

Prostitution Licensing Authority

# ANNUAL REPORT 2020–2021



**Queensland**  
Government

# Communication Objectives of this Report

The Prostitution Licensing Authority (PLA) Annual Report has been prepared to provide readers with a concise summary of the Authority's activities and performance during the 2020-21 year. Our Annual Report serves as the primary mechanism through which we meet our accountability and statutory reporting obligations.

The Annual Report provides an overview of who we are, and what we do at strategic and operational levels, as well as where we are aiming to be in the future. Our report aims to build awareness of our operations and confidence in our organisation. It will interest members of federal, state and local governments, industry groups, clients, academia and community groups. The communication objectives of this report are to:

- create an awareness of the activities that drive the PLA's performance
- demonstrate how the PLA contributes to the Queensland Government's objectives for the community
- inform readers of the PLA's strategic initiatives
- explain how the PLA works and the mechanisms by which the Authority ensures continual improvement
- account for the way in which the PLA has managed its finances
- explain how the PLA complies with legislation and government policies
- inform readers of the ways that the PLA connects with the sex industry.

## Public availability and further information

This Annual Report is available from [www.pla.qld.gov.au/about-pla/resources](http://www.pla.qld.gov.au/about-pla/resources).

Printed copies or further information can be requested from the Office of the PLA:

- telephone (07) 3858 9500
- email [plaadmin@justice.qld.gov.au](mailto:plaadmin@justice.qld.gov.au)
- write to the Executive Director, Office of the Prostitution Licensing Authority, GPO Box 3196, Brisbane, Qld, 4001.

You can also provide feedback on the report to the PLA.

## Interpreter service



The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the Annual Report, you can contact the Prostitution Licensing Authority on 07 3858 9500 and we will arrange an interpreter to effectively communicate the report to you.

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# Letter of compliance

10 August 2021

The Honourable Shannon Fentiman MP  
Attorney-General and Minister for Justice,  
Minister for Women and Minister for the  
Prevention of Domestic and Family Violence  
1 William Street  
Brisbane Qld 4000



Queensland  
Government

**Prostitution  
Licensing Authority**

Dear Attorney-General

I am pleased to submit for presentation to the Parliament the Annual Report 2020-2021 and financial statements for the Prostitution Licensing Authority.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements is provided at page 60 of this annual report.

Yours sincerely

A handwritten signature in cursive script, reading "Walter H Tutt", with a horizontal line underneath.

Walter H Tutt  
**Chairperson**  
**Prostitution Licensing Authority**

# Message from the Chairperson

The Prostitution Licensing Authority (PLA) is a licensing and regulatory authority with the core role of administering the *Prostitution Act 1999* and the *Prostitution Regulation 2014*. The Prostitution Act primarily establishes a scheme for the operation of licensed brothels in Queensland.

## Compliance in a year of uncertainty

2020-21 was dominated by the COVID-19 pandemic and it has been another year of uncertainty and disruption. Licensed brothels have been permitted to operate in a COVID safe manner when possible and closed during periods of lockdown as directed during the year. PLA compliance officers have assumed the additional responsibility of assessing and enforcing compliance with COVID safe requirements at brothels.

Although initially a learning experience for all involved that took some adjustment, brothel licensees came to the fore, with robust workplace practices, systems and procedures that mitigate the risk of transmission of COVID-19 under a comprehensive plan, ably assisted by advice and guidance from the Authority's compliance officers.

The community may be assured that licensees are overwhelmingly committed to operating brothels in a COVID safe manner to protect the health and wellbeing of all Queenslanders.

## Supporting the sector through the pandemic

The bottom line of brothels has taken a hit from the period of COVID-19 compulsory closure for about 15 weeks from 23 March 2020 until midday on 3 July 2020. This was cushioned by the PLA providing fee relief for a six-month period from 23 March 2020. To further support the licensed sector of the sex industry and underpin its viability, the PLA has collaborated with the Queensland Adult Business Association (QABA) on a number of proposed legislative amendments.

The reformation of QABA has been valuable in liaising with the sector and obtaining input on policy proposals. Prime among the proposed amendments (which were comprehensively set out) was to renew the submission to remove the prohibition on outcalls from licensed brothels and permit an increase in room numbers. The PLA put these proposals to the Honourable Shannon Fentiman MP, Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence, for her consideration. It was decided that referral of the development of an appropriate regulatory framework for the sex industry to the Queensland Law Reform Commission (QLRC) would, "provide an opportunity for all voices to be heard and ensure that any change to the law is evidence-based, informed by expert advice, and appropriate for Queensland."

## Maintaining compliance and probity standards

Deciding applications for brothel licences and approved managers' certificates and regulating and monitoring the provision of prostitution through licensed brothels is fundamental to the licensing framework. This ensures a licensed sector that is free of the influence of organised crime and corruption, and which prioritises the health and safety of sex workers and clients and the broader community.

The PLA has continued its rigorous probity checking of applicants for brothel licences and approved managers' certificates, so that only suitable persons may influence the operations of Queensland's brothels. A total of 137 applications were received during the year and applicants were mostly found to be suitable persons. After careful consideration, an application for a brothel licence and an application for an approved manager's certificate were refused after each of the applicants were found not to be suitable persons.

## **Brothel numbers in 2020-21**

There was no net growth of the licensed sector during the year, which ended with 20 brothels, the same number as the prior year. Although there were three new brothel openings, it was matched by three other brothels that ceased trading. It has previously been noted that the licensed sector is almost entirely confined to South East Queensland. This changed somewhat during the year, with two new brothels opening in Townsville. Along with the longstanding brothel in Cairns, there are now three licensed brothels in North Queensland.

## **An emphasis on COVID-safe practices**

Given the importance of suppressing COVID-19 to protect the health and welfare of the community, there was a large focus on ensuring that brothels operate in a COVID safe manner. Compliance audits and inspections were suspended in July 2020 so that brothels and the PLA could focus on COVID requirements. In October 2020, PLA compliance officers commenced dual purpose inspections, focusing on both COVID requirements and regulatory compliance. Audits, which are more comprehensive than inspections, recommenced in April 2021.

## **Setting and maintaining high standards**

Queensland's brothels generally operate to a high standard and licensees are mostly diligent in meeting their regulatory requirements. The attention of the great majority of licensees to their compliance obligations is to be commended. Two brothels have been particularly problematic in meeting their compliance obligations and in promptly rectifying identified non-conformances. During the year, the licensees of each of these brothels were required to appear before the Authority to discuss their inattention to compliance matters. One of these brothels met the required standard by the end of the year. Compliance officers will continue to work with the remaining operator to ensure compliance is met.

On 9 March 2021, the Authority commenced a disciplinary inquiry against a licensee for breach of six brothel licence conditions and on 21 June 2021 found that there were grounds for taking disciplinary action. On 19 July 2021, the Authority decided on the action that should be taken. The licensee was issued with a monetary penalty totalling \$18,000.00 and the licence was suspended for six months with the suspension of the licence itself being suspended or deferred pending immediate compliance with requirements, in the absence of which the suspension becomes operative with obvious serious consequences. While historically, disciplinary proceedings have been few and far between, and the Authority places emphasis on education and cooperation to achieve regulatory compliance, this should serve as a warning to the licensed sector that the Authority will act in response to repeated non-compliance and very serious consequences may result. Ultimately, the Prostitution Act creates a system of strict regulation of licensed brothels in Queensland by the Authority, supported by Case Law. Strict regulation is the price of permitting a brothel to be conducted lawfully.

## **Re-alignment under new Government portfolio**

On 12 November 2020, the PLA moved from the portfolio of the Minister for Police and Corrective Services and Minister for Fire and Emergency Services to the portfolio of the Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence.

The Office of the PLA continued to fulfil its statutory function of helping the Authority in the performance of its functions. We are a small workforce and I thank all staff for their dedication in what has been an uncertain and difficult time. They are to be highly commended for their application and service to the industry.

## **A safe, healthy industry in the year ahead**

In 2021-22, the Authority continues to be well-placed to build on its achievement of administering a scheme for licensed brothels that provides a relatively safe and healthy environment for the conduct of prostitution.

I place on record the Authority's appreciation of the support given to it by the Attorney-General and her staff. I also recognise and value the assistance of various government agencies that have so professionally supported and enhanced our work.

I reiterate my thanks to the members of the Authority who each bring a range of knowledge and experience to their position and contribute to the good functioning of the Authority. I acknowledge the valued contribution of Assistant Commissioner Brian Codd, who resigned as a member of the PLA during the year, to pursue higher duties in his Assistant Commissioner's role. We have been fortunate to have a number of relieving officers in that position, pending the appointment of a permanent officer to fill that role. I particularly acknowledge the contribution and long service of two members whose terms of appointment expired during the year. Dr Diane Rowling had been a member of the Board for approximately 15 years, and Margaret Grummitt for eight years. Their service to the sector has been of a high standard, which is acknowledged and appreciated. They have been replaced by two excellent appointees, as set out in the "Our Governance" section of this report.

Walter H Tutt  
**Chairperson**

# Message from the Executive Director

2020-21 was another year of change for the Office of the Prostitution Licensing Authority. In line with our strategic objectives, we focussed on COVID safety, stakeholder engagement, legislative change, and building internal capabilities.

## Safe and healthy communities

The PLA played a key role in ensuring members met their obligations as a COVID Safe Business; compliance officers conducted 79 venue inspections during the year, including compliance with the *COVID Safe Industry Plan*, and later the COVID Safe Checklist.

Our compliance officers supported the licensees to transition to COVID Safe practices with minimal issues or business disruption.

## Our stakeholders

The success of COVID Safe implementation for licensed Queensland brothels was supported by our engagement with QABA and Queensland Health to identify emerging industry issues.

The PLA engaged with QABA over legislative changes and agreed on five (5) priority amendments to the framework regulating the sex industry in Queensland, which were proposed to the Attorney General. These proposals will form part of the imminent overall Queensland Law Reform Commission Review of the regulatory framework.

The PLA also met with Respect Inc. and accepted feedback on the advertising guidelines, which have been simplified so they are easier for sex workers to understand.

The Prostitution Enforcement Task Force (PETF) remains a key stakeholder and plays a vital role in PLA activities.

## Our capability

In 2021 we updated our website – originally developed in 2003. The new, modern site has translation functionality, and simplifies access to licensing and compliance resources.

Alongside a new mobile-friendly newsletter, we have more capability to connect with licensees and approved managers and provide critical updates in real-time.

2021-22 will see further enhancements to the online experience with the development of online application forms.

## Our people

The professionalism and commitment of the PLA staff is reflected in our inaugural client satisfaction survey: 75% of our clients, on average, were satisfied with their interaction with PLA staff. The survey also found 74% of clients were satisfied with their compliance inspections.

## **Our performance**

The PLA Office was only closed during the year for three (3) short lockdowns in January 2021, March 2021, and June 2021.

**Applications:** during the year 30 brothel licence applications and 107 approved managers' certificates were processed.

**Compliance performance:** the compliance team undertook 46 compliance visits and issued 60 corrective actions. However, they also undertook 79 COVID inspections.

**Financial performance:** budget outcomes reflected a \$73k surplus.

## **Looking forward**

Feedback on the review of the regulatory framework for the sex industry by the QLRC will be a major priority for the PLA Office.

Key to our effectiveness is continuing to enable our licensees by providing support and resources to operate a safe industry.

I would like to thank QABA for their support during the year, and the staff of the PLA Office for their commitment in a time of challenge and change.

Mary Shortland  
**Executive Director**

# Year at a Glance – 2020-21

## Licensed Brothels – 20

GREATER BRISBANE - 11

SUNSHINE COAST - 1

GOLD COAST – 4

TOOWOOMBA - 1

TOWNSVILLE - 2

CAIRNS - 1

### Applications

#### Brothel Licence – 30

New applications - 6

Annual returns - 19

Renewal applications - 5

Refused - 1

#### Approved Manager's Certificate - 107

New applications - 27

Annual returns - 63

Renewal applications - 17

Refused - 1

### Compliance

#### Compliance inspections and audits – 46

Corrective actions - 60

#### Penalty infringement notices - 3

QPS issued - 3

PLA issued - 0

#### Police entries to licensed brothels - 14

88 on Logan – 1

Asian Star - 3

Luvasian – 1

Montecito – 1

Pentagon Grand – 2

Sky Angel - 1

Utopia in Paradise – 1

Yimi476 - 4

#### COVID activities

- COVID inspections - 79
- Advisory/Educational letters issued – 49
- Warning letters issued – 22
- 24-hour closures – 4
- COVID PINs – 5

#### Disciplinary inquiries – 1

• **Complaints – 36**

• **100% resolved**

Operation of licensed brothel - 9

Prostitution advertising - 10

Illegal prostitution activity - 14

Other - 3

### Our Finances

User charges and fees - \$885,338

Grants and contributions - \$725,000

Expenses from Continuing Operations - \$1,548,940

Operating Result from Continuing Operations - \$73,064

Note: Police may enter brothels for a variety of reasons. No adverse conclusion ought to be drawn from police entries to any licensed brothel.

# About Us

## Our Vision

Safe communities by promoting safe and secure environments at licensed brothels, prioritising the rights of sex workers, and the health of the community.

## Our Purpose

The core role of the PLA is to administer the Prostitution Act and the Prostitution Regulation.

## Our Values

We will respect, protect and promote human rights in our decision-making and actions.

- Respect
- Impartiality
- Integrity and transparency
- Responsiveness
- Working together

## Workplace health and safety

The PLA will strive to:

- be respectful, open, honest and supportive in dealing with staff and clients
- promote a culture of quality service
- be responsive to industry issues in our decision-making processes
- promote an environment characterised by knowledge, with a culture of continuous improvement
- encourage and value diversity
- respect, protect and promote human rights in its decision-making and actions.

## Contribution to Government objectives for the community

The PLA contributes to the implementation of the Government's objectives for the community – *Unite and Recover*, particularly:

- **Safeguarding our health:** Safeguard people's health and jobs by keeping Queensland pandemic-ready
- **Backing small business:** Help small business, the backbone of the state's economy, thrive in a changing environment.

# Role of the Prostitution Licensing Authority

The PLA is responsible for:

- deciding applications for brothel licences and approved managers' certificates
- monitoring the provision of prostitution through licensed brothels
- conducting disciplinary inquiries in relation to licensees and approved managers
- disciplining licensees and managers
- receiving complaints about prostitution
- issuing guidelines about prostitution advertising
- liaising with and assisting the police service and other agencies to carry out their functions in relation to prostitution
- collecting fees under the Act
- informing relevant government departments and agencies about possible offences that are detected while carrying out its functions
- advising the Minister about ways of promoting and coordinating programs that
  - (i) promote sexual health care; or
  - (ii) help sex workers to leave prostitution; or
  - (iii) divert minors and other vulnerable persons from prostitution; or
  - (iv) raise awareness in sex workers, judicial officers, police, community workers and the community about issues relating to prostitution
- advising the Minister about the development of codes of practice for licensed brothels
- raising in sex workers, judicial officers, police, community workers and the community, awareness of issues about prostitution.

## **Strategic risks for the PLA**

- Lack of resilience in the licensed sector impairs its ability to absorb the impact of COVID-19 and other economic shocks, resulting in sector contraction.
- Infiltration of licensed brothels by organised crime and official corruption compromises the integrity of the licensing framework.
- Lack of capacity to respond adequately to health and safety risks, impacting sex workers, clients, and the community.
- An increase in unlawful prostitution detrimentally impacts the viability of the licensed sector, the safety of sex workers and on the community.
- Over-regulation of the licensed sector functions as a disincentive to legal operations, reinforcing the licensed sector's position as a small proportion of Queensland's overall sex industry.
- Challenges to the traditional model of brothels, such as disruptive social media innovations, impacts the viability of the licensed sector and enhances opportunities for illegal prostitution operators.
- Competing ideologies and legal frameworks to manage prostitution in Queensland result in uncertainty about the future of the licensing framework and limit potential for new investment.

## **Opportunities for the PLA**

- Protect the community by working with brothels to ensure COVID safe operations and contributing to consultations on industry requirements.
- Educate the community and our stakeholders by challenging persistent industry mythologies and stereotypes and addressing persistent stigma.
- Respond to the needs of geographically and culturally diverse clients by improving processes and ensuring quality service delivery.
- Promote an effective response to the impact of unlawful prostitution by engaging with and educating stakeholders and other agencies.
- Enhance and capitalise on the skills and expertise of our people to improve the efficiency and effectiveness of the PLA.

# Our Performance

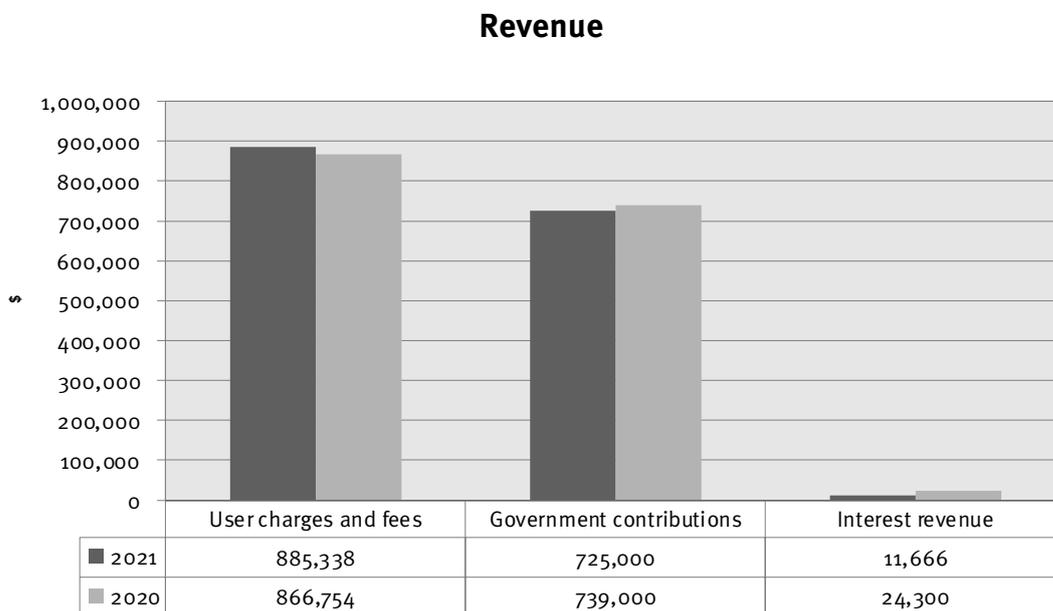
## Financial performance summary

### Statement of Comprehensive Income

The Statement of Comprehensive Income is used to compare revenue to expenses over the financial year.

Revenues of the Authority are sourced primarily from fees for brothel licences and approved managers' certificates. The other major source of funds includes a Government grant received through an administered appropriation from the Queensland Police Service (QPS). The increase in fees revenue was mainly due to the timing of the lodgement of brothel licence applications.

**Figure 1**

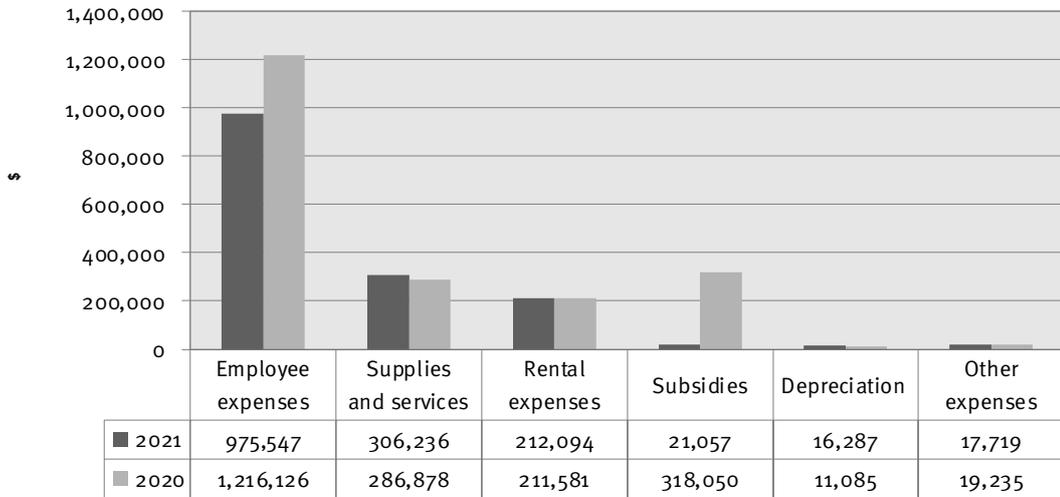


The higher than normal employee expenses in 2020 relates to a redundancy payout.

The subsidies, primarily in 2020, relate to the refund of waived user charges and fees, in accordance with the legislation and ministerial approval, to compensate licensees and managers for the COVID-19 forced closure period.

**Figure 2**

**Expenses**

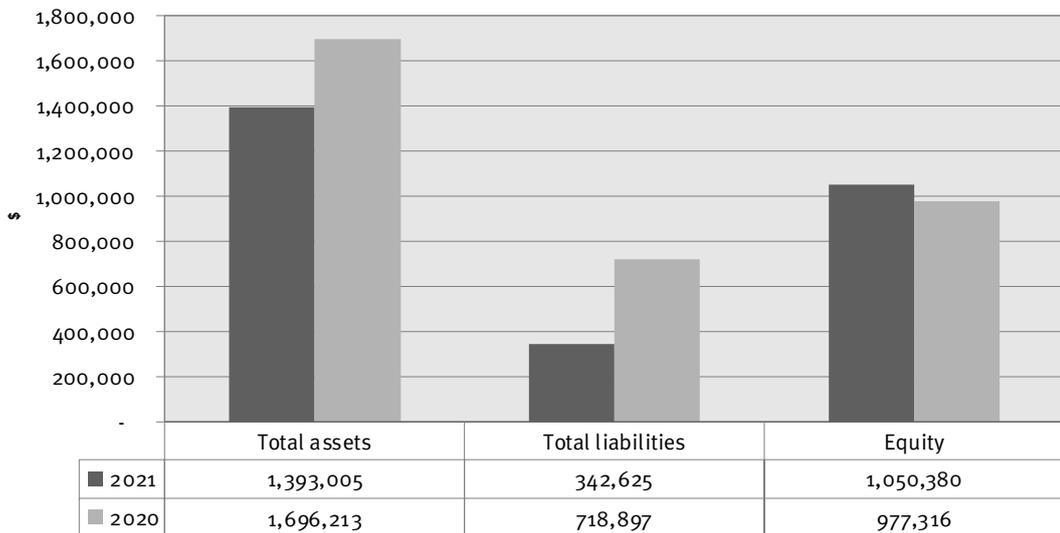


**Statement of Financial Position**

The Statement of Financial Position measures the value of assets, liabilities and equity of the Authority as at 30 June 2021. The decrease in assets and liabilities mainly relate to the settlement of COVID-19 subsidies and the redundancy payout.

**Figure 3**

**Assets Liabilities and Equity**



## Statement of Cash Flows

The Statement of Cash Flows measures the inflows and outflows of cash throughout the year and classifies those transactions into either operating or investing activities.

Cash Flow in the Authority is generated primarily from operating activities, where the significant in-flows include revenue from fees for brothel licences and approved managers' certificates and revenue from a Government grant. Significant outflows are employee expenses, supplies and services for operational requirements, subsidies and payments for rent commitments. The year ended in a decrease in cash from \$1,658,230 at 30 June 2020 to \$1,295,690 at 30 June 2021.

## Performance statement

The PLA has developed service standards against which it evaluates how efficiently and effectively it delivers services within its approved budget. These measures were reported to the community and to the Parliament through the state budget process.

**Figure 4: Service standards 2020-21**

Prostitution Licensing Authority	Notes	2020-21 Target/Est.	2020-21 Actual
<b>Service standards</b>			
<i>Effectiveness measures</i>			
Percentage of licensed brothels implementing best practice standards	1	100%	95%
Satisfaction of applicants with PLA client service	2	80%	64%
Percentage of complaints resolved	3	100%	100%
<i>Efficiency measure</i>			
Fees income as a percentage of total budget	4	54%	55%

Notes:

1. This standard is measured by compliance audits of licensed brothels, with an audit rating of at least 80 per cent indicating implementation of best practice standards. With the appointment of PLA compliance officers as emergency officers (general) under the *Public Health Act 2005*, taking on the additional duty of COVID-19 inspections of brothels, audits of brothels ceased in July 2020. Dual purpose compliance and COVID inspections commenced in October 2020. Audits of brothels recommenced in April 2021. The variance between the 2020-21 Target/Estimate and the 2020-21 Actual is due to one brothel falling below the required standard.
2. The variance between the 2020-21 Target/Estimate and the 2020-21 Actual is due to a more comprehensive method of surveying client satisfaction. The PLA has identified and is addressing areas for improvement and expects this will result in greater client satisfaction.
3. This standard refers to the proportion of complaints received in the reporting year.
4. This standard calculates user fees, in the form of brothel licence fees and approved manager's certificate fees, as a percentage of total PLA revenue. It measures the extent to which the PLA is self-funding, which is contingent on the number of licensed brothels operating.

# Into the future

## Key priorities for the PLA in 2021-22 are to:

- Monitor and enforce licensed brothel compliance with COVID-safe requirements to protect the Queensland community.
- Work with licensed brothels to ensure they meet the best practice operating standards that safeguard the health and safety of sex workers, clients, and broader community.
- Further improve stakeholder engagement and communication, particularly in relation to the evolving nature and impact of COVID-19.
- Enhance the online experience for users and stakeholders by providing an accessible website and developing digital application forms.
- Continue to engage with the QPS on stakeholder concerns over the extent and impact of unlawful prostitution operations.
- Engage with the Attorney-General and other government agencies on the regulation of Queensland's sex industry.
- Contribute to reviews or inquiries that impact the PLA or the State's sex industry, such as the intended referral to the QLRC for the development of an appropriate regulatory framework for the sex industry.
- Continue to build organisational capability.

# The 2020-21 operating environment

## The impact of COVID-19 on the licensed brothel sector

The ongoing impact of the COVID-19 pandemic dominated the 2020-21 financial year.

At the beginning of July 2020, licensed brothels remained closed in compliance with directions issued by the Chief Health Officer on March 23. Throughout the mandatory shutdown the PLA worked closely with QABA and Queensland Health on the development and approval of the *COVID Safe Industry Plan: Queensland Sex Industry*. The endorsement of the Plan saw licensed brothels permitted to re-open at midday on 3 July.

## New role for PLA in COVID safe compliance

In addition to its primary function of monitoring the provision of prostitution in licensed brothels, the PLA became responsible for monitoring and enforcing licensed sector compliance with COVID safe requirements. PLA compliance officers were appointed as emergency officers (general) under the *Public Health Act 2005* and given the public health imperative, focused from July to September on ensuring compliance with the *COVID Safe Industry Plan*. In October, COVID inspections were conducted alongside general compliance reviews, and full operational compliance audits resumed in April 2021.

The PLA conducted 79 COVID inspections during the year to determine the level of licensed brothel compliance with the *COVID Safe Industry Plan*. The Plan detailed a set of operational requirements intended to prevent and minimise the risk of COVID transmission, including:

- appropriate cleaning and hygiene practices
- safe systems of work
- collection and keeping of contact tracing information.

## The licensed sector's commitment to COVID safety

On the whole, licensed brothels quickly adapted to COVID safe operations as the conditions of their operating licence include strict requirements for proper maintenance and cleaning of premises and sanitation and infection control practices. Inspections resulted in only four 24-hour closures of brothels early in the year as licensees adapted to some of the Industry Plan's more specific requirements.

Late in June 2021, the *COVID Safe Industry Plan* was revoked and replaced by a generic *COVID Safe Checklist: Restricted Businesses*, which includes a requirement to follow a work health and safety risk management framework to outline how the risk of COVID-19 is being managed.

The Authority is satisfied that brothels are operating in a COVID safe manner and is committed to ensuring that brothels have robust systems and procedures to protect the community from the ongoing risk of COVID-19 transmission.

## The financial impact of COVID on licensed brothels

The licensed brothel sector was adversely financially impacted by the extended lockdown that ended in July 2020. Ongoing border restrictions have also made it difficult for brothels to source sex workers, particularly those that operate with a fly-in/fly-out business model.

The PLA helped cushion the impact of the initial compulsory closure by refunding brothel licence and approved managers' certificate fees on a pro-rated monthly basis for six months from 23 March 2020 until 22 September 2020. The fee relief was self-funded by the PLA at a cost of approximately \$339,000 over the two financial years, 2019-20 and 2020-21.

Brothels were also required to close during three additional brief periods of lockdown.

Greater Brisbane region

- 6pm 8 January 2021 to 6pm 11 January 2021
- 5pm 29 March 2021 to 12 noon 1 April 2021

South East Queensland and Townsville - 11 LGAs

- 6pm 29 June 2021 to 6pm 2 July 2021
- 6pm 29 June 2021 to 6pm 3 July 2021 (Brisbane and Moreton Bay)

Four licensees impacted by these closures applied for a payment plan for their annual fees under Section 24A of the Prostitution Act, which allows for licensees experiencing financial hardship to apply for a payment plan.

The PLA was satisfied that the extended period of compulsory closure caused by the COVID-19 pandemic constituted exceptional circumstances in all four cases.

## **The number and location of licensed brothels in Queensland**

Three licensed brothels ceased trading during 2021. The first of these was RnR83 in Rocklea, which did not reopen after the extended compulsory closure that ended on 3 July 2020. Its licence was automatically suspended on 8 December 2020 and cancelled on 5 January 2021 for non-payment of annual fees.

Gold Coast brothel Silks on Upton was destroyed by fire on 10 November 2020 in a suspected arson attack. The licence was surrendered the following day and the matter is the subject of an ongoing police investigation.

Lush, located on the Sunshine Coast, was the third brothel to close and ceased trading on 18 June 2021.

While these brothels closed, the number of licensed brothels in Queensland remained at 20 with the opening of three new brothels at sites on which a brothel had previously operated but had ceased trading.

Townsville

- Seven Veils - 26 August 2020
- Onyx - 6 April 2021

Sunshine Coast

- Scarlet Harem - 4 January 2021

Licensed brothels in Queensland have almost exclusively been found in South East Queensland. The addition of two new brothels in Townsville, along with Northern Belle in Cairns, takes the number of brothels in North Queensland to three.

While there was no net increase in brothel numbers in the current financial year, Angels 26 opened on 6 July 2021 on a previously operating site at Crestmead after being granted a licence on 19 April. In the absence of further closures, this will result in an increase in brothel numbers for 2021-22.

## **Addressing the challenge of unlicensed prostitution**

With only 20 brothels in operation, the licensed sector remains a small part of the legal sex industry in Queensland along with lawful sole operators. A substantial illegal sector operates in the form of massage parlours and escort agencies, and participants in the licensed sector have continued to express their concerns about their impact. Unlawful operators are a source of unfair competition, undercutting prices and eroding market share, which directly impacts the viability of the licensed sector.

Licensed brothels are small businesses that pay significant fees to the PLA and work willingly and responsibly within the legal framework and restrictions imposed upon them to provide a safe environment for staff and clients. Brothel licences and approved managers' certificates are for a term of three years, unless surrendered, suspended, or cancelled. In 2020-21, fees for a five-room brothel with a single licensee were:

- initial licence - \$39,310
- annual returns x2 - \$36,410.

Fees for an approved manager's certificate in the same period were:

- initial certificate - \$1,158
- annual returns x2 - \$867.

Unlawful operators do not pay fees to the PLA, do not have a regulatory compliance burden, and are not subject to the same restrictions on their operation. Location restrictions confine licensed brothels to industrial and semi-industrial areas, whereas massage parlours operate from locations such as shopping strips, which are more convenient for clients.

Staff working within unlawful prostitution operations are vulnerable to the risk of abuse and exploitation by operators and clients. Health and safety may not be prioritised, and conditions may be unsanitary. Because these operations are unregulated and unscrutinised, workers do not have access to basic protections and avenues of redress.

The PLA continued to engage with the QPS throughout 2020-21 in relation to unlawful prostitution and was active in communicating stakeholder concerns and referring intelligence and relevant complaints.

## **PLA moves to new Government portfolio**

On 12 November 2020, under a machinery-of-government change, the Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence, assumed responsibility for the Prostitution Act, and hence the PLA. It had previously formed part of the portfolio of the Minister for Police and the Minister for Corrective Services.

The PLA remains an independent statutory authority and its structure and functions are unchanged. Given the small staffing size of the Office of the Prostitution Licensing Authority, the QPS had provided it with corporate and administrative support. With the machinery-of-government change, this support will instead be provided by the Department of Justice and Attorney-General and there has been a gradual process of transition.

## **Proposed changes to the licensed industry regulatory framework**

The PLA has actively engaged with and sought input from QABA on proposed enhancements to the regulatory framework for the sex industry in Queensland, intended to support the licensed sector and facilitate more effective regulation by the Authority. A range of potential matters were considered, resulting in five key proposals:

1. Lift the prohibition on outcalls from brothels.
2. Permit an increase in room numbers at brothels - currently capped at a maximum of five.
3. Change the regulation of prostitution advertising on the internet to allow for the description of services offered and advertisements by film or video recording.
4. Remove the period of ineligibility to apply for a brothel licence or an approved manager's certificate in circumstances where a licence or certificate has been automatically cancelled for non-payment of annual fees.
5. Allow the PLA to issue a remedial direction in response to contravention of a licence or certificate condition.

The matter of outcalls is a particular priority. Brothel licensees report that they receive considerable inquiries about outcalls but are prohibited from meeting this significant source of demand. Allowing brothels to provide outcalls would enable them to compete on a more level playing field and provide an incentive for individuals to operate in the licensed sector.

As well as underpinning the viability of the operations for current licensees, allowing outcalls would likely attract new entrants to the licensed sector by ensuring greater commercial viability and confidence in their ability to compete effectively with unlawful operators.

Solo sex workers would benefit from the opportunity to work lawfully and with greater safety and security. Brothels would be expected to have procedures to provide for the health and safety of outcall sex workers and could leverage their current business practices, such as providing prophylactics and instruction about safer sex, effective client screening, keeping in contact with workers, and rendering assistance when they are in danger.

These proposals were presented to the Attorney-General for consideration on 21 April 2021. On 5 July 2021, the PLA was advised that the Government has previously committed to refer the development of an appropriate regulatory framework for the sex industry to the Queensland Law Reform Commission. The Attorney-General stated:

“The referral to the Commission will provide an opportunity for all voices to be heard and ensure that any change to the law is evidence-based, informed by expert advice, and appropriate for Queensland.”

The PLA will contribute to the review at the appropriate time.

# Our Stakeholders

Licensed brothels and sex workers operate across the state and the PLA liaises with and supports the industry in a number of ways.

PLA stakeholders are clustered into three broad groups:

- members of the community
- the sex industry
- other key stakeholders.

## Client feedback identifies opportunities

The PLA client satisfaction survey results indicate there is scope for improvement in our stakeholder communication and client service. The PLA developed a stakeholder engagement strategy, produced a set of guiding principles for customer experience, and a commitment to service excellence.

### Guiding principles for customer experience

- Anticipate service needs
- Increase and improve access to information and guidance
- Provide authoritative, timely and consistent services.

### Commitment to service excellence

- Accessibility
- Clear communication
- Accuracy and consistency
- Responsiveness and quick action
- Value and encourage feedback to drive improvement

## **Communicating with the community**

### **Office of the PLA**

The PLA office is the primary point of contact for members of the public, licensees, managers, sex workers, the media and any other interested parties requesting information. All calls and emails are responded to, and officers of the PLA are committed to providing an effective level of customer service.

### **The PLA website**

A process to upgrade and modernise the PLA's online presence began in 2019-20 and concluded in April 2021 with the launch of a new website which is modern, mobile friendly, and easy to navigate. Information on the site is relevant, easy to find, can be readily and quickly updated with new information, and translated into different languages. The new, modern face of the PLA has been overwhelmingly welcomed by our stakeholders.

The next step in transforming our online experience will be the development of electronic application forms. Licence and certificate application forms can be downloaded from the PLA website but must be printed and completed manually. Moving to online electronic forms will streamline the application experience and aid PLA processing of applications.

## **Communicating with the sex industry**

### **Queensland Adult Business Association**

The reformation of QABA in response to the COVID-19 pandemic has facilitated improved communication and liaison with the licensed sector of the sex industry and more cohesive policy input and feedback. During 2020-21, regular meetings have been held with QABA about topical issues, their priorities, and their relationship with the PLA, which has fostered mutual understanding and respect.

During the year, QABA delivered a presentation and presented a paper to PLA members on its proposals and priorities for the licensed sector and collaborated with the PLA to refine the set of proposals that were ultimately sent to the Attorney-General.

It is extraordinarily and notoriously difficult to effect change in sex industry policy, particularly given the current intention of the Government to refer the matter of the development of an appropriate regulatory framework for the sex industry to the QLRC. The PLA is committed to ongoing engagement with QABA in 2021-22.

### **Respect Inc.**

The PLA has continued its engagement with the Queensland sex worker organisation, Respect Inc., discussing topical matters and any issues of concern. Respect Inc. has been campaigning for the decriminalisation of Queensland's sex industry, including the repeal of the Prostitution Act (and its associated licensing framework). Staff of the Office of the PLA have attended forums put on by Respect Inc and other sex worker organisations to hear their perspective and gain insight into decriminalisation. The Authority is committed to ongoing engagement with Respect Inc in 2021-22.

## Newsletter and email communication

The PLA had published a monthly *In Touch* newsletter, distributed to its stakeholders and available from its website. With the development of the new website, the newsletter has transitioned to a more interactive, electronic version that will be published on a needs basis and include information more relevant to the industry's licensed sector.

The PLA has developed a new email format to facilitate timely communication with licensees and approved managers about emerging issues, which has been invaluable to communication around the COVID-19 pandemic and the Government response.

## Communicating with other key stakeholders

We met, as required, with key stakeholders and have assisted other agencies to perform their functions with regard to prostitution issues. The number of meetings is shown in Figure 5.

**Figure 5: Key stakeholders attending meetings with the PLA 2020–21**

Group	Number
Licensees and managers, applicants, potential applicants	39
QPS	8
Other government agencies	5
Other organisations	51
<b>TOTAL</b>	<b>103</b>

# Our Governance

## The Prostitution Licensing Authority

The PLA was established by s.100 of the Prostitution Act and officially began operation on 1 July 2000 when the Act became law in Queensland. Section 102 of the Act prescribes the Authority's membership, consisting of eight members, including:

- the Chairperson – an independent and appropriately qualified member of the community nominated by the Premier
- the Commissioner of Police, or a police officer of at least the rank of Superintendent nominated by the Commissioner
- the Chairperson, or the Senior Executive Officer (Crime) of the Crime and Corruption Commission (CCC)
- a health practitioner, with at least five years' experience in the profession
- a lawyer who has been admitted for at least five years and has knowledge of or experience in administrative law, company law or criminal law
- a person who represents local government
- two persons who represent community interests.

## Appointment of PLA members

PLA members are appointed by the Governor in Council, pursuant to s. 102(1) of the Prostitution Act. Under s. 103 of the Act, the maximum term of appointment for a member is five years. A person is disqualified from being or continuing as a member of the PLA if the person:

- is an insolvent under administration
- is convicted of an indictable offence, an offence against the Act or a corresponding law
- becomes incapable of discharging the duties of a member because of physical or mental incapacity
- has an interest in a brothel.

Additionally, the Minister may have regard to a person's extended criminal history or a change to their extended criminal history in deciding that the person should not be recommended for appointment or continue as a member of the Authority.

No members of the PLA were disqualified from continuing as a member throughout the year.

## Current membership

There are eight members of the PLA appointed by the Governor in Council, in accordance with s. 102(1) of the Prostitution Act.

### Mr Walter Tutt, Chairperson

Mr Walter Tutt was appointed as Chairperson of the PLA for a term of five years from 13 October 2017, pursuant to s. 102(1)(a) of the Prostitution Act.

Mr Tutt has a long background in the law, having first been admitted as a Solicitor in 1965. He worked in private practice from then until 2004 in areas including criminal law, administrative law, industrial law, insurance law, workers' compensation law, commercial common law litigation, and dispute resolution.

In 2004, Mr Tutt was appointed a Judge of the District Court of Queensland and served in that position until his retirement in 2012. Mr Tutt continues to hold a current practising certificate. He is also Chair of the Queensland Independent Remuneration Tribunal.

### Assistant Commissioner Brian Codd APM (resigned 1 October 2020)

Assistant Commissioner Brian Codd APM was appointed to the PLA pursuant to s. 102(1)(b) of the Prostitution Act as a police officer of at least the rank of Superintendent nominated by the Commissioner. His term of appointment was for five years from 6 June 2019. On 1 October 2020, he resigned as a member of the PLA.

### Chief Superintendent (Crime), Crime and Intelligence Command, QPS

The Chief Superintendent (Crime), Crime and Intelligence Command, has been appointed to the PLA to succeed Assistant Commissioner Codd. They have been appointed for a term of five years from 2 October 2020. During the year, various individuals acted in the role and attended PLA meetings.

### Ms Sharon Loder

Ms Sharon Loder is the Senior Executive Officer (Crime) of the CCC. Ms Loder has been appointed to the PLA by virtue of this position, pursuant to s. 102(1)(c) of the Prostitution Act. Her term of appointment is for five years from 28 July 2017.

Ms Loder has a Bachelor of Laws (QUT), a Bachelor of Business (HRM), and a Master of Laws (UQ). She was admitted as a Solicitor of the Supreme Court of Queensland in 1992 and since 2000 as a Barrister of the Supreme Court of Queensland and High Court of Australia.

Ms Loder is a graduate member of the Australian Institute of Company Directors. She has many years' experience in senior and executive positions in law enforcement or integrity commissions. These include her terms as Executive Director, Investigation Division at the NSW Independent Commission Against Corruption; as Executive Legal Officer and as Director, Misconduct Investigations at the Queensland Crime and Misconduct Commission; and as Manager of the Legal Unit, State Crime Operations Command, Queensland Police Service.

### Dr Diane Rowling (appointment expired 21 November 2020)

Dr Diane Rowling had been a long-serving member of the PLA since 2005. She had been appointed pursuant to s. 102(1)(d) of the Prostitution Act as a health practitioner. Her most recent term of appointment was for five years from 22 November 2015 and expired on 21 November 2020. Dr Rowling did not seek reappointment to the PLA on expiration of her appointment.

## **Ms Narelle Dickinson**

Ms Narelle Dickinson has been appointed pursuant to s. 102(1)(d) of the Prostitution Act as a health practitioner, succeeding Dr Rowling. Ms Dickinson's initial appointment was from 18 December 2020 to and including 28 February 2021. She was then appointed for a five-year term commencing 1 March 2021 to and including 28 February 2026.

Ms Dickinson has been a Psychologist in Queensland since 1995 and is currently endorsed as a Clinical and Health Psychologist, specialising in the perinatal field. Ms Dickinson is a 2015 Churchill Fellow Recipient, investigating the risks and implications of cross border surrogacy for Australians. She is also a current Board member of the Queensland Board of the Psychology Board of Australia, a Director of the Fertility Society of Australia, and an Executive Committee Member of the Australia and New Zealand Infertility Counsellors Association.

## **Mr Paul Tully**

Mr Paul Tully has been appointed to the PLA as a lawyer, pursuant to s. 102(1)(e) of the Prostitution Act. He was first appointed to the PLA on 3 October 2014. His current term of appointment is from 13 October 2017 for a term of five years. He has also been appointed, under s. 106A of the Act, to act as Chairperson during a vacancy in the office or during any period in which the Chairperson is absent from duty or otherwise cannot perform the functions of the office, from 2 October 2020 up to and including 12 October 2022.

Mr Tully is the Managing Director, Company Chair and Chief Executive Officer of McInnes Wilson Lawyers. He joined the firm in 1985, was admitted as a solicitor of the Supreme Court of Queensland in July 1987 and made a partner of McInnes Wilson in May 1989.

For the majority of his professional career, Mr Tully has practised in the area of litigation. He has a history of over 30 years specialising in public and products liability, motor vehicle claims, property damage and professional indemnity claims. In the recent past he was a Councillor of the Queensland Law Society and board member of Lexon Insurance Ltd. He is Chair of the Queensland Rugby Union Judiciary and his interest in rural matters sees him Chairman of the Board of a large beef enterprise, the North Australian Pastoral Company P/L.

## **Ms Margaret Grummitt (appointment expired 21 November 2020)**

Ms Margaret Grummitt was appointed to the PLA as local government representative, pursuant to s. 102(1)(f) of the Prostitution Act. She was first appointed to the PLA in November 2012. Her most recent term of appointment was for five years from 22 November 2015 and expired on 21 November 2020. Ms Grummitt did not seek reappointment to the PLA on expiration of her appointment.

## **Mr Greg Chemello**

Mr Greg Chemello has been appointed to the PLA as local government representative, pursuant to s. 102(1)(f) of the Prostitution Act, succeeding Ms Grummitt. His initial appointment was from 18 December 2020 to and including 28 February 2021. He was then appointed for a five-year term commencing 1 March 2021 to and including 28 February 2026.

Mr Chemello is currently the Chief Executive Officer at Moreton Bay Regional Council, having been appointed in January 2020 following a major review of the organisation's culture and practices. His other most recent roles were General Manager of Economic Development Queensland, and from August 2018 to January 2020, Interim Administrator of Ipswich City Council following dissolution of the Council by the Queensland Parliament.

He has 35 years' professional and management experience, having spent the last two decades in leadership roles within public and private sector organisations undergoing significant change. Mr Chemello has a Bachelor degree in Town Planning, a Masters in Environmental Science, and a Masters in Business Administration.

## **Ms Lynette Palmen AM**

Ms Lynette Palmen AM has been appointed to the PLA as a community representative, pursuant to s. 102(1)(g) of the Prostitution Act. Her current term of appointment is for five years commencing from 13 October 2017. She was first appointed to the PLA in June 2004 but resigned in August 2006. She was subsequently reappointed in June 2010 and has served as a member of the PLA since then.

Ms Palmen has a finance sector and community engagement background. She is the Founder of Women's Network Australia. Established in 1990, the organisation continues to provide support, consulting and mentoring for small business owners and entrepreneurs across Australia.

In 2004, Ms Palmen received an Order of Australia AM for service to the community, particularly through promoting public awareness of existing and emerging issues affecting women, and in providing expertise to a range of charitable and not-for-profit organisations.

## **Ms Frances de la Cuesta Hunt**

Ms Frances de la Cuesta Hunt has been appointed to the PLA as a community representative, pursuant to s. 102(1)(g) of the Prostitution Act. Her current term of appointment is for five years commencing from 13 October 2017. She first became a member of the PLA on 3 October 2014.

In 1985, she was awarded a Doctor of Medicine degree from Saint Louis University in the Philippines. In 1995, she was awarded a Masters in Cross Cultural Missions and Bible from the Theological Centre for Asia in Singapore. In 2012, she was awarded a Masters of Health Studies in the Field of Addiction Studies from the University of Queensland.

Since 2013, Ms de la Cuesta Hunt has been a Counsellor specialising in drugs, alcohol, addictions and related issues at Be Renewed Counselling and Community Services Pty Ltd. Since 2008, she has performed voluntary work as a Support Group Team Leader at Encourager Life Group, designing and implementing a program of reaching out and supporting troubled individuals including those suffering from drug and alcohol misuse, related issues and mental health issues.

## **Meetings**

The PLA held 11 meetings in 2020-21. Details of individual member attendance at these meetings is at Appendix 2.

## **Remuneration**

The Chairperson and members of the PLA were collectively paid \$73,542 during 2020-21, as determined by the Governor in Council. This payment represents the total remuneration to the Chairperson and the members.

Ex-officio members (that is, members who hold a paid government position) of the Authority do not receive additional remuneration for being a member of the PLA. Details of the individual remuneration paid to each member are at Appendix 2.

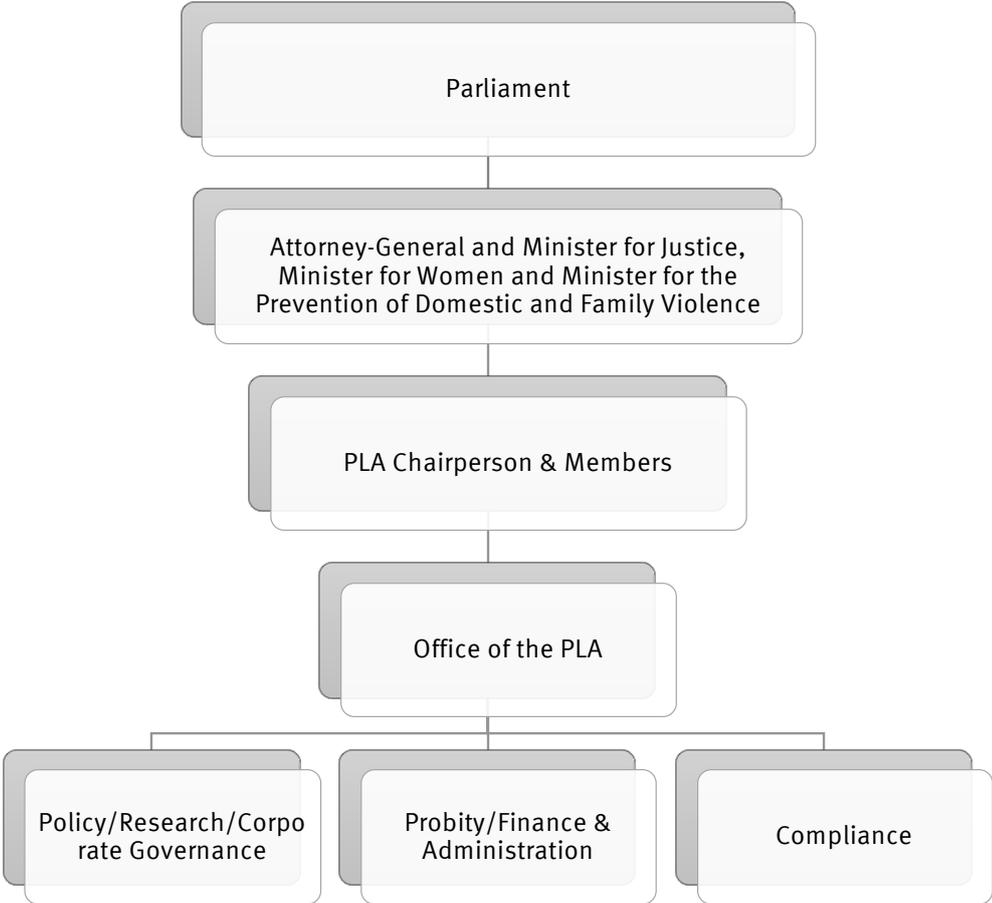
# Reporting structure and organisation

The Prostitution Act establishes the Prostitution Licensing Authority, consisting of eight members. It also establishes the Office of the Prostitution Licensing Authority, consisting of the Executive Director and the staff of the office. It is the role of the Office to assist the PLA in the performance of its functions. The Office consists of compliance; probity and finance and administration; and policy, research and corporate governance areas.

The Executive Director is appointed by the Governor in Council. Ms Mary Shortland has been appointed as the Executive Director for a term of three years from 18 December 2019. In addition to the Executive Director, there are eight full-time equivalent employees, employed under the *Public Service Act 2008*. Staff of the office are managed by the Executive Director, who in turn reports to the PLA. The PLA reports to the Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence, the Honourable Shannon Fentiman MP, and to the Parliament of Queensland.

The Authority was subject to a machinery-of-government change on 12 November 2020, whereby the Attorney-General was given responsibility for the administration of the Prostitution Act and the Authority was accordingly shifted to her portfolio. Prior to this, the Minister for Police and Minister for Corrective Services, the Honourable Mark Ryan MP, had been responsible for the administration of the Prostitution Act and hence the Authority.

**Figure 6: PLA organisational structure**



# Our Corporate Governance Framework

## The strategic planning cycle

Section 9 of the *Financial and Performance Management Standard 2009* requires that each statutory body develop a strategic plan for the agency to cover a period of four years. The PLA's Strategic Plan and Operational Plan are reviewed and updated annually.

## Our strategic objectives

The Strategic Plan 2020-24 identifies the following strategic objectives.

Figure 7

Objectives	Strategies	Performance measures	Achievements
<b>Strengthen stakeholder relationships</b>	Develop and implement an effective stakeholder engagement strategy.  Strengthen online user experience.	Increase client satisfaction and stakeholder engagement.  Percentage of complaints resolved in a reporting year.	An anonymous online survey was conducted, with a 64% rate of satisfaction of applicants with PLA client service.  The survey will be undertaken annually, with the results and feedback used to promote a culture of continuous improvement. 100% of complaints were resolved.
<b>Make the community safer</b>	Probity of applicants for brothel licences and approved managers' certificates.  Compliance activities such as audits and inspections of licensed brothels. Promotion of health and safety standards at brothels.	Implementation of best practice standards at all licensed brothels (an audit rating of at least 80%).	95% of licensed brothels implement best practice standards.  One brothel did not meet the required threshold during the year.
<b>Build our organisational capability</b>	Develop capabilities to create a healthy, collaborative and innovative culture.  Modernise our website, assets, systems and processes to improve our business outcomes.	Improved staff engagement and wellbeing.  Improved system and information capability.	An anonymous survey of the staff of the Office of the PLA was conducted, with an overall staff satisfaction rate of 70%.  The PLA's website was upgraded and modernised. Assets were purchased to enable staff to work more effectively from home. Application forms were further streamlined.

## Ethical and professional conduct

High standards of ethical conduct remain one of the PLA's major objectives. All staff of the Office of the PLA are subject to the *Code of Conduct for the Queensland Public Service* (the Code). The administrative procedures and management practices of the PLA have proper regard to the ethics principles and values in addition to the Code, a copy of which has been provided to all staff. Staff are given information on public sector ethics at induction and throughout the year and are required to complete an online workshop in Ethics and ethical decision-making.

The Prostitution Act permits the obtaining of a person's extended criminal history in order to determine if they should be considered for appointment to the Office of the PLA or if they should continue to be engaged as a staff member. Additionally, staff are obliged to provide notice of a change in their extended criminal history. There were no changes notified in 2020-21.

To overcome any potential conflict of interest when considering brothel licence and approved manager's certificate applications, the PLA complies with guidelines established in our *Probity Investigation Manual* (PIM). The PIM identifies procedures for notifying PLA members of the names of individuals associated with licence and certificate applications to ensure a transparent decision-making process and the identification and management of any potential conflicts of interest. The PIM was reviewed and updated in 2020-21.

## Public interest disclosures

During the year, staff participated in Public interest disclosure training provided by the Queensland Ombudsman. The PLA received no public interest disclosures under the *Public Interest Disclosure Act 2010* in 2020-21.

## Human rights

The *Human Rights Act 2019* requires public entities to be compatible with human rights, as well as give proper consideration to human rights when making decisions. Under the Authority's complaints policy, a person is entitled to make a complaint to the PLA if that person believes the PLA has breached their human rights. No complaints were received in 2020-21.

## Risk management

Risk assessment is a means of identifying all potential risks to the operations and functioning of the PLA and to develop controls to mitigate those risks. Division 12 of the *Finance and Administration Manual* (FAM) requires that the PLA has effective policies, procedures and systems in place for effectively managing identified risks that may affect its operations.

A risk assessment was conducted during the year to review previous risk assessments and revisit those risks and controls which had been previously identified. The most recent systems appraisal was also reviewed.

The PLA acknowledges that staff are best placed to identify organisational risks and, accordingly, all staff at the Office of the PLA were consulted and encouraged to contribute to this risk assessment, which focused generally on the following areas:

- information/data
- physical security
- staff
- financial systems/records
- policies and procedures
- administration
- stakeholder consultation.

Since it began operating on 1 July 2000, the PLA identified and addressed risk through the iterative development of successive policies and procedures. Risk control measures have been implemented across the agency for all business areas and there is a well-established process of ongoing review of existing policies and procedures.

Staff are encouraged to raise and discuss any further risks that they identify throughout the year, so they may be assessed and remedied by the institution of new control measures or the modification of existing policies and procedures. This year's risk assessment concluded that existing controls and mitigating factors are adequate to address the identified risks to the operations of the agency. There have been no incidents or breaches in the intervening period and accordingly a further risk assessment has not been warranted.

The small size and limited budget of the PLA do not warrant an audit committee. Existing policies and procedures are effective in addressing and mitigating risks and members of the PLA provide oversight of the activities of the Office of the PLA.

## External audit

The PLA uses the Queensland Audit Office as its external auditor.

## Internal audit

As a statutory body, the PLA is not required to establish an internal audit function. The PLA has not established an internal audit function because of the small size of the agency, its limited budget, and the few staff members of the Office of the PLA. There is a robust governance framework in place with clear accountabilities and arrangements to minimise financial risks and oversight is provided by PLA members.

Instead of a separate internal audit function, the PLA has implemented a framework for a regular systems appraisal. The appraisal aims to assess the appropriateness of systems and procedures and the proper functioning of internal controls and is conducted once every three years at a minimum in conjunction with the broader risk management process.

In 2020-21, we undertook our triennial systems appraisal with the objective of identifying specific risks to the PLA, evaluating the degree of risk for each system/process, identifying current controls and implementing appropriate control improvements to minimise the risk. The systems appraisal was completed in consultation with relevant PLA staff with the following systems reviewed:

- application processing
- monitoring and compliance
- internal processes
- reporting
- complaints handling
- finance.

The results of the systems appraisal were provided to the Executive Director for consideration and approval. The PLA implemented appropriate control measures for relevant risks. The next systems appraisal is to be completed in 2023-24.

## Records management

All staff of the PLA are responsible for records management. Records are retained and disposed of in accordance with the *General retention and disposal schedule* and the PLA's own *Retention and Disposal Schedule*, as approved by the Queensland State Archivist.

# Our People

The Office of the PLA has a small complement of staff that support the PLA in performing its role by working in finance, administration, policy development, research, forensic accounting, probity investigation, and audit and compliance processes.

## PLA structure and staffing 2020-21

The PLA organisational structure provides for nine (9) staff in total, including the Executive Director (Figure 6). No early retirement, redundancy or retrenchment packages were paid during the period, and no overseas travel was undertaken by either members of the PLA or staff of the Office of the PLA in 2020-21.

One staff member at the AO3 level resigned during the year. The vacant position was filled after conducting a routine merit-based selection process. Another staff member at the AO7 level took extended long service leave and, following a routine merit-based selection process, the position was filled for the duration of the period of leave. The Office's recruitment practices ensure that its officers possess the skills and knowledge needed to continue to achieve its priorities.

**Figure 8: Full-time equivalent staff of the Office of the PLA**

Staff category	Female	Male
SES	1	
AO7-AO8	2	2
AO4-AO6	1	1
AO2-AO3	2	
<b>TOTAL</b>	<b>6</b>	<b>3</b>

## Conditions and working arrangements

The Office of the PLA has flexible workplace arrangements to support the attraction and retention of staff and promote work-life balance, including time-off-in-lieu, flexible working hours, and carer's leave. Our COVID safe work practices also provided the flexibility for staff to work from home during the periods of lockdown in the current year.

As part of our commitment to helping staff maintain a healthy work-life balance, employees may not accrue more than 40 days leave at any one time, other than in special circumstances and at the discretion of the Authority.

The PLA has put in place a domestic and family violence policy, consistent with the relevant Public Service Commission directive, which provides that an employee who is affected by domestic and family violence will have access to a minimum of 10 days per year of paid leave. Staff also have access to employee assistance services.

## Workforce training and development

The PLA's success relies on the capability of its workforce and all staff are encouraged to undertake relevant professional development. Staff and management work together to identify appropriate opportunities for training that support individual career progress and strengthen the PLA's overall capability.

During the 2020-21 period, employees received training on a range of areas:

- Capability development on topics including:
  - Enabling our clients
  - Effective communication
  - Report writing
  - Career coaching
- Ethics and Ethical Decision-making
- Public Interest Disclosure
- Finance
- Workplace Health and Safety (WHS) including:
  - Emergency Control Organisation Instruction
  - Fire Evacuation
  - First Aid and CPR.

With such a small number of employees, the Office of the PLA is able to capitalise on a unique opportunity for open and direct communication. Regular inter-staff liaison and meetings provide an ideal forum to ensure staff are kept well informed, and to identify and resolve issues.

## Finance and administration

The finance and administration section of the Office of the PLA comprises four full-time staff members who deliver a range of services to support the operations of the PLA. Finance and administration has a key role in the development and implementation of effective resource management and manages the finances of the PLA and budgetary and reporting processes. It also managed the COVID fee relief initiative by issuing refunds to brothel licensees and approved managers.

The section processes brothel licence and approved manager's certificate applications, including conducting financial probity of brothel licence applicants, and contributed to rationalising and streamlining the application process during the year to make the experience easier for applicants.

The finance and administration function has been instrumental in ensuring the PLA's smooth transition to the portfolio of the Attorney-General and Minister for Justice under machinery-of-government changes by providing administrative support in relation to information and communications technology and human resources.

The Authority did not incur any expenditure on consultancies for 2020-21.

## Compliance

The compliance section of the Office comprises two full-time staff members who are responsible for monitoring the provision of prostitution at licensed brothels and reviewing and making recommendations on the operational standards of brothels. They also offer advice and guidance to brothel licence applicants with respect to the development of policies, procedures and operational standards and educate brothel licensees and approved managers on their obligations and responsibilities.

After acquiring the additional function of emergency officers (general) under the Public Health Act early in 2020-21, PLA compliance officers became responsible for monitoring and enforcing licensed brothel compliance with COVID safe requirements. The vital importance of protecting the community by suppressing the transmission of COVID-19 necessitated a focus on COVID inspections rather than monitoring and audits of prostitution operations at licensed brothels.

Once brothels were permitted to reopen on 3 July 2020 following a long period of compulsory closure, the initial focus of the compliance section was on getting brothels up to speed with COVID safe operations. Dual purpose compliance and COVID inspections commenced in October 2020, and it was not until April 2021 that compliance audits recommenced. The compliance unit was kept busy throughout the year communicating COVID requirements to brothel licensees and approved managers and responding to related queries. It also continued to take complaints about prostitution, referring relevant complaints and intelligence to the QPS.

## Policy

The policy section consists of one full-time staff member responsible for a range of outputs including:

- policy and legislative proposals
- drafts submissions to inquiries
- responses to requests for input from other agencies
- managing whole-of-government reporting processes
- briefs and responses to the Attorney-General
- aspects of communications with stakeholders.

Policy section managed the proposals to enhance the regulatory framework for the sex industry in Queensland that were identified and submitted for the consideration of the Attorney-General. The proposals aim to support the licensed sector of the sex industry and facilitate more effective regulation of the sector by the PLA.

## Information management

Given the small size of the Office of the PLA, it has relied on the QPS to provide Information and Communications Technology (ICT) services and support. The provision of those services has transitioned to the Department of Justice and Attorney-General as part of the machinery of government changes.

The PLA has an internal licensing database for the purpose of recording and reporting on:

- brothel applicants
- manager applicants
- licensees and managers
- compliance activities
- development applications for licensed brothels
- brothel premises information.

The database is used to obtain statistical data and other information concerning the licensed brothel sector of the sex industry.

## Open data

Information on consultancies and overseas travel may be found at the Queensland Government Open Data website (<https://data.qld.gov.au>).

# **Financial Statements**

## **2020 - 21**

## Prostitution Licensing Authority Financial Statements 2020-2021

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### **General Information**

This financial report covers the Prostitution Licensing Authority (PLA).

The PLA is a Queensland Government Statutory Authority established under the *Prostitution Act 1999*.

The PLA is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the PLA is:

Level 20  
50 Ann Street  
BRISBANE QLD 4000

A description of the nature of the PLA's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the PLA's financial report please call 3858 9500, email [PLAAdmin@justice.qld.gov.au](mailto:PLAAdmin@justice.qld.gov.au) or visit the PLA's Internet site [www.pla.qld.gov.au](http://www.pla.qld.gov.au).

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

**PROSTITUTION LICENSING AUTHORITY**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2021**

	Notes	2021 \$	2020 \$
<b>Income from Continuing Operations</b>			
<b>Revenue</b>			
User charges and fees	2(a)	885,338	866,754
Grants and contributions	2(b)	725,000	739,000
Interest		11,666	24,300
<b>Total Income from Continuing Operations</b>		<b>1,622,004</b>	<b>1,630,054</b>
<b>Expenses from Continuing Operations</b>			
Employee expenses	3	975,547	1,216,126
Supplies and services	7	306,236	286,878
Rental expenses	8	212,094	211,581
Subsidies	9	21,057	318,050
Depreciation and Amortisation		16,287	11,085
Other expenses	10	17,719	19,235
<b>Total Expenses from Continuing Operations</b>		<b>1,548,940</b>	<b>2,062,955</b>
<b>Operating Result from Continuing Operations</b>		<b>73,064</b>	<b>(432,901)</b>
<b>Total Comprehensive Income</b>		<b>73,064</b>	<b>(432,901)</b>

*The accompanying notes form part of these statements.*

**PROSTITUTION LICENSING AUTHORITY**  
**Statement of Financial Position**  
**as at 30 June 2021**

	Notes	2021 \$	2020 \$
<b>Current Assets</b>			
Cash and cash equivalents	11	1,295,690	1,658,230
Receivables	14	6,825	4,069
Other Assets		-	374
<b>Total Current Assets</b>		<b>1,302,515</b>	<b>1,662,673</b>
<b>Non-Current Assets</b>			
Plant and equipment	15	32,489	33,540
Intangible assets	15	58,001	-
<b>Total Non-Current Assets</b>		<b>90,490</b>	<b>33,540</b>
<b>Total Assets</b>		<b>1,393,005</b>	<b>1,696,213</b>
<b>Current Liabilities</b>			
Payables		44,879	75,892
Accrued employee benefits	16	153,669	297,305
Other Liabilities	17	144,077	345,700
<b>Total Current Liabilities</b>		<b>342,625</b>	<b>718,897</b>
<b>Total Liabilities</b>		<b>342,625</b>	<b>718,897</b>
<b>Net Assets</b>		<b>1,050,380</b>	<b>977,316</b>
<b>Equity</b>			
Accumulated surpluses		1,050,380	977,316
<b>Total Equity</b>		<b>1,050,380</b>	<b>977,316</b>

*The accompanying notes form part of these statements.*

**PROSTITUTION LICENSING AUTHORITY**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2021**

	<b>Accumulated Surplus</b>
	<b>\$</b>
<b>Balance as at 1 July 2019</b>	1,410,217
Operating Result from Continuing Operations	(432,901)
<b>Balance as at 30 June 2020</b>	<b>977,316</b>
	<b>\$</b>
<b>Balance as at 1 July 2020</b>	977,316
Operating Result from Continuing Operations	73,064
<b>Balance as at 30 June 2021</b>	<b>1,050,380</b>

*The accompanying notes form part of these statements.*

**PROSTITUTION LICENSING AUTHORITY**  
**Statement of Cash Flows**  
**for the year ended 30 June 2021**

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
User charges and fees		884,153	802,429
Grants and contributions		725,000	739,000
GST input tax credits from ATO		58,849	37,628
GST collected from customers		-	3,307
Interest receipts		5,264	25,608
<i>Outflows:</i>			
Employee expenses		(1,119,183)	(944,146)
Supplies and services		(556,855)	(457,868)
Grants and subsidies		(221,496)	(117,611)
GST paid to suppliers		(58,849)	(37,631)
GST remitted to ATO		3,646	(1,710)
Other		(9,832)	(16,229)
<b>Net cash provided by (used in) operating activities</b>	12	<b>(289,303)</b>	<b>32,777</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sales of plant and equipment		-	33,079
<i>Outflows:</i>			
Payments for plant and equipment		(5,000)	-
Payments for Intangible assets		(68,237)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(73,237)</b>	<b>33,079</b>
<b>Cash flows from financing activities</b>			
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
Net increase (decrease) in cash held		(362,540)	65,856
Cash at beginning of financial year		1,658,230	1,592,374
<b>Cash and cash equivalents at end of financial year</b>		<b>1,295,690</b>	<b>1,658,230</b>

*The accompanying notes form part of these statements.*

**PROSTITUTION LICENSING AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

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	Objectives and Principal Activities of the Prostitution Licensing Authority
Note 1	Summary of Significant Accounting Policies
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Note 3	Employee Expenses
Note 4	Key Management Personnel (KMP)
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## **Objectives and Principal Activities of the Prostitution Licensing Authority**

The objectives of the Prostitution Licensing Authority (PLA) are to establish an efficient and effective brothel licensing regime, to ensure that licensed brothels operate in accordance with the *Prostitution Act 1999* (the Act) and to ensure that the objectives of the Act are achieved.

During 2020-21, the PLA was funded through a non-reciprocal government contribution and through providing the following on a fee for service basis:

- Issuing brothel licences and managers' certificates
- Other administration services for licensees and managers

### **1. Summary of Significant Accounting Policies**

#### **(a) Statement of Compliance**

The Prostitution Licensing Authority has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury Minimum Reporting Requirements for reporting periods beginning or after 1 July 2020, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Prostitution Licensing Authority has applied those requirements applicable to not-for-profit entities, as the Prostitution Licensing Authority is a not-for-profit Authority.

Except where stated, the historical cost convention is used.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 22.

#### **(b) The Reporting Entity**

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the PLA. The PLA controls no other entities.

#### **(c) Insurance**

With the exception of motor vehicles, which are insured through Choice Insurance Solutions, the PLA's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis. In addition, the PLA pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

#### **(d) Taxation**

The PLA is a State Body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

FBT and GST are the only taxes accounted for by the PLA. GST credits receivable from, and GST payable to the ATO, are recognised (refer to note 14).

#### **(e) Accounting Estimates and Judgements**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

The PLA has made no judgements or assumptions which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**PROSTITUTION LICENSING AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

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**1. Summary of Significant Accounting Policies (cont'd)**

**(f) Issuance of Financial Statements**

The financial statements are authorised for issue by the Chairman of the Board and the Executive Director at the date of signing the Management Certificate.

**(g) Other Presentation Matters**

**Rounding**

Amounts included in the financial statements have been rounded to the nearest \$1.

**Comparatives**

Comparative information reflects the audited 2019-2020 financial statements.

**Current/Non-Current Classification**

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where the carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

**2. Revenue**

**(a) User Charges and Fees**

Licences and certificates are recognised as revenues when the applications have been approved by the Board of the PLA. Application fees, Annual Returns, fines and other user charges are recognised as revenues, in accordance to the Australian Accounting Standards, when receipts for the related services are issued.

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>User charges and fees</b>		
Fees for licences	650,877	605,951
Fees for licence applications	145,650	170,340
Fees for certificates	4,691	5,156
Fees for certificate applications	81,465	83,101
Other fees	2,655	2,206
<b>Total</b>	<b>885,338</b>	<b>866,754</b>

**(b) Grants and Contributions**

The PLA receives government grants, donations and gifts that are non-reciprocal in nature. The PLA received \$725,000 in 2020-21 from Queensland Police Services (QPS). This funding has been recognised as revenue on receipt as PLA's obligations are not sufficiently specific.

**PROSTITUTION LICENSING AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

**3. Employee Expenses**

	2021	2020
<b>Employee Benefits</b>	<b>\$</b>	<b>\$</b>
Wages and salaries	834,099	865,040
Annual leave expenses	-	57,533
Severance Payments	-	144,797
Employer superannuation contributions	101,360	103,040
Long service leave levy	17,624	18,587
Other employee benefits	5,014	20,754
<b>Total</b>	<b>958,097</b>	<b>1,209,751</b>
<b>Employee Related Expenses</b>		
Staff related expenses	13,090	2,209
Workers' compensation premium	4,360	4,166
<b>Total Employee Expenses</b>	<b>975,547</b>	<b>1,216,126</b>

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

Number of Employees:	9	8
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**(a) Employee Benefits**

Employer superannuation contributions and long service leave levies are regarded as employee benefits.

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as an employee related expense.

*Wages, Salaries and Sick Leave*

Wages and salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current salary rates.

As the PLA expects such liabilities to be wholly settled within 12 months of the reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

*Annual Leave and Long Service Leave*

Under the Queensland Government's Annual Leave Central Scheme (ALCS) a levy was made to the PLA to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual and long service leave are claimed from the scheme quarterly in arrears.

*Superannuation*

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined Contribution Plans - Contributions are made based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and the amount of contributions is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the department at the specified rate each pay period. The department's obligations are limited to those contributions paid.

**PROSTITUTION LICENSING AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

**4. Key Management Personnel (KMP)**

KMP are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The Chairperson, Board Members and Executive Director are KMP of the PLA.

The PLA's responsible Ministers are identified as part of the PLA's KMP, consistent with additional guidance included in the revised version of AASB 124 Related Party Disclosures. That Ministers were the Minister for Police and Minister for Corrective Services for the period 1 July 2020 to 11 November 2020 and the Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence for the period 12 November 2020 to 30 June 2021.

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2020-2021 and 2019-2020. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management and Remuneration of Board Members:

Position	Position Responsibility
Minister	To appoint Board members and to ensure that the PLA operates to best practice standards.
Chairperson	Provide broad strategic direction and operational oversight of the agency and its functions.
Board members	Overall oversight of the agency and its functions.
Executive Director	Responsible for the efficient, effective and economic administration of the agency.

**KMP Remuneration Policies**

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The PLA does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the PLA's Board members is in accordance with the Remuneration Procedures for all Part-time Chairs and Members of Queensland Government Bodies. Individual remuneration and other terms of employment (including entitlements) are specified in employment letter.

Remuneration policy for the PLA's other KMP is equivalent to the remuneration, allowances and entitlements of a senior executive employed under the Public Service Act 2008.

Remuneration expenses for KMP comprises the following components:

- ◆ Short term employee benefits which include:
  - Salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied a KMP position.
  - Non-monetary benefits – consisting of provision of vehicle.
- ◆ Long term employee benefits include amounts expensed in respect of long service leave.
- ◆ Post-employment benefits include amounts expensed in respect of employer superannuation obligations.
- ◆ No KMP remuneration packages provide for performance bonus payments.
- ◆ Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

**Remuneration Expenses**

The following disclosures focus on the expenses incurred by the PLA attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

**PROSTITUTION LICENSING AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

**4. Key Management Personnel (cont'd)**

**1 July 2020– 30 June 2021**

Position	Short Term Employee		Long Term Employee Benefits \$*	Post Employment Benefits \$	Termination Benefits \$	Total Remuneration \$
	Monetary Benefits \$	Non-Monetary Benefits \$				
Executive Director	171,627	-	3,604	18,629	-	193,860
Chairperson	39,484			3,786		43,270
Board Members	26,221			2,476		28,697
<b>Total Remuneration</b>	<b>237,332</b>	<b>-</b>	<b>3,604</b>	<b>24,891</b>	<b>-</b>	<b>265,827</b>

**1 July 2019– 30 June 2020**

Position	Short Term Employee		Long Term Employee Benefits \$*	Post Employment Benefits \$	Termination Benefits \$	Total Remuneration \$
	Monetary Benefits \$	Non-Monetary Benefits \$				
Executive Director*	136,992	421	1,746	9,018	144,797	292,972
Executive Director **	70,274	-	1,476	7,714		79,464
Chairperson	37,805			3,891		41,696
Board Members	27,999			2,520		30,519
<b>Total Remuneration</b>	<b>273,070</b>	<b>421</b>	<b>3,222</b>	<b>23,142</b>	<b>144,797</b>	<b>444,651</b>

\* Termination date 17 December 2019

\* Appointment date 18 December 2019

**5. Disclosure of related parties**

**Transactions with people/entities related to Key Management People (KMP)**

There were no other dealings with the KMP or close family members.

**Transactions with other Queensland Government-controlled entities**

The PLA received a non-reciprocal government grant from Queensland Police Services (QPS) (Note 2.(b)).

The PLA has a service level agreement in place with Queensland Police Services (QPS) to enable the PLA to receive the required essential services.

<b>Service Level Agreement</b>	<b>2021</b>	<b>2020</b>
Corporate service charges	\$ 31,978	\$ 31,447

**6. Remuneration of Board Members**

Remuneration is payable to the Board Members from the PLA in connection with the management of the PLA. Remuneration includes fees received by Members. There were no payments made to the Members for salaries, commissions and other benefits.

The number of responsible persons whose remuneration from the PLA was within the following specified bands were:

Nil	8	3
\$1 - \$10,000	5	4
\$10,001 - \$50,000	1	1

**PROSTITUTION LICENSING AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

**6. Remuneration of Board Members (cont'd)**

The total remuneration paid to each Board Member of the PLA is as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Walter Tutt - Chairperson	44,846	44,846
Paul Tully (LP)	7,665	7,630
Ms Frances de la Cuesta Hunt (CR)	7,665	7,630
Ms L Palmen (CR)	7,665	7,630
Ms Margaret Grummitt	3,107	7,630
Ms Narelle Dickinson (QH)	2,594	-
Dr D Rowling (QH)	-	-
Ms Sharon Loder (CCC)	-	-
Mr Brian Codd (QPS)	-	-
Mr Michael O'Dowd (QPS)	-	-
Mr Colin Briggs (QPS)	-	-
Mr Stephen Tiernan (QPS)	-	-
Mr Denzil Clark (QPS)	-	-
Mr Greg Chemello (LC)	-	-
<b>Total remuneration</b>	<b>73,542</b>	<b>75,366</b>

**7. Supplies and Services**

Contractors	39,578	3,558
Supplies and consumables	50,838	33,059
Travel	9,758	7,330
Repairs and maintenance	31,034	45,286
Communications	25,232	28,390
Chairman and Members' fees	73,543	75,386
Corporate service charges	31,978	31,447
Public utilities	6,656	15,020
Legal services	-	3,780
Investigations and Searches	20,786	22,059
Other Services	16,833	21,563
<b>Total</b>	<b>306,236</b>	<b>286,878</b>

**8. Rental Expenses**

The office rental agreement for PLA's office accommodation was established in 2019-20 between the former Department of Housing and Public Works and Queensland Police Service, through the Queensland Government Accommodation Office program. As at 30 June 2021, the PLA has rental commitments totalling \$868,038, and made rent payments totalling \$212,094.

Under QGAO, DHPW holds substantive substitution rights over non-specialised commercial office accommodation, making the PLA's rental arrangement exempt from on-balance sheet lease accounting and the costs for these services will be expensed as supplies and services expense when incurred.

**9. Subsidies**

Covid-19 refunds	21,057	318,050
<b>Total</b>	<b>21,057</b>	<b>318,050</b>

COVID-19 refunds relate to COVID-19 mandatory closures (note 24).

**PROSTITUTION LICENSING AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

10. Other Expenses	2021	2020
	\$	\$
Insurance premiums	2,469	2,513
Auditor's remuneration - external audit services*	14,500	14,500
Losses from disposal of plant and equipment	-	1,417
Other expenses	750	805
<b>Total</b>	<b>17,719</b>	<b>19,235</b>

\*Total external audit fees relating to the 2020-21 financial year are estimated to be \$14,500 (2020: \$14,500). There are no non-audit services included in this amount.

**11. Cash and Cash Equivalents**

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

Imprest account	-	300
Cash at bank	1,295,690	1,657,930
<b>Total</b>	<b>1,295,690</b>	<b>1,658,230</b>

**12. Reconciliation of Operating Surplus to Net Cash from Operating Activities**

Operating surplus/(deficit)	73,064	(432,901)
Depreciation and amortisation expense	16,287	11,085
Loss on sale of plant and equipment	-	1,417
Change in assets and liabilities:		
(Increase)/decrease in GST input tax credits receivable	(3,218)	1,596
(Increase)/decrease in other receivables	462	1,308
(Increase)/decrease in prepayments	374	7,421
Increase/(decrease) in fees received in advance	(201,623)	136,113
Increase/(decrease) in payables and accruals	(31,013)	34,756
Increase/(decrease) in accrued employee benefits	(143,636)	271,982
<b>Net cash from operating activities</b>	<b>(289,303)</b>	<b>32,777</b>

**13. Financial Instruments**

**(a) Categorisation of Financial Instruments**

The PLA has the following categories of financial assets and financial liabilities:

<u>Category</u>	<u>Note</u>		
<b>Financial Assets</b>			
Cash and cash equivalents	11	1,295,690	1,658,230
Receivables	14	6,825	4,069
<b>Total</b>		<b>1,302,515</b>	<b>1,662,299</b>
<b>Financial Liabilities</b>			
Payables	18	44,879	75,892
<b>Total</b>		<b>44,879</b>	<b>75,892</b>

*Recognition*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the PLA becomes party to the contractual provisions of the financial instrument.

**PROSTITUTION LICENSING AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

**13. Financial Instruments (cont'd)**

*Classification*

Financial instruments are classified and measured as follows:

- Cash and cash equivalents held at amortised cost
- Receivables held at amortised cost
- Payables held at amortised cost

The PLA does not enter transactions for speculative purposes, nor for hedging.

**(b) Financial Risk Management**

PLA's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk. The interest rate risk is limited to cash balances.

Financial risk management is implemented pursuant to Government and PLA's policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the PLA. All financial risk are managed by the PLA under policies.

The PLA has a minimum risk exposure to these financial risks.

**14. Receivables**

	2021	2020
<b>Current</b>	<b>\$</b>	<b>\$</b>
GST receivable	6,205	2,987
Interest receivable	620	1,082
<b>Total</b>	<b>6,825</b>	<b>4,069</b>

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement on these amounts is generally required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment.

**15. Non-Current Assets**

Plant and equipment		
At cost	49,558	44,558
Less: Accumulated depreciation	(17,069)	(11,018)
<b>Carry amount at 30 June 2021</b>	<b>32,489</b>	<b>33,540</b>

Intangible assets		
At cost	68,237	-
Less: Accumulated amortisation	(10,236)	-
<b>Total</b>	<b>58,001</b>	<b>-</b>

<b>Net carry amount at 30 June</b>	<b>90,490</b>	<b>33,540</b>
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**Plant and Equipment Reconciliation**

Carrying amount at 1 July	33,540	79,121
Acquisitions	5,000	-
Disposals	-	(34,496)
Depreciation	(6,051)	(11,085)
<b>Carrying amount at 30 June</b>	<b>32,489</b>	<b>33,540</b>

**Intangible Assets Reconciliation**

Acquisitions	68,237	-
Amortisation	(10,236)	-
<b>Carrying amount at 30 June</b>	<b>58,001</b>	<b>-</b>

Intangible assets and plant and equipment are valued at historical cost in accordance with Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector.

**PROSTITUTION LICENSING AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

**15. Non-Current Assets (cont'd)**

**(a) Non-Current Assets**

Items with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

**(b) Depreciation of Non-Current Assets**

Assets are depreciated on a straight line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the PLA.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the PLA.

For each class of depreciable asset the following depreciation rates are used:

<b>Class</b>	<b>Rate %</b>
Plant and equipment	10-33.3%
Intangible Assets	20%

<b>16. Accrued Employee Benefits</b>	<b>2021</b>	<b>2020</b>
<b>Current</b>	<b>\$</b>	<b>\$</b>
Wages outstanding	142,470	284,614
Superannuation	11,199	11,520
Other employee expenses	-	1,171
<b>Total</b>	<b>153,669</b>	<b>297,305</b>

**17. Other Liabilities**

**Fees received in advance and to be refunded \***

Fees for licences received in advance	135,440	140,600
Fees for certificates received in advance	8,637	4,661
Fees to be refunded (COVID-19)**	-	200,439
<b>Total</b>	<b>144,077</b>	<b>345,700</b>

\*Fees for licences and certificates received in advance are monies held by the PLA pending a decision by the Board whether or not to approve the application.

\*\*Fees to be refunded relates to COVID-19 mandatory closures.

**18. Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms, as discussed in Statement of Financial Position.

**19. Commitments for Expenditure**

Commitments under operating rent at reporting date are inclusive of anticipated GST and are payable as follows:

**(a) Operating Rent**

Not later than one year	235,855	209,701
Later than one year and not later than five years*	632,184	808,777
<b>Total commitments</b>	<b>868,039</b>	<b>1,018,478</b>

\*The office rental agreement will expire on 13 December 2024. The PLA is committed to the rent obligation to offset the cost of the rental commitments.

Operating rental agreements are entered into as a means of acquiring access to office accommodation and storage facilities. Rental payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

**PROSTITUTION LICENSING AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

**19. Commitments for Expenditure (cont'd)**

**(b) Other Expenditure Commitments**

Other expenditure committed at the end of the period but not recognised in the accounts are as follows:

	2021	2020
	\$	\$
Not later than one year	32,930	52,315
Later than one year and not later than five years	53,926	118,594
Later than five years	-	13,138
<b>Total</b>	<b>86,856</b>	<b>184,047</b>

**20. Contingencies**

**(a) Litigation in progress**

The PLA has no litigation in progress at 30 June 2021.

**(b) Financial Guarantees**

The PLA had provided no guarantees at 30 June 2021.

**21 Subsequent Events Note**

No subsequent events.

**22. New and Revised Accounting Standards**

The PLA did not voluntarily change any of its accounting policies during 2020-2021. Australian Accounting Standards changes applicable for the first time in the 2020-2021 financial year have had minimal impact on the PLA's financial statements.

The PLA is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. The PLA applies standards and interpretations in accordance with their respective commencement dates.

AASB 1059, Service Concession Arrangements: Grantors becomes effective from reporting periods beginning on or after 1 July 2020. The PLA made an assessment and this new standard to the PLA.

**23. Future Accounting Standards**

All Australian accounting standards and interpretations with future commencement dates are either not applicable to the PLA's activities, or have no material impact on the PLA.

**24. Impact of COVID-19**

Due to Non-Essential Business Closure Directions as issued by the Chief Health Officer, brothels have been closed in Queensland since 23 March 2020 and remained closed until 3 July 2020.

In accordance with the legislation and ministerial approval, the PLA waived user charges and fees, from 23 March 2020 for a 6 month period. The purpose of this as to compensate licensees and managers for the forced closure period. The amount of revenue forgone from 1 July 2020 to 23 September 2020 is calculated to be \$21,057 based on user charges and fees received. In 2019-20 a liability of \$200,439 was raised for the refunds. The 2020-21 impact of COVID-19 is minimal.

**25. Schedule of Agency Transactions**

	2021	2020
	\$	\$
<b>Administered collections</b>		
Infringement Notice Revenue	1,928	4,207
<b>Total Administered Collections</b>	<b>1,928</b>	<b>4,207</b>
<b>Transfers to Government</b>		
Administered Collection Transferred to Treasury	1,928	4,207
<b>Total Administered Expenses</b>	<b>1,928</b>	<b>4,207</b>
<b>Operating Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>

**PROSTITUTION LICENSING AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2020-21**

**26. Budget vs Actual Comparison**

NB. A budget vs actual comparison, and explanations of major variances, has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanations of major variances for other statements.

**Statement of Comprehensive Income**

	Variance Notes	Original Budget 2021 \$	Actual 2021 \$	Variance \$	Variance % of budget
<b>Income from Continuing Operations</b>					
<b>Revenue</b>					
User charges and fees		861,000	885,338	24,338	3%
Grants and contributions		725,000	725,000	-	0%
Interest		12,000	11,666	(334)	-3%
Infringement notice revenue *		4,000	1,928	(2,072)	-52%
<b>Total Income from Continuing Operations</b>		<b>1,602,000</b>	<b>1,623,932</b>	<b>21,932</b>	<b>1%</b>
<b>Expenses from Continuing Operations</b>					
Employee expenses	1	1,102,000	975,547	(126,453)	-11%
Supplies and services	2	366,000	306,236	(59,764)	-16%
Rental expenses		207,000	212,094	5,094	2%
Subsidies	3	65,000	21,057	(43,943)	-68%
Depreciation and Amortisation	4	6,000	16,287	10,287	171%
Other expenses		21,000	17,719	(3,281)	-16%
Administered Collection Transferred to Treasury *		4,000	1,928	(2,072)	-52%
<b>Total Expenses from Continuing Operations</b>		<b>1,771,000</b>	<b>1,550,868</b>	<b>(220,132)</b>	<b>-12%</b>
<b>Operating Result from Continuing Operations</b>		<b>(169,000)</b>	<b>73,064</b>	<b>242,064</b>	<b>-143%</b>
<b>Total Comprehensive Income</b>		<b>(169,000)</b>	<b>73,064</b>	<b>242,064</b>	<b>-143%</b>

\* See note 25 - Schedule of Agency Transactions

**Explanations of Major Variances**

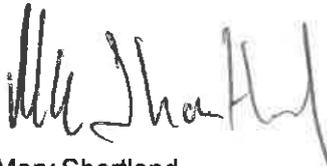
- 1 This variance is mainly due is budgeted positions not filled.
- 2 This variance mainly relates to a decrease in the yearly operating expense regime which includes decrease in utility costs of \$16,344, legal fees of \$9,000 and contractors of \$18,285. The PLA capitalised the website contractor costs.
- 3 This variance is mainly due to the unwinding of unrealised provisions that relates to the COVID-19 forced closures of non essential businesses.
- 4 This variance is mainly due to an increase in depreciable assets due to the capitalisation of the Website design cost.

## CERTIFICATE OF THE PROSTITUTION LICENSING AUTHORITY

These general purpose financial statements have been prepared pursuant to s.62(1) of the Financial Accountability Act 2009 (the Act), section 39 of the Financial and Performance Management Standard 2019 and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Prostitution Licensing Authority for the financial year ended 30 June 2021 and of the financial position of the PLA at the end of that year.

- (c) As the Accountable Officer of the Prostitution Licensing Authority, I acknowledge responsibility under s.7 and s.11 of the Financial and Performance Management Standard 2019 for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Mary Shortland  
Executive Director

Date: 12/8/2021



Walter Tutt  
Chairperson

Date 12/8/2021

## INDEPENDENT AUDITOR'S REPORT

To the Board of the Prostitution Licensing Authority

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of the Prostitution Licensing Authority.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate provided by the Chairperson and the Executive Director.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

The Board of the Prostitution Licensing Authority is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Responsibilities of the entity for the financial report**

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report.

However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

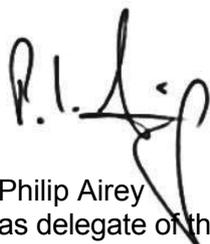
### **Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

### **Prescribed requirements scope**

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Philip Airey  
as delegate of the Auditor-General

17 August 2021

Queensland Audit Office  
Brisbane

# Appendix 1 - Glossary

Authority	Prostitution Licensing Authority	PLA	Prostitution Licensing Authority
CCC	Crime and Corruption Commission	QABA	Queensland Adult Business Association
FAM	Finance and Administration Manual	QPS	Queensland Police Service
PIM	<i>Probity Investigation Manual</i>	the Act	<i>Prostitution Act 1999</i> (unless otherwise indicated)
PIN	Penalty infringement notice		

# Appendix 2 - Annual report requirements

<b>Prostitution Licensing Authority (PLA)</b>					
Act or instrument	<i>Prostitution Act 1999</i>				
Functions	The PLA regulates prostitution in Queensland by administering the Prostitution Act and the Prostitution Regulation. The functions of the PLA are established by statute and include deciding applications for brothel licences and approved managers' certificates, monitoring the provision of prostitution through licensed brothels, and conducting disciplinary inquiries to decide whether there are grounds for taking disciplinary action against brothel licensees and approved managers.				
Achievements	<p>The PLA has maintained its high standard of regulation by careful vetting of applicants for brothel licences and approved managers' certificates to ensure that only suitable persons may influence the operations of brothels. During the year, an application for a brothel licence and an application for an approved manager's certificate were refused after each of the applicants were found not to be suitable persons.</p> <p>Since commencement of the licensing framework, there has been no substantiated instance of official corruption or organised crime or of the instance of human trafficking and associated crimes at any of the State's brothels. Licensed brothels provide a relatively safe and healthy environment for the conduct of prostitution, with the PLA promoting high standards of health and safety and prioritising the autonomy and freedom of choice of sex workers at brothels.</p> <p>A substantial focus of the PLA in 2020-21 was ensuring that brothels operate in a COVID safe manner, for the protection of the community. There were a total of 79 COVID inspections of brothels during the year, focusing on whether the requirements of the <i>COVID Safe Industry Plan: Queensland Sex Industry</i> were being met. Results of compliance checks demonstrate that brothel licensees are overwhelmingly committed to complying with the Prostitution Act, Prostitution Regulation, and brothel licence conditions, although one brothel did fall below the required standard.</p> <p>The PLA continued its engagement with the QPS on stakeholder concerns over the scale and impact of illegal prostitution and is committed to continuing this engagement.</p> <p>During the year, the PLA continued to pursue legislative reforms intended to enhance the regulatory framework for the sex industry in Queensland, support the licensed sector and facilitate more effective regulation by the Authority.</p>				
Financial reporting	Not exempted from audit by the Auditor-General. Transactions of the entity are accounted for in the financial statements.				
<b>Remuneration</b>					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chairperson	Walter Tutt	11	\$650 per day (plus superannuation)	N/A	\$44,846 (including superannuation)
Member	Assistant Commissioner Brian Codd (resigned 1 October 2020)	0	N/A	N/A	\$0
Member	Chief Superintendent (Crime), Crime and Intelligence Command, QPS (appointed 2 October 2020)	8	N/A	N/A	\$0
Member	Sharon Loder	10	N/A	N/A	\$0
Member	Diane Rowling (appointment expired 21 November 2020)	3	N/A	N/A	\$0
Member	Narelle Dickinson (appointed from 18 December 2020)	5	\$7,000 pa (plus superannuation)	N/A	\$2,594 (including superannuation)
Member	Paul Tully	11	\$7,000 pa (plus superannuation)	N/A	\$7,665 (including superannuation)
Member	Margaret Grummitt (appointment expired 21 November 2020)	5	\$7,000 pa (plus superannuation)	N/A	\$3,107 (including superannuation)
Member	Greg Chemello (appointed from 18 December 2020)	5	N/A	N/A	\$0
Member	Lynette Palmen	10	\$7,000 pa (plus superannuation)	N/A	\$7,665 (including superannuation)
Member	Frances de la Cuesta Hunt	11	\$7,000 pa (plus superannuation)	N/A	\$7,665 (including superannuation)
No. scheduled meetings/sessions		11			
Total out of pocket expenses		\$0			

# Appendix 3 - Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
<b>Letter of compliance</b>	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 7</li> </ul>	2
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>Table of contents</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 9.1</li> </ul>	1
	<ul style="list-style-type: none"> <li>Glossary</li> </ul>		58
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 9.2</li> </ul>	Inside Front Cover
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	<ul style="list-style-type: none"> <li>Queensland Government Language Services Policy</li> <li>ARRs – section 9.3</li> </ul>	Inside Front Cover
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	<ul style="list-style-type: none"> <li>Copyright Act 1968</li> <li>ARRs – section 9.4</li> </ul>	Inside Back Cover
	<ul style="list-style-type: none"> <li>Information Licensing</li> </ul>	<ul style="list-style-type: none"> <li>QGEA – Information Licensing</li> <li>ARRs – section 9.5</li> </ul>	N/A
<b>General information</b>	<ul style="list-style-type: none"> <li>Introductory Information</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 10</li> </ul>	3-7
<b>Non-financial performance</b>	<ul style="list-style-type: none"> <li>Government's objectives for the community and whole-of-government plans/ specific initiatives</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 11.1</li> </ul>	9
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 11.2</li> </ul>	9, 28
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 11.3</li> </ul>	14
<b>Financial performance</b>	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 12.1</li> </ul>	12-14
<b>Governance – management and structure</b>	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 13.1</li> </ul>	27
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 13.2</li> </ul>	6,27,46,47
	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 13.3</li> </ul>	N/A
	<ul style="list-style-type: none"> <li>Public Sector Ethics</li> </ul>	<ul style="list-style-type: none"> <li>Public Sector Ethics Act 1994</li> <li>ARRs – section 13.4</li> </ul>	29
	<ul style="list-style-type: none"> <li>Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>Human Rights Act 2019</li> <li>ARRs – section 13.5</li> </ul>	29
	<ul style="list-style-type: none"> <li>Queensland public service values</li> </ul>	<ul style="list-style-type: none"> <li>ARRs – section 13.6</li> </ul>	N/A

Summary of requirement		Basis for requirement	Annual report reference
<b>Governance – risk management and accountability</b>	• <b>Risk management</b>	• ARR – section 14.1	30
	• <b>Audit committee</b>	• ARR – section 14.2	31
	• <b>Internal audit</b>	• ARR – section 14.3	31
	• <b>External scrutiny</b>	• ARR – section 14.4	31
	• <b>Information systems and recordkeeping</b>	• ARR – section 14.5	31,35
	• <b>Information Security attestation</b>	• ARR – section 14.6	N/A
<b>Governance – human resources</b>	• <b>Strategic workforce planning and performance</b>	• ARR – section 15.1	32-33
	• <b>Early retirement, redundancy and retrenchment</b>	• Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> • ARR – section 15.2	32
<b>Open Data</b>	• <b>Statement advising publication of information</b>	• ARR – section 16	35
	• <b>Consultancies</b>	• ARR – section 33.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• <b>Overseas travel</b>	• ARR – section 33.2	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• <b>Queensland Language Services Policy</b>	• ARR – section 33.3	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
<b>Financial statements</b>	• <b>Certification of financial statements</b>	• FAA – section 62 • FPMS – sections 38, 39 and 46 • ARR – section 17.1	54
	• <b>Independent Auditor's Report</b>	• FAA – section 62 • FPMS – section 46 • ARR – section 17.2	55-57

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government agencies*

# Contact Information

## Prostitution Licensing Authority

Chair: Mr Walter H Tutt  
Executive Director: Ms Mary Shortland

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Website: [www.pla.qld.gov.au](http://www.pla.qld.gov.au)

A copy of the Act can be downloaded from [www.legislation.qld.gov.au](http://www.legislation.qld.gov.au)

ANNUAL REPORT 2020–2021

**Prostitution Licensing Authority**

[www.pla.qld.gov.au](http://www.pla.qld.gov.au)