligations	14,18	28	25	19
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>28</b>	<b>25</b>	<b>19</b>
<b>TOTAL LIABILITIES</b>		<b>258</b>	<b>441</b>	<b>268</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>437</b>	<b>609</b>	<b>609</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	..
Retained surplus/(Accumulated deficit)		437	609	609
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>437</b>	<b>609</b>	<b>609</b>

## Cash Flow Statement

Prostitution Licensing Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges		..	..	..
Grants and other contributions		405	405	420
Other	19,26	847	750	849
<b>Outflows:</b>				
Employee costs	20,27	(759)	(655)	(791)
Supplies and services	24,28	(423)	(442)	(571)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	21,25	(212)	(62)	(58)
<b>Net cash provided by/(used in) operating activities</b>		<b>(142)</b>	<b>(4)</b>	<b>(151)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment	22	72	62	71
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	23,29	(74)	(34)	(74)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(2)</b>	<b>28</b>	<b>(3)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(144)</b>	<b>24</b>	<b>(154)</b>
<b>Cash at the beginning of financial year</b>		<b>708</b>	<b>894</b>	<b>918</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>564</b>	<b>918</b>	<b>764</b>

# Explanation of Variances in the Financial Statements

## Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The decrease in grants is due to a research program commencing in 2008-09 rather than 2007-08.
2. The decrease in employee expenses is due to staff vacancies and movements.
3. The decrease in other expenses is due to the transfer of the lease expense to supplies and services.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

4. The increase in supplies and services is due to a research program commencing in 2008-09 rather than 2007-08.
5. The decrease in other expenses is due to the transfer of the lease expense to supplies and services.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

6. The increase in grants is due to a research program commencing in 2008-09 rather than 2007-08.
7. The increase in employee expenses is due to the appointment of staff to vacancies.
8. The increase in supplies and services is due to a research program commencing in 2008-09 rather than 2007-08.

## Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

9. The increase in cash assets is mainly due to a research program commencing in 2008-09 rather than 2007-08.
10. The increase is due to a research program commencing in 2008-09 rather than 2007-08.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

11. The increase in cash assets is mainly due to the growth of the industry and the reduced investment in non-current assets.
12. The decrease is due to the depreciation of non-current assets.
13. The increase in employee benefit obligations is mainly due to the appointment of staff to vacancies.
14. The decrease in non-current employee obligations is due to the reduction in the annual leave balance.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

15. The decrease in cash assets is mainly due to a research program being finalised in 2008-09 rather than 2007-08.
16. The decrease is due to the depreciation of non-current assets.
17. The decrease is due to a research program being finalised in 2008-09 rather than 2007-08.
18. The decrease in non-current employee obligations is due to the reduction in the annual leave balance.

## Statement of Cash Flows

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

19. The decrease in cash is due to the proposed increase in licence fees not being realised until proclamation of the Bill and the timing of receipt of brothel licence and managers' certificate applications.
20. The decrease in employee expenses is due to staff vacancies and movements.
21. The decrease in other expenses is due to the transfer of the lease expense to supplies and services.
22. The variation is a result of the adjustment to the asset replacement program.
23. The variation is a result of the adjustment to the asset replacement program.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

24. The variation is due to a research program being finalised in 2008-09 rather than 2007-08.
25. The decrease in other expenses is due to the transfer of the lease expense to supplies and services.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

26. The variation is mainly due to the timing of receiving brothel licence and manager certificate fees.
27. The increase in employee expenses is mainly due to the appointment of staff to vacancies.
28. The variation is due to a research program being finalised in 2008-09 rather than 2007-08.
29. The variation is a result of the adjustment to the asset replacement program.