

2019–2020
ANNUAL
REPORT



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 2019-20 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

The PLA's website is www.pla.qld.gov.au. An electronic version of this Annual Report is available from www.pla.qld.gov.au/reportsPublications/annualReport/. Printed copies or further information can be requested from the Office of the PLA by telephone on (07) 3858 9500, by emailing pladmin@iprimus.com.au, or by writing to the Executive Director, Office of the Prostitution Licensing Authority, GPO Box 3196, Brisbane, Qld, 4001.

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.

Have your say

We hope you find our Annual Report 2019-20 useful and informative. This report is part of our commitment to keeping people informed about prostitution and the implementation of the *Prostitution Act 1999*. The PLA welcomes your comments or suggestions about the report design and content. Please send your feedback to the Executive Director, Office of the Prostitution Licensing Authority, GPO Box 3196, Brisbane, Qld, 4001 or by emailing pladmin@iprimus.com.au.

Table of Contents

Message from the Chairperson	4
Message from the Executive Director	6
Year at a Glance – 2019-20	7
About Us	8
Our Vision	8
Our Purpose	8
Our Values	8
Our Operating Principles	8
Contribution to Government objectives for the community	9
Role of the Prostitution Licensing Authority	9
Strategic Risks	10
Opportunities	10
Our Performance	11
Financial performance summary	11
Performance statement	13
Into the future	14
The environment in which we operate	15
Our Stakeholders	17
Communicating with members of the public	17
The PLA website	17
Communicating with the sex industry	17
Communicating with other key stakeholders	18
Our Governance	19
The Prostitution Licensing Authority	19
Appointment of PLA members	19
Current membership	20
Meetings	22
Remuneration	22
Reporting structure and organisation	23

Our Corporate Governance Framework	24
The strategic planning cycle	24
Our strategic objectives	24
Ethical and professional conduct	25
Public interest disclosures	26
Human rights	26
Risk management	26
External audit	27
Internal audit	27
Records management	27
Our People	28
Finance and administration	29
Compliance	29
Policy	30
Information management	30
Open data	30
Financial Statements 2019 - 20	31
Appendix 1 - Glossary	56
Appendix 2 - <i>Annual report requirements for Queensland Government agencies for the 2019-2020 reporting period – Section 13.3 Government bodies (statutory bodies and other entities)</i>	57
Appendix 3 - Compliance Checklist	58

Letter of compliance

24 September 2020

The Honourable Mark Ryan MP
Minister for Police and
Minister for Corrective Services
1 William Street
Brisbane Qld 4000



**Prostitution
Licensing Authority**

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2019-2020 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 58 of this annual report.

Yours sincerely



Walter H Tutt
Chairperson
Prostitution Licensing Authority

Message from the Chairperson

The Prostitution Licensing Authority (PLA) is a licensing and regulatory authority established by the *Prostitution Act 1999* (the Act), with the objective of ensuring that the operations of licensed brothels and prostitution advertising are regulated in accordance with statutory requirements and in the community interest. The Act primarily establishes a scheme for the operation of licensed brothels, with two critical functions of the Authority being to decide applications for brothel licences and approved managers' certificates and regulating and monitoring the provision of prostitution through licensed brothels. These functions are integral to ensuring a licensed brothel sector that is free of the influence of organised crime and corruption and one that promotes the health and safety of sex workers and clients and the broader community.

With the advent of COVID-19, 2019-20 has been a year like no other for the PLA and the licensed sector of the sex industry. To contain the spread of COVID-19 and protect the health and welfare of the community, a range of businesses, including brothels, were deemed non-essential, and subject to compulsory closure. It has been a time of great stress and uncertainty for brothel licensees, approved managers and sex workers, unaware of when brothels would be permitted to reopen for most of the closure period from 23 March 2020. Brothels were permitted to reopen from 3 July 2020, subject to operating in a COVID safe manner.

Recognising the devastating impact of the situation, and in order to provide some support to the licensed sector, the Authority put a fee relief proposal to the Honourable Mark Ryan MP, Minister for Police and Minister for Corrective Services, for his formal approval and direction as required under the Act, which resulted in a ministerial direction being issued to refund six months of brothel licence fees and approved managers' certificate fees in accordance with the Authority's request. The Authority considered this was an important initiative to underpin the licensed sector and make it more likely that licensed brothels would recommence operations when permitted. On the basis of financial information submitted by licensees, some brothels were struggling financially even before being required to close. The Authority was very mindful of the many demands placed upon the Queensland Treasury at this time and put forward the proposal only on the basis that it was cost-neutral to Treasury and funded wholly out of the Authority's own reserves.

The work of the Authority continued throughout the period of compulsory brothel closure. During the year, the PLA has maintained its high standard of industry regulation by comprehensive vetting of applicants for brothel licences and approved managers' certificates to ensure that only suitable persons may influence the operations of Queensland's brothels. A total of 117 licence and certificate applications were received throughout the year and rigorously scrutinised by the Authority. After careful consideration of one application for the renewal of an approved manager's certificate, it was decided to refuse the application on the basis that the applicant was not a suitable person to be an approved manager of a licensed brothel. This was the only application that was refused during the year.

PLA compliance officers conduct rigorous audits and inspections of brothels in order to monitor and achieve compliance with the Prostitution Act, *Prostitution Regulation 2014*, and brothel licence conditions. The outcomes of these compliance activities demonstrate that licensees are mostly diligent in complying with their regulatory obligations and in rectifying any identified non-conformances, so that brothels operate to a high standard. The attention of the great majority of licensees to their compliance obligations is to be commended. However, a small number of licensees have a more lax attitude to their compliance obligations and are more closely monitored. During the year, two licensees appeared before the Authority because of their continued lack of attention to and non-rectification of compliance issues at their brothel. One of these licensees made two appearances before the Authority. While the Authority did not commence any disciplinary inquiries or take any disciplinary action in 2019-20, and prefers to achieve compliance by education and cooperation, disciplinary action remains an option, so that repeated non-compliance and inattention to regulatory obligations may result in disciplinary proceedings. It is also essential for licensees to realise that strict compliance

with regulation benchmarks is an important criterion for consideration when licences are due for renewal. With the reopening of brothels following the period of compulsory closure, in 2020-21 the PLA compliance unit has taken on the additional function of monitoring and enforcing brothel compliance with COVID safe requirements. Our compliance officers have been appointed “Emergency Officers” under recent amendments to the *Public Health Act 2005* with power to give a number of “directions” to “the owner or operator of any business or undertaking” to ensure optimum health standards are implemented and maintained.

In the 20-year history of the PLA, careful scrutiny of applicants and close monitoring of the operations of licensed brothels has ensured that there has been no substantiated instance of the infiltration of organised crime, the incidence of official corruption, or of human trafficking and associated offences such as slavery, servitude and debt bondage at any of Queensland’s licensed brothels. Brothels provide a relatively safe and healthy environment for the conduct of prostitution and the PLA continues to promote high standards of health and safety and prioritise the agency and freedom of choice of sex workers. In February 2020, the Authority distributed the Queensland Government publication, *Prevent. Support. Believe. Queensland’s Framework to address Sexual Violence*, to all brothel licensees and approved managers. The Framework sets out its vision for a Queensland where everyone lives free of the fear, threat or experience of sexual violence. Licensees and managers are in a unique position to contribute to this vision by seeking to achieve a workplace that is free of the fear, threat or experience of sexual violence. They were encouraged to think about the issues raised, to have conversations about sexual violence and to take further action to prevent and respond to the issue at brothels.

The appointment of Ms Margaret Isaac as the Executive Director of the Office of the Prostitution Licensing Authority expired on 17 December 2019. Her long-standing and dedicated service to the Authority since its inception in 2000 is both acknowledged and appreciated. Ms Isaac has been succeeded as Executive Director by Ms Mary Shortland, who has been appointed to the position for a term of three years from 18 December 2019. During 2019-20, the Office of the PLA continued to faithfully fulfil its function of helping the Authority in the performance of its functions. I congratulate and thank all staff for their dedication and application to the many tasks they are required to perform, particularly taking into account that we are a small workforce.

In 2020-21, the Authority continues to be well-placed to administer an efficient and effective brothel licensing and regulatory framework that achieves the objectives of the Prostitution Act, contributes to the Government’s objectives for the community, and meets community expectations.

I place on record the Authority’s appreciation of the support given to it by the Minister and his staff, who are always readily available and supportive of representations made to them. I also recognise and value the assistance of various government agencies that have so professionally supported and enhanced the work of the PLA. I extend 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.

Walter H Tutt
Chairperson

Message from the Executive Director

A year of challenge and change

The Office of the Prostitution Licensing Authority (PLA) faced unprecedented challenges in the second half of 2019-20 due to COVID-19.

Under the Chief Health Officer's *Non-Essential Business, Activity and Undertaking Closure Directions*, brothels in Queensland were closed indefinitely on 23 March 2020. It was 3 July before they would be approved to reopen under Stage 3 restrictions.

The closure put significant financial pressure on an industry already facing challenging economic conditions. The Honourable Mark Ryan MP, Minister for Police and Corrective Services, approved the PLA's proposal to refund licensees and approved managers licensing fees for six months — funded from the PLA's own cash reserves.

During the closure, the Queensland Adult Business Association (QABA) worked with Respect Inc. to produce a COVID Safe Industry Plan for approval by the Chief Health Officer. The plan was approved on 3 July, enabling immediate reopening.

The PLA worked closely with QABA and Queensland Health on the approval of the COVID Safe Industry Plan. We continue to play a key role in ensuring members meet their obligations as a COVID Safe Business; the PLA's compliance officers have been appointed as Emergency Officers under the Public Health Act.

Safe and healthy communities

The PLA's *Strategic Plan for 2020-2024* articulates our vision and values — and highlights the PLA's role in making the community safer. Community health — including promoting safe and secure environments at licensed brothels — is a critical objective in the COVID-19 environment.

The plan also identifies our key priorities for the next three years, including a focus on strengthening stakeholder and client relationships and building our organisational capability. In a practical sense, this includes the project underway to update our website developed in 2003 with a modern site with the ability to translate information into several languages, process online applications and payments, and provide updates to support our licensees' businesses.

PLA performance

During the brothel closure, the PLA Office was closed from 30 March 2020 to 8 May 2020 and all staff worked from home. On 12 June 2020, the office relocated to new premises at 50 Ann Street in the Brisbane CBD.

Applications: during the year 25 brothel licence applications and 92 approved managers certificates were processed.

Compliance performance: despite the closure, the compliance team undertook 130 compliance activities and issued 92 corrective actions.

Financial performance: budget outcomes reflect \$318k of fees refunded to licensees and approved managers and a one-off severance payment.

Thank you

Since I commenced as Executive Director in January 2020, I have had the support and guidance of Chairperson Mr Walter Tutt and the PLA Board.

Thank you to the PLA team for your ongoing commitment during an unexpected challenge.

Mary Shortland
Executive Director

Year at a Glance – 2019-20

Licensed Brothels - 20

Brisbane - 12
Gold Coast - 5
Sunshine Coast - 1
Toowoomba - 1
Cairns - 1

Applications

Brothel Licence - 25

New applications - 4
Annual returns - 9
Renewal applications - 12
Rejected - Nil

Approved Manager's Certificate - 92

New applications - 22
Annual returns - 47
Renewal applications - 23
Rejected - 1

Compliance

Compliance activities - 130

Corrective actions - 92

Penalty infringement notices issued - 11

QPS issued - 9
PLA issued - 2

Disciplinary Inquiries – NIL

Complaints - 31 100% resolved

Operation of licensed brothel - 17
Prostitution advertising - 1
Illegal prostitution activity - 7
Other - 6

Police entries to licensed brothels - 6

88 on Logan - 1
Cleo's on Nile - 2
Utopia in Paradise - 3

Our Finances

User charges and fees - \$0.9 million

Grants and contributions - \$0.7 million

Expenses from Continuing Operations - \$2.0 million

Operating Result from Continuing Operations - \$0.4 million shortfall

About Us

Our Vision

To ensure that the operations of licensed brothels and prostitution advertising are regulated in accordance with statutory requirements and in the community interest.

Our Purpose

The core role of the PLA is to administer the *Prostitution Act 1999* and the *Prostitution Regulation 2014*.

Our Values

Respect
Integrity
Health and safety
Impartiality
Responsiveness

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 their decision-making and actions.

Our Operating Principles

The PLA acts in the public interest.

The PLA is committed to assisting in the prevention of corruption and organised crime in licensed brothels.

The PLA is committed to promoting and improving safety and health in the sex industry and in the wider community.

The PLA places emphasis on consultation to reach the objectives of the organisation.

The PLA provides a rewarding and safe work environment free from discrimination on the basis of gender, race, religion, sexual preference or disability.

Contribution to Government objectives for the community

The PLA contributes to the Queensland Government's objectives for the community, *Our Future State: Advancing Queensland's Priorities*:

- Keep communities safe by promoting safe and secure environments at licensed brothels, prioritising the agency of sex workers, and the sexual health of the community, and by monitoring compliance. The probity, compliance and educative functions of the PLA are integral to achieving these objectives.
- Be a responsive Government by promoting integrity and accountability.

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

- The resilience of the licensed sector to respond to the COVID-19 impact and other economic shocks, leading to a contraction of the sector.
- The infiltration of organised crime and official corruption in licensed brothels, compromising the integrity of the licensing framework.
- The nature and extent of unlawful prostitution, detrimentally impacting the viability of the licensed sector, the safety of sex workers and on community amenity more generally.
- Over-regulation of the licensed sector, which may be a disincentive to legal operations, particularly in the context that the sector is only a small proportion of Queensland's overall sex industry.
- Challenges to the traditional model of brothels, such as disruptive social media innovations, which may impact the viability of the licensed sector and enhance opportunities for illegal prostitution operators.
- Competing ideologies and regulatory frameworks about the appropriate response to prostitution, which may result in uncertainty about the future of the licensing framework, limiting the potential for new investment.

Opportunities

- Educating the community and our stakeholders about issues to do with prostitution, in a way which challenges persistent mythologies and stereotypes about the industry and which addresses the persistent stigma of sex work.
- Improving processes and responding to client needs, ensuring quality service delivery for a geographically and culturally diverse client base.
- Engaging with our stakeholders and other agencies to improve knowledge about the extent and impact of unlawful prostitution in order to promote a more effective response.
- Capitalising on the skills and expertise of our people and enhancing knowledge 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 (Figure 1) 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. The increase in fees revenue was mainly due to the timing of the lodgement of brothel licence applications.

The increase in employee expenses (Figure 2) relate to a redundancy payout.

Subsidies 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 1

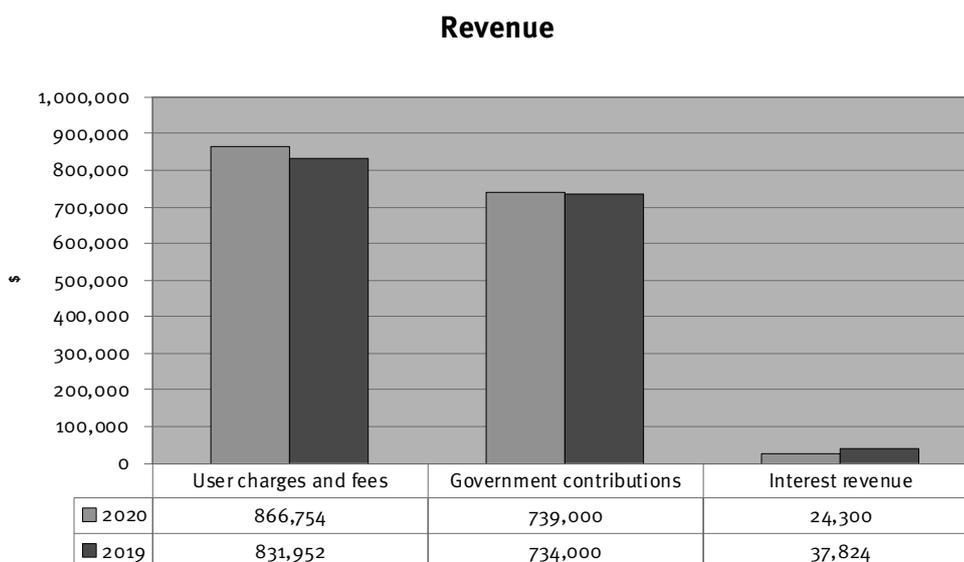
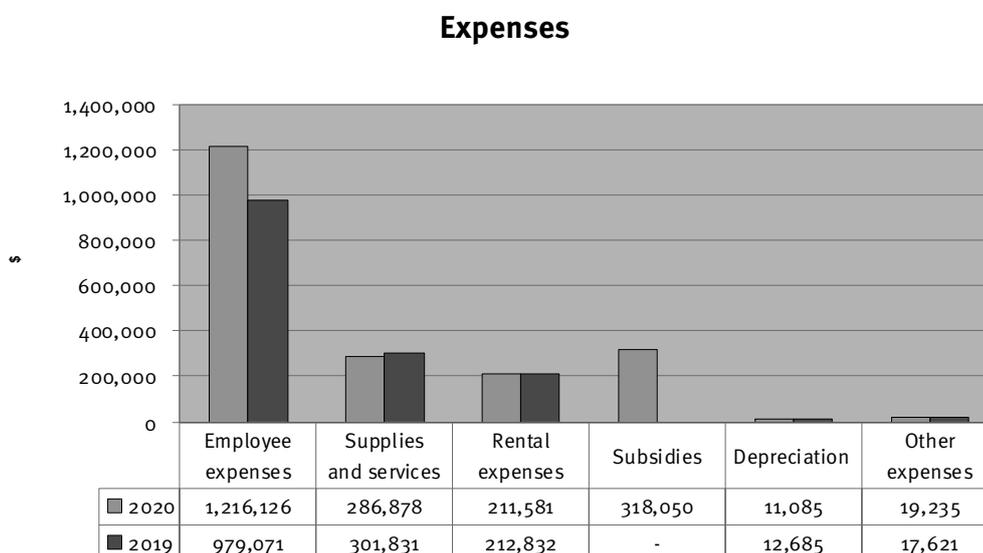


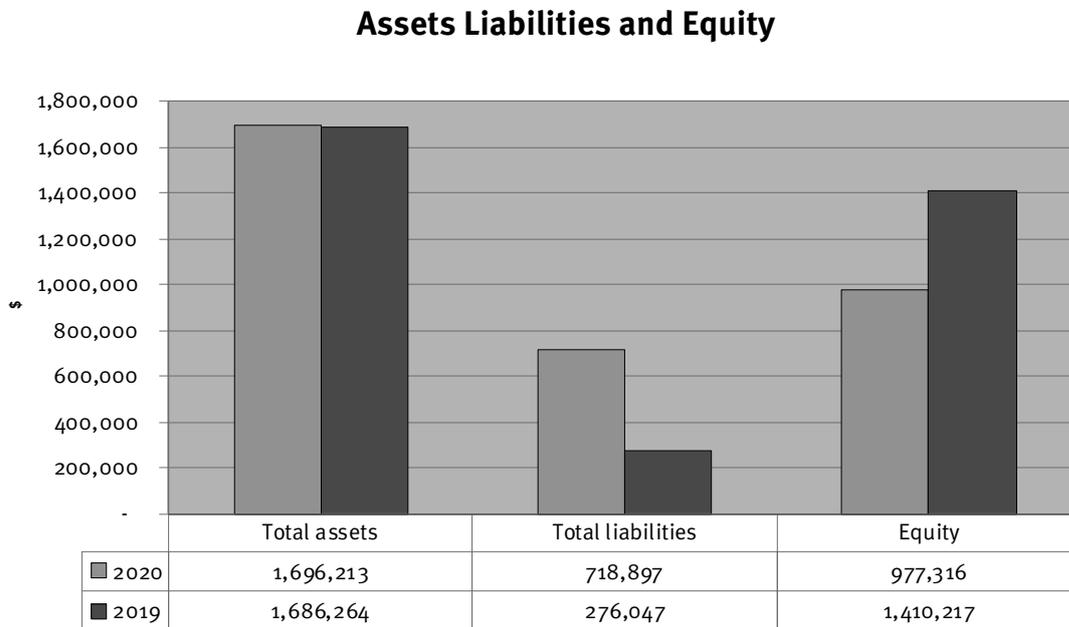
Figure 2



Statement of Financial Position

The Statement of Financial Position measures the value of assets, liabilities and equity of the Authority (Figure 3) as at 30 June 2020. The increase in liabilities and decrease in equity mainly relate to the COVID-19 subsidies.

Figure 3



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 an increase in cash from \$1,592,374 at 30 June 2019 to \$1,658,230 at 30 June 2020.

Performance statement

The PLA has developed a number of ‘service standards’ in order to provide information about 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 2019-20

Prostitution Licensing Authority	Notes	2019-20 Target/Est.	2019-20 Actual
Service standards			
<i>Effectiveness measures</i>			
Percentage of licensed brothels implementing best practice standards	1	100%	90%
Satisfaction of applicants with PLA client service	2	95%	98%
Percentage of complaints resolved	3	95%	100%
<i>Efficiency measure</i>			
Fees income as a percentage of total budget	4	51%	53%

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. The variance between the Target/Est and the Actual is due to the audit rating of two brothels falling below 80 percent. Due to the COVID-19 compulsory closure of brothels, it was not possible to do a follow-up audit of these brothels.
2. This standard is a measure of overall 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 2020-21 are to:

- monitor and enforce the compliance of brothels with COVID safe requirements, including the *COVID Safe Industry Plan: Queensland Sex Industry* and the incorporated COVID Safe Checklist: Queensland Legal Brothels
- monitor the impact of the unfolding COVID-19 pandemic and the impact of the response on the licensed sector of the sex industry
- closely monitor the small number of brothels that have fallen below the expected threshold of regulatory compliance and take action to achieve an improvement in outcomes
- develop and implement a stakeholder engagement strategy where we effectively consult with stakeholders, including the Queensland Adult Business Association
- strengthen the online user experience to enhance stakeholder engagement
- continue to engage with the QPS about stakeholder concern over the extent and impact of unlawful prostitution operators
- engage with the Minister for Police and with other government agencies on the regulation of the State's sex industry
- contribute to any reviews or inquiries impacting on the PLA or the State's sex industry
- educate the community and stakeholders about issues to do with prostitution, including correcting common myths and misperceptions about the sex industry and challenging the persistent stigma of sex work
- build organisational capability.

The environment in which we operate

The latter half of 2019-20, with the emergence of the COVID-19 global pandemic, has been a time of great challenge and uncertainty. It has caused a health crisis that is unprecedented in recent times and which has had a profound social and economic impact, the effects of which will continue to be felt in the years and possibly decades to come. There has been a far-reaching and coordinated response by governments across the nation, which have imposed necessary and appropriate restrictions designed to suppress the transmission of the virus, in order to limit its associated effects on the community in terms of morbidity and mortality.

The immediate impact on the licensed sector of the sex industry was the compulsory closure of all brothels for a period of approximately 15 weeks. On 23 March 2020, being identified as a non-essential business under directions issued by the Queensland Chief Health Officer, Dr Jeannette Young, all brothels (along with a range of other businesses) in Queensland were required to close until further notice. On 8 May, the Queensland Government issued a *Roadmap to easing Queensland's restrictions: A step-down approach to COVID-19*, involving a phased approach to easing restrictions, in three stages from 16 May 2020. Being high risk, at the time, brothels were not included in the Roadmap. Commercial sexual services involve close physical contact incompatible with social distancing and both sex workers and clients have traditionally had expectations about anonymity that may make contact tracing problematic. Subsequently, on 30 June 2020, it was announced that from the commencement of stage three of the easing of restrictions from midday on 3 July 2020 brothels would be permitted to reopen, provided that they comply with the approved *COVID Safe Industry Plan: Queensland Sex Industry*, including the incorporated Checklist for Queensland Legal Brothels. This was a most comprehensive plan involving all stakeholders working together to achieve the desired result.

The compulsory closure has been devastating for brothel licensees and approved managers. Whilst business cashflow was reduced to zero, business outgoings continued. Approved managers lost their source of income from working in brothels. Sex workers also lost access to this source of work.

On 25 May 2020, at the request of the Authority, pursuant to s. 126 of the Prostitution Act, the Minister issued a written direction to the Prostitution Licensing Authority to refund brothel licence and approved managers' certificate fees to each holder of a licence or certificate on a pro-rated, monthly basis, in respect of the applicable fees paid by each holder for a six month period from 23 March 2020 until 22 September 2020. This was done for the purpose of extending fee relief to brothel licensees and approved managers due to the compulsory closure of brothels. The refunds are to be paid from the Prostitution Licensing Authority fund established under s. 123 of the Act. This means that the Authority is self-funding the fee relief initiative from its own cash reserves. It has not received any additional government funding, which was the basis of the Authority's initiative.

In issuing the direction, the Minister took into account a range of matters put to him by the Authority, including:

- the impact of the closure
- the probable duration of the closure
- that for the duration of the closure neither a licence nor certificate could be utilised for its intended purpose and was effectively rendered inoperative, so that licensees and approved managers were not receiving a benefit for the fees they had paid
- that fee relief for licensees and managers is consistent with the Government's commitment to provide financial support to businesses and industries impacted by the COVID-19 pandemic.

This fee relief initiative has been welcomed by the sector and assisted brothels to remain afloat. In addition, under ss. 24A and 50A of the Prostitution Act respectively, brothel licensees and approved managers unable to pay their annual fees due to financial hardship caused by exceptional circumstances may make an application to the Authority for a payment plan. The PLA has informed licensees and managers that the COVID-19 compulsory closure of brothels constitutes exceptional circumstances. Some licensees have taken advantage of this initiative.

During the compulsory closure period, there were 20 licensed brothels in Queensland and all are expected to reopen. There will be an enhanced compliance burden for the PLA compliance unit because they have been appointed as emergency officers (general) under the *Public Health Act 2005*. This means that in addition to their regular compliance function under the Prostitution Act, they are also responsible for monitoring and enforcing the compliance of brothels with COVID SAFE requirements. The ongoing resource implications of this additional responsibility will be monitored and appropriately responded to.

The long-term impact of the COVID-19 situation on brothels remains to be seen. In times of economic downturn, more people may engage in sex work so that brothels may face greater competition from other sectors of the sex industry. On the other hand, it may also mean that there are a larger number of individuals willing to provide sexual services at brothels. More unemployment and household debt and constrained wages will also impact disposable income and discretionary spending which may have a flow-on effect to custom at brothels. The ability of brothels to trade out of this situation is unknown and the long-term survival of all current brothels cannot be assumed.

At the beginning of 2019-20, there were 20 brothels in Queensland. For a period of about four months during the year, there were 21 brothels, before returning to 20 brothels. On 28 October 2019, a new brothel opened at Coopers Plains in Brisbane but on 2 March 2020 a brothel at Crestmead in Logan ceased to operate. On 2 March 2020, a person was granted a brothel licence to operate a brothel in Townsville. The brothel commenced operation on 26 August 2020, bringing to 21 the total number of licensed brothels in Queensland. The opening of this brothel in Townsville has also brought to two the number of brothels operating outside of South East Queensland, with an existing long-term brothel in Cairns. This confined geographical distribution of brothels, with most in either Brisbane or the Gold Coast, means that in many parts of Queensland the only lawful option for both sex workers and clients is private (sole operator) sex work. During the year, the PLA also received a brothel licence application for a proposed new brothel on the Sunshine Coast. However, on 17 July 2020, the applicant notified the Authority of the withdrawal of the application. There was also a brothel licence application received during the year for a new brothel in Mackay. It is expected that this application will be decided in 2020-21. If it is granted, with the addition of the brothel in Townsville, and assuming no current brothel ceases trading, it would bring total brothel numbers to 22 at some point during 2020-21.

The licensed sector represents only a small proportion of the overall sex industry. Competition with unlawful prostitution operators is a significant (but not the only) factor explaining the size of the sector. During the year, brothel licensees continued to raise concerns about the extent of unlawful prostitution and the impact on their lawful business. The PLA has continued its engagement with the Queensland Police Service about unlawful prostitution and was active in communicating stakeholder concerns to that agency and in the referral of intelligence and relevant complaints. The QPS, particularly the Prostitution Enforcement Taskforce, has been responsive to stakeholder concerns and successfully taken action against unlawful operators throughout the year. It took action to disrupt the unlawful sector under the provisions of Part 5 of the Prostitution Act by having particular premises on the Gold Coast declared a prohibited brothel, resulting in closure of the premises. The Authority acknowledges the commitment and capacity of the QPS to target and disrupt criminal elements involved in organised unlawful prostitution activities in Queensland and the service is to be congratulated for its ongoing commitment in this regard. Associated with this, it should be noted that workers at unlawful prostitution businesses are prone to the risk of unsafe working conditions, exploitation and violence, with few avenues of redress, for the very reason that such businesses are operating outside the law.

On 21 October 2019, proposed amendments to the Prostitution Act intended to improve the operational efficiency and effectiveness of the brothel licensing framework and to facilitate PLA oversight of the licensed sector of Queensland's sex industry were not proceeded with when the Honourable Yvette D'Ath MP, Attorney-General and Minister for Justice, announced her intention to refer the development of an appropriate regulatory framework for the sex industry to the Queensland Law Reform Commission. Respect Inc, a Queensland sex worker organisation, has engaged in a long-running campaign advocating the decriminalisation of the sex industry. On 25 November 2019, the Attorney-General said that the referral would occur as part of the future program of work of the Commission, mentioning the current referrals before the Commission and that there would be consultation with the Commission about the timing of future work and the terms of reference. There was no referral of the matter during the year, with the Government continuing to monitor the effectiveness of the current regulatory approach.

Our Stakeholders

Licensed brothels and sex workers operate across the State and the PLA endeavours to offer a range of options to liaise with and provide assistance to the industry. The PLA's objective is to communicate effectively with the industry, stakeholders and the public.

Overall, the PLA's communication can be clustered into three broad groups:

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

Communicating with members of the public

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 Authority's fact sheet series is integral to its communications strategy. They assist interested parties in understanding the work of the PLA, the requirements for involvement in the licensed brothel sector, and promote knowledge of the legal framework for the sex industry in Queensland. These fact sheets have been posted on the PLA's website, distributed to licensed brothels, sent to national sex worker organisations in Australia and New Zealand, and are available from the PLA's office.

The PLA website

The PLA website is an important tool by which the Authority makes information available to the sex industry and public on an ongoing basis. The website contains information relating to the PLA and the sex industry and is continuously updated. As the website provides one of our primary means of reaching our stakeholders on an ongoing basis, we ensure that many of our publications are available electronically. The website also contains links to other sites that may be of interest to both the industry and the public.

The website is not as modern, 'user friendly' or easy to navigate as it could be and during 2019-20 a process to upgrade the website commenced. This will make it a more useful communication tool, with enhanced functionality and it will be easier to update the information. It is expected that the upgrade will occur in 2020-21.

During the year, policies were approved under s. 48A of the *Crime and Corruption Act 2001* to set out how the PLA will deal with a complaint that involves or may involve corrupt conduct of its Chairperson as defined in the Crime and Corruption Act and how the Office of the PLA will deal with a complaint that involves or may involve corrupt conduct of its Executive Director as defined in the Crime and Corruption Act. Each of these policies was published on the PLA website.

Communicating with the sex industry

In the latter part of 2019-20, in response to the COVID-19 pandemic, brothel licensees re-formed the Queensland Adult Business Association (QABA), which had previously been disbanded. This will facilitate PLA communication and liaison with the licensed sector of the sex industry and provide for more cohesive policy input and feedback from the sector. QABA was instrumental in ensuring a sector-wide response to the COVID-19 pandemic and in having brothels included in stage three of the Roadmap to easing restrictions. The Authority is committed to ongoing engagement with QABA in 2020-21.

During 2019-20, the PLA continued its engagement with the Queensland sex worker organisation, Respect Inc. Staff of the Office of the PLA and Respect Inc discussed topical matters and any issues of concern. In appropriate cases, the PLA refers sex workers (particularly sole operator sex workers) to Respect Inc for assistance. The PLA has provided the organisation with fact sheets and brochures and the PLA has some Respect Inc resources at its office. The PLA is committed to ongoing engagement, on relevant matters, with Respect Inc in 2020-21.

To better meet the needs of culturally and linguistically diverse (CALD) sex workers, the PLA has produced a number of multilingual (English, Chinese, Korean, and Thai) fact sheets.

The Authority publishes a monthly newsletter, *In Touch*, which is distributed to its stakeholders and available from its website. The newsletter focuses on topical issues, changes to legislation and policy, research about the sex industry worldwide and growing trends within the sex industry generally, health and safety issues relevant to sex workers and their clients, high risk compliance issues identified through the PLA compliance program, correcting common myths and misperceptions about the sex industry, and challenging the persistent stigma of sex work. This year, *In Touch* has included articles on a wide range of matters, including about unlawful prostitution and police action taken against unlawful operators, the licensing framework, sexual violence, sex work law reform, use of commercial sexual services by persons with disabilities, stigma and discrimination experienced by sex workers, safety information for sole operator sex workers, financial institutions discriminating against adult industry businesses, the criminalisation of sex work, human trafficking for the purpose of sexual exploitation, myths about sex work, and issues related to the COVID-19 pandemic.

Licensees and approved managers were sent a range of information throughout the year, including in respect of their obligations and responsibilities and the standards expected of them by the PLA and about matters relevant to the COVID-19 pandemic.

The Authority generally meets with brothel licensees when they first apply for a brothel licence and when they apply for its renewal. This gives an opportunity for them to provide feedback and to raise any issues of concern, whether about their treatment by the PLA, their brothel operations, the licensed sector generally, or the sex industry more broadly. Licensees and managers may also request to address members of the PLA at their monthly meetings in order to talk about any issues of concern.

Communicating with other key stakeholders

We met, as required, with our key stakeholders and have assisted other agencies to perform their functions with regard to prostitution issues. Figure 5 shows the number of meetings we held with those key stakeholders. Meetings are just one way of measuring the Authority's stakeholder engagement. Other more common forms of communication with stakeholders included telephone calls, emails, and letters.

Figure 5: Key stakeholders attending meetings with the PLA 2019–20

Group	Number
Licensees and managers, applicants, potential applicants	16
QPS	8
Other government agencies	6
Other organisations	4
TOTAL	34

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 (8) 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.

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. The areas of law in which he has practised include: 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

Assistant Commissioner Brian Codd APM has been 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 is for five years from 6 June 2019. He is currently Assistant Commissioner Brisbane Region. Prior to that, he was Assistant Commissioner State Crime Command. He first joined the QPS in 1984 and has experience in general duties, investigations, covert policing, intelligence, education and training, disaster and emergency management, and command roles. He qualified as a Detective, Intelligence Analyst and Covert Surveillance Operative. Assistant Commissioner Codd has been a Commissioned Officer since 1998, undertaking a variety of command and leadership roles at the Queensland Police College and Academies, the Specialist Response Branch, the Crime and Misconduct Commission, and the Ethical Standards Command. In 2011, he was appointed Assistant Chair to the State Disaster Coordination Group and in 2014 he was appointed by the Premier as State Disaster Recovery Coordinator. In 2015, he was appointed as Assistant Commissioner, South Eastern Region, responsible for policing services for the Gold Coast and Logan. Assistant Commissioner Codd has undergraduate qualifications in Human Resource Management and Intelligence Practice and his postgraduate qualifications include a Graduate Diploma in Further Education and Training and a Master of Management (Leadership). In 2012, he was awarded an Australian Police Medal for distinguished service.

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

Dr Diane Rowling has been a member of the PLA since 2005. She is appointed pursuant to s. 102(1)(d) of the Prostitution Act as a health practitioner. Her current term of appointment is for five years from 22 November 2015. Dr Rowling is a Public Health and Sexual Health Physician. She is currently a Senior Medical Officer with the Brisbane Sexual Health and HIV Service and is a former Medical Director of Family Planning Queensland. Dr Rowling has held community health positions in the Northern Territory and regional Queensland with a focus on indigenous health issues.

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 for a period of 12 months from 15 November 2018. 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

Ms Margaret Grummitt has been appointed to the PLA as local government representative, pursuant to s. 102(1)(f) of the Prostitution Act. Her current term of appointment is for five years from 22 November 2015. She was first appointed to the PLA in November 2012. Ms Grummitt served as a Councillor on the Gold Coast City Council for 12 years, until her retirement at the March 2016 local government election. Prior to her local government service, Ms Grummitt was a member of the QPS for 30 years. She is a strong advocate for socially disadvantaged and lower socioeconomic members of the community, and for young women entering the labour force. Since retiring, Ms Grummitt has taken up a diplomatic post as the Philippine Honorary Consul General in Brisbane.

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 9 meetings in 2019-20. Details of individual member attendance at these meetings is at Appendix 2.

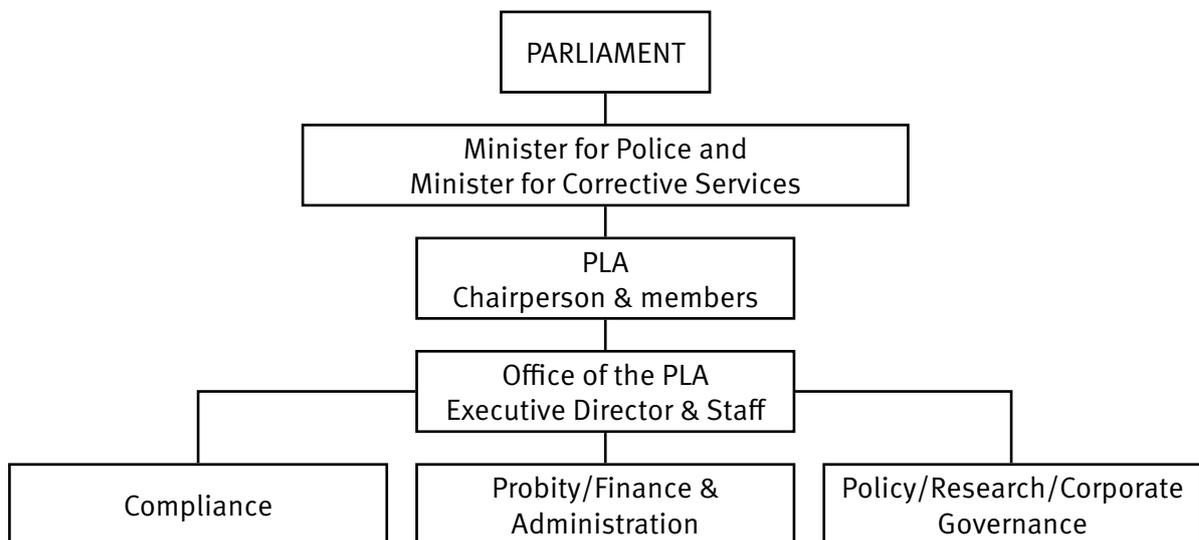
Remuneration

The Chairperson and members of the PLA were collectively paid \$75,366 during 2019-20, 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 State 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 currently seven full-time equivalent employees, employed under the *Public Service Act 2008*. The PLA organisational structure provides for nine staff in total, which is reflected in the budget, however, one position remained vacant throughout the year, and the total number of full-time equivalent employees of the Office of the PLA as at 30 June 2020 was eight. Staff of the office are managed by the Executive Director, who in turn reports to the PLA. The PLA reports to the Minister for Police and Minister for Corrective Services, the Honourable Mark Ryan MP, and to the Parliament of Queensland.

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 2019-23 identifies the following strategic objectives.

Figure 7

Objectives	Strategies	Performance indicators	Achievements
To ensure an efficient and effective brothel licensing system.	<p>Monitoring and improving licensing processes.</p> <p>Enhancing the legislative framework for prostitution in the State.</p> <p>Engaging with other agencies on the regulation of the sex industry.</p> <p>Responding to stakeholder feedback and input.</p>	The extent to which the PLA is able to secure proposed legislative amendments.	<p>The PLA continues to engage with the Government on the regulation of the State's sex industry.</p> <p>Proposed amendments to the Prostitution Act will be referred to the Queensland Law Reform Commission which will consider the development of an appropriate regulatory framework for the sex industry.</p>
To have a licensed brothel sector that complies with the Prostitution Act and best practice standards.	<p>Educating brothel licensees and approved managers about their regulatory obligations and the expectations of the PLA.</p> <p>Monitoring the provision of prostitution at all licensed brothels, including identifying non-conformances and imposing corrective actions.</p> <p>Ensuring that brothel licence conditions are contemporary and adequately provide for the health and safety of sex workers, other staff, and clients.</p>	Implementation of best practice standards at all licensed brothels (an audit rating of at least 80%).	<p>90% of brothels have implemented best practice standards.</p> <p>During the year, two brothels fell below the required threshold of regulatory compliance. These brothels will be closely monitored by the PLA and appropriate action taken to assist to bring them to the required standard.</p>

Objectives	Strategies	Performance indicators	Achievements
To inform the sex industry, community and Minister for Police about relevant prostitution issues.	<p>Publish and disseminate fact sheets, newsletters and other documents.</p> <p>Engage with stakeholders and other agencies, including the Queensland peer sex worker organisation, Respect Inc.</p> <p>Regular and timely communication with the Minister for Police.</p>	<p>Monthly production of the PLA newsletter, <i>In Touch</i>, and dissemination to key stakeholders.</p>	<p>The <i>In Touch</i> newsletter was published and disseminated to stakeholders 11 times throughout the year.</p>
To provide a safe, fair and productive workplace at the PLA.	<p>Provide responsive service delivery.</p> <p>Invest in our people through training and development to meet the current and future needs of the PLA.</p> <p>Acknowledge and reward individual and team effort.</p>	<p>Rates of staff absenteeism that are comparable to the Queensland Public Service average.</p>	<p>Between 2012-13 and 2017-18, the average rate of sick leave across the public service was 7.09 days (Public Service Commission, <i>Queensland public sector: State of the sector 2018</i>).</p> <p>In 2019-20, the average number of sick days taken by staff of the Office of the PLA was 9 days.</p> <p>Note: There is an inherent volatility due to the small staffing size of the office and just one employee with a higher than normal rate of sick leave can throw out the average.</p>

Ethical and professional conduct

High standards of ethical conduct continue to be one of the PLA's major objectives. All staff of the Office of the PLA are subject to the single *Code of Conduct for the Queensland Public Service*. The administrative procedures and management practices of the Authority have proper regard to the ethics principles and values and the Code of Conduct. All staff have been provided with a copy of the code. Staff are provided with information on public sector ethics at induction, and throughout the year.

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 and there were no changes notified in 2019-20.

To overcome any potential conflict of interest when considering brothel licence and approved manager's certificate applications, we comply with guidelines established in our *Probity Investigation Manual* (PIM). The PIM identifies procedures to notify 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 2019-20.

Public interest disclosures

The PLA received no public interest disclosures under the *Public Interest Disclosure Act 2010* during the year.

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. The Authority's complaints policy has been amended to reflect that a person is entitled to make a complaint to the PLA if that person believes that the PLA has breached their human rights. No complaints were received in 2019-20. All staff of the PLA have been encouraged to complete online human rights training.

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. In conducting this assessment, previous risk assessments were reviewed to determine those risks and controls which had been previously identified. The most recent systems appraisal was also reviewed. As with any organisation, staff are best placed to identify associated risks. 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.

The PLA has been in operation since 1 July 2000. In the intervening years, the risks facing the PLA have been identified and addressed through the successive development of policy and procedures. Risk control measures have been implemented across the agency for all business areas and there is a 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, which can then be assessed and remedied by the institution of new control measures or by modifying 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 Authority 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 Authority has a robust governance framework in place with clear accountabilities and arrangements to minimise financial risks. Ultimately, oversight is provided by PLA members. The PLA has implemented a framework for a regular systems appraisal instead of a separate internal audit function. The systems appraisal, which is conducted once every three years at a minimum, aims to assess the appropriateness of systems and procedures and the proper functioning of internal controls. The systems appraisal is undertaken in conjunction with the broader risk management process.

In 2017-18, 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 2020-21.

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 which help the PLA in the performance of its functions. Staff focus on areas such as finance, administration, policy development, research, forensic accounting, probity investigation, and audit and compliance processes.

As at 30 June 2020 the total number of full-time equivalent employees of the Office of the PLA was eight (8) (figure 8).

During the period, one employee received a redundancy package at a cost of \$144,797. No early retirement or retrenchment packages were paid during the period.

The appointment of Ms Margaret Isaac as Executive Director of the Office of the PLA expired during the year and she was succeeded to the position by Ms Mary Shortland. No staff of the office resigned during the year. The office's recruitment practices ensure that its officers possess the skills and knowledge needed to continue to achieve its priorities.

The Office of the PLA has flexible workplace arrangements to support the attraction and retention of staff, and to promote work-life balance, including time-off-in-lieu, flexible working hours, and carer's leave. The PLA has adopted 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. To support staff, they may access employee assistance services. In recognition of the importance of work-life balance, the Authority has encouraged all staff of the office not to accrue excessive recreation leave balances and they may not accrue more than 40 days at any one time, other than in special circumstances and at the discretion of the Authority.

Due to the COVID-19 pandemic and associated social distancing requirements and directions issued by the Chief Health Officer, all staff of the office worked from home from 30 March 2020 to 8 May 2020.

On 12 June 2020, the PLA office relocated to the State Law Building, Level 20, 50 Ann Street, Brisbane, from its previous office location at Milton. The office incorporates COVID safe work practices.

The PLA's success depends on building the capability of its workforce. In recognition of the benefit of relevant training, staff and management work together to identify appropriate development opportunities. This assists both individual career progress and strengthens the PLA's overall capability. The PLA encourages all staff to undertake relevant professional development.

Due to the small number of staff, the Office of the PLA is in the unique position of being able to maximise open communication processes. Regular inter-staff liaison and meetings provide an ideal forum to ensure staff are kept well informed, to air grievances, and to resolve any issues that may be identified.

There was no overseas travel undertaken by either members of the PLA or staff of the Office of the PLA in 2019-20.

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

Staff category	Female	Male
SES	1	
AO7–AO8	1	2
AO4–AO6	1	1
AO2–AO3	2	
TOTAL	5	3

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 also has a key role in the development and implementation of effective resource management. During 2019-20, finance and administration continued to process brothel licence and approved manager’s certificate applications, including conducting financial probity of brothel licence applicants. A review of the approved manager’s certificate application form was commenced in order to simplify and rationalise it and make it more ‘user friendly’. The finance and administration section contributed to the fee relief proposal and are responsible for administration of the initiative. They deal with human resources and information technology matters, with the assistance of the QPS. The section was fundamental to managing and coordinating the PLA office relocation, with assistance from the Public Safety Business Agency. The section manages the finances of the PLA and budgetary and reporting processes.

The Authority did not incur any expenditure on consultancies for 2019-20.

Compliance

The compliance section of the office comprises two full-time staff members, responsible for monitoring the provision of prostitution at licensed brothels and reviewing and making recommendations on the operational standards of brothels. During 2019-20, they continued to conduct compliance activities, including audits and inspections of brothels and the imposition of corrective actions. Regular compliance activities ceased during the period of compulsory brothel closure. The compliance section has provided 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. The multilingual *Operational Standards Manual*, designed to cover all aspects of brothel management and intended to promote compliance and support high standards of lawful operations at brothels, was reviewed and updated during the year. In 2020-21, PLA compliance officers will take on the additional function of monitoring and enforcing COVID safe requirements for brothels, after their appointment as emergency officers (general) under the Public Health Act.

Policy

The policy section consists of one full-time staff member responsible for a range of outputs. The section develops policy and legislative proposals and liaises and consults with the QPS and other entities. This section had the lead in drafting the proposal for fee relief for licensees and managers, including taking legal advice. The section also managed the process of identifying, seeking and facilitating with the QPS, proposed amendments to the Prostitution Act. The section is also responsible for drafting submissions to inquiries, responding to requests for input from other agencies and managing whole-of-government reporting processes. The section is also responsible for drafting briefs to the Minister, drafting responses to ministerial requests, drafting correspondence to stakeholders and drafting the *In Touch* newsletter.

Information management

An area where the PLA receives assistance from the QPS is in the provision of Information Technology (IT) services and support, which includes maintenance of the PLA website.

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

2019 - 20

Prostitution Licensing Authority Financial Statements 2019-2020

Contents

	Page No.
Statement of Comprehensive Income	33
Statement of Financial Position	34
Statement of Changes in Equity	35
Statement of Cash Flows	36
Notes To and Forming Part of the Financial Statements	37-51
Management Certificate	52

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@iprimus.com.au or visit the PLA's Internet site 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 2020

	Notes	2020 \$	2019 \$
Income from Continuing Operations			
Revenue			
User charges and fees	2(a)	866,754	831,952
Grants and contributions	2(b)	739,000	734,000
Interest		24,300	37,824
Total Income from Continuing Operations		1,630,054	1,603,776
Expenses from Continuing Operations			
Employee expenses	3	1,216,126	979,071
Supplies and services	7	286,878	301,831
Rental expenses	8	211,581	212,832
Subsidies	9	318,050	-
Depreciation		11,085	12,685
Other expenses	10	19,235	17,621
Total Expenses from Continuing Operations		2,062,955	1,524,040
Operating Result from Continuing Operations		(432,901)	79,736
Total Comprehensive Income		(432,901)	79,736

The accompanying notes form part of these statements.

PROSTITUTION LICENSING AUTHORITY
Statement of Financial Position
as at 30 June 2020

	Notes	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	11	1,658,230	1,592,374
Receivables	14	4,069	6,974
Other Assets		374	7,421
Total Current Assets		1,662,673	1,606,769
Non-Current Assets			
Other Assets		-	374
Plant and equipment	15	33,540	79,121
Total Non-Current Assets		33,540	79,495
Total Assets		1,696,213	1,686,264
Current Liabilities			
Payables		75,892	41,136
Accrued employee benefits	16	297,305	25,324
Other Liabilities	17	345,700	209,587
Total Current Liabilities		718,897	276,047
Total Liabilities		718,897	276,047
Net Assets		977,316	1,410,217
Equity			
Accumulated surpluses		977,316	1,410,217
Total Equity		977,316	1,410,217

The accompanying notes form part of these statements.

PROSTITUTION LICENSING AUTHORITY
Statement of Changes in Equity
for the year ended 30 June 2020

	Notes	Accumulated Surplus \$
Balance as at 1 July 2018		1,330,481
Operating Result from Continuing Operations		79,736
Balance as at 30 June 2019		1,410,217
		\$
Balance as at 1 July 2019		1,410,217
Operating Result from Continuing Operations		(432,901)
Balance as at 30 June 2020		977,316

The accompanying notes form part of these statements.

PROSTITUTION LICENSING AUTHORITY
Statement of Cash Flows
for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
<i>Inflows:</i>			
User charges and fees		802,429	850,150
Grants and contributions		739,000	734,000
GST input tax credits from ATO		37,628	46,319
GST collected from customers		3,307	-
Interest receipts		25,608	37,899
<i>Outflows:</i>			
Employee expenses		(944,146)	(979,036)
Supplies and services		(457,869)	(496,574)
Grants and subsidies		(117,611)	-
GST paid to suppliers		(37,630)	(46,319)
GST remitted to ATO		(1,710)	(387)
Other		(16,229)	(23,020)
Net cash provided by (used in) operating activities	12	32,777	123,032
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of plant and equipment		33,079	-
<i>Outflows:</i>			
Payments for plant and equipment		-	(6,786)
Net cash provided by (used in) investing activities		33,079	(6,786)
Net increase (decrease) in cash held		65,856	116,246
Cash at beginning of financial year		1,592,374	1,476,128
Cash and cash equivalents at end of financial year		1,658,230	1,592,374

The accompanying notes form part of these statements.

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

	Objectives and Principal Activities of the Prostitution Licensing Authority
Note 1	Summary of Significant Accounting Policies
Note 2	Revenue
Note 3	Employee Expenses
Note 4	Key Management Personnel
Note 5	Disclosure of related parties
Note 6	Remuneration of Board Members
Note 7	Supplies and Services
Note 8	Rental Expenses
Note 9	Subsidies
Note 10	Other Expenses
Note 11	Cash and Cash Equivalents
Note 12	Reconciliation of Operating Surplus to Net Cash from Operating Activities
Note 13	Financial Instruments
Note 14	Receivables
Note 15	Plant and Equipment
Note 16	Accrued Employee Benefits
Note 17	Other Liabilities
Note 18	Payables
Note 19	Commitments for Expenditure
Note 20	Contingencies
Note 21	Subsequent Events Note
Note 22	New and Revised Accounting Standards
Note 23	Future Accounting Standards
Note 24	Impact of COVID-19
Note 25	Schedule of Agency Transactions
Note 26	Budget vs Actual Comparison

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

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 2019-20, 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 2019, 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 2019-20**

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 2018-2019 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.

	2020	2019
	\$	\$
User charges and fees		
Fees for licences	605,951	585,176
Fees for licence applications	170,340	149,150
Fees for certificates	5,156	4,622
Fees for certificate applications	83,101	82,565
Other fees	2,206	10,439
Total	866,754	831,952

(b) Grants and Contributions

The PLA receives government grants, donations and gifts that are non-reciprocal in nature. The PLA received \$739,000 in 2019-20 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 2019-20

3. Employee Expenses

	2020	2019
Employee Benefits	\$	\$
Wages and salaries*	865,040	833,147
Annual leave expenses	57,533	-
Severance Payments	144,797	-
Employer superannuation contributions	103,040	99,660
Long service leave levy	18,587	17,502
Other employee benefits	20,754	17,280
Total	1,209,751	967,589
Employee Related Expenses		
Staff related expenses	2,209	7,790
Workers' compensation premium	4,166	3,692
Total Employee Expenses	1,216,126	979,071

* Wages and salaries includes \$8,750 of \$1,250 one-off, pro-rata payments for 7 full-time equivalent employees (announced in September 2019).

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:	8	8
----------------------	---	---

(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 2019-20**

4. Key Management Personnel

The PLA's responsible Minister is identified as part of the PLA's KMP, consistent with additional guidance included in the revised version of AASB 124 Related Party Disclosures. That Minister is the Minister for Police and Minister for Corrective Services.

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 2019-2020 and 2018-2019. 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 for Police and Minister for Corrective Service	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. The outgoing Executive Director appointment ended on 17 December 2019. The new Executive Director was appointed by the Governor in Council for a three year period commencing on 18 December 2019.

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 2019-20**

4. Key Management Personnel (cont'd)

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
Total Remuneration	273,070	421	3,222	23,142	144,797	444,651

* Termination date 17 December 2019

* Appointment date 18 December 2019

1 July 2018– 30 June 2019

Position	Short Term Employee		Long Term Employee Benefits	Post Employment Benefits \$	Termination Benefits \$	Total Remuneration \$
	Monetary Benefits \$	Non-Monetary Benefits \$				
Executive Director	172,158	1,329	3,615	18,462	-	195,565
Chairperson	40,955			3,891		44,846
Board Members	27,904			2,652		30,556
Total Remuneration	241,018	1,329	3,615	25,004	-	270,967

5. Disclosure of related parties

Transactions with people/entities related to Key Management People (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.

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.

Service Level Agreement

Department of Police corporate service

	2020	2019
	\$	\$
	31,447	30,798

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	3	3
\$1 - \$10,000	4	4
\$10,001 - \$50,000	1	1

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

6. Remuneration of Board Members (cont'd)

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

	2020	2019
	\$	\$
Walter Tutt - Chairperson	44,846	44,846
Paul Tully (LP)	7,630	7,639
Ms Frances de la Cuesta Hunt (CR)	7,630	7,639
Ms L Palmen (CR)	7,630	7,639
Ms Margaret Grummitt	7,630	7,639
Dr D Rowling (QH)	-	-
Ms Sharon Loder (CCC)	-	-
Mr Brian Codd (QPS) Assistant Commissioner	-	-
Total remuneration	75,366	75,402

7. Supplies and Services

Contractors	3,558	25,951
Supplies and consumables	33,059	47,154
Travel	7,330	11,105
Repairs and maintenance	45,286	15,747
Communications	28,390	29,031
Chairman and Members' fees	75,386	75,402
Department of Police corporate service charges	31,447	30,798
Public utilities	15,020	15,225
Legal services	3,780	2,471
Investigations and Searches	22,059	27,662
Other Services	21,563	21,285
Total	286,878	301,831

8. Rental Expenses

In 2019-20, a new office rental agreement for PLA's office accommodation was established between the Department of Housing and Public Works and Queensland Police Service, through the Queensland Government Accommodation Office program. In June 2020 the PLA relocated to the new premises situated at 50 Ann street, Brisbane. As at 30 June 2020, the PLA has rental commitments totalling \$1,018,478, and made rent payments totalling \$211,581.

The PLA has completed a review of the impact of AASB16 on the new rental agreement. This review identified that, in accordance with the Financial Reporting Requirements for Queensland Government Agencies (FRR 6A), amendments to the framework agreements that govern QGAO will result in the rental agreement being exempt from lease accounting under AASB 16. 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	318,050	-
Total	318,050	-

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

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

10. Other Expenses	2020	2019
	\$	\$
Insurance premiums	2,513	2,300
Auditor's remuneration - external audit services*	14,500	13,450
Losses from disposal of plant and equipment	1,417	-
Other expenses	805	1,871
Total	19,235	17,621

*Total external audit fees relating to the 2019-20 financial year are estimated to be \$14,500 (2019: \$14,200). 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	300
Cash at bank	1,657,930	1,592,074
Total	1,658,230	1,592,374

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

Operating surplus/(deficit)	(432,901)	79,736
Depreciation and amortisation expense	11,085	12,685
Loss on sale of plant and equipment	1,417	-
Change in assets and liabilities:		
(Increase)/decrease in GST input tax credits receivable	1,596	(387)
(Increase)/decrease in other receivables	1,309	75
(Increase)/decrease in prepayments	7,421	2,008
Increase/(decrease) in fees received in advance	136,113	18,197
Increase/(decrease) in payables and accruals	34,756	10,683
Increase/(decrease) in accrued employee benefits	271,981	35
Net cash from operating activities	32,777	123,032

13. Financial Instruments

(a) Categorisation of Financial Instruments

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

Category	Note		
Financial Assets			
Cash and cash equivalents	11	1,658,230	1,592,374
Receivables	14	4,069	6,974
Total		1,662,299	1,599,348
Financial Liabilities			
Payables		75,892	41,136
Total		75,892	41,136

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 2019-20**

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

	2020	2019
Current	\$	\$
GST receivable	2,987	4,583
Interest receivable	1,082	2,391
Total	4,069	6,974

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. Plant and Equipment

Plant and equipment		
At cost	44,558	288,768
Less: Accumulated depreciation	(11,018)	(209,647)
Total	33,540	79,121

Plant and Equipment Reconciliation

Carrying amount at 1 July	79,121	85,021
Acquisitions	-	6,785
Disposals	(34,496)	-
Depreciation	(11,085)	(12,685)
Carrying amount at 30 June	33,540	79,121

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

(a) Plant and Equipment

Items of plant and equipment 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.

**PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20**

15. Plant and Equipment (cont'd)

(b) Depreciation of Plant and Equipment

Plant and equipment is 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:

Class	Rate %
Plant and equipment	10-33.3%

16. Accrued Employee Benefits	2020	2019
Current	\$	\$
Wages outstanding	284,614	22,580
Superannuation	11,520	2,054
Other employee expenses	1,171	691
Total	297,305	25,324
17. Other Liabilities		
Fees received in advance and to be refunded *		
Fees for licences received in advance	140,600	203,550
Fees for certificates received in advance	4,661	6,037
Fees to be refunded (COVID-19)**	200,439	-
Total	345,700	209,587

*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	209,701	242,515
Later than one year and not later than five years*	808,777	-
Total commitments	1,018,478	242,515

*The PSBA operating rental agreement will expire on 13 December 2024. The PLA is committed to the rent obligation to offset the cost of the PSBA 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 2019-20**

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:

	2020	2019
	\$	\$
Not later than one year	52,315	20,781
Later than one year and not later than five years	118,594	24,932
Later than five years	13,138	-
Total	184,047	45,713

20. Contingencies

(a) Litigation in progress

The PLA has no litigation in progress at 30 June 2020.

(b) Financial Guarantees

The PLA had provided no guarantees at 30 June 2020.

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 2019-2020. Australian Accounting Standards changes applicable for the first time in the 2019-2020 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 1058, AASB 15 and AASB 16 became effective from reporting periods beginning on or after 1 July 2019. The PLA accounting treatment in relation to the new standards is consistent with the new accounting treatments, therefore there were no changes under the new standards.

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

23. Future Accounting Standards

AASB 1059, Service Concession Arrangements: Grantors, became effective from reporting periods beginning on or after 1 July 2020. The PLA made an assessment and this new standard is not applicable as it does not apply to 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 must remain closed until the end of the declared public health emergency, unless the directions are revoked or replaced

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 23 March 2020 to 30 June 2020 is calculated to be \$318,050 based on user charges and fees received. A liability of \$200,439 was raised for the refunds.

25. Schedule of Agency Transactions

	2020	2019
Administered collections	\$	\$
Infringement Notice Revenue *	4,207	5,931
Total Administered Collections	4,207	5,931
Transfers to Government		
Administered Collection Transferred to Treasury **	4,207	5,931
Total Administered Expenses	4,207	5,931
Operating Surplus/(Deficit)	-	-

* Prostitution Infringement Notices/Fines collected on behalf of Government were reclassified from User charges and fees (Note 2).

** Administered Collection Transferred to Treasury was reclassified from Other expenses (Note 10).

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

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 2020 \$	Actual 2020 \$	Variance \$	Variance % of budget
Income from Continuing Operations					
Revenue					
User charges and fees	1	840,000	866,754	26,754	3%
Grants and contributions		739,000	739,000	-	0%
Interest	2	40,000	24,300	(15,700)	-39%
Infringement notice revenue *	3	8,000	4,207	(3,793)	-47%
Total Income from Continuing Operations		1,627,000	1,634,261	7,261	0%
Expenses from Continuing Operations					
Employee expenses	4	1,062,000	1,216,126	154,126	15%
Supplies and services	5	307,000	286,878	(20,122)	-7%
Rental expenses		218,000	211,581	(6,419)	-3%
Subsidies	6	-	318,050	318,050	100%
Depreciation		13,000	11,085	(1,915)	-15%
Other expenses		19,000	19,235	235	1%
Administered Collection Transferred to Treasury *	3	8,000	4,207	(3,793)	-47%
Total Expenses from Continuing Operations		1,627,000	2,067,162	440,162	27%
Operating Result from Continuing Operations		-	(432,901)	(432,901)	100%
Total Comprehensive Income		-	(432,901)	(432,901)	100%

* See note 25 - Schedule of Agency Transactions

Explanations of Major Variances

- 1 This variance is mainly due to the timing of the lodgement of brothel applications and the increase in brothel numbers.
- 2 This variance is due to the current low interest rates received on bank balances.
- 3 This variance is due to budgeted fines not received on behalf of the government.
- 4 This variance is mainly due is due to a one-off redundancy payout.
- 5 This variance mainly relates to a decrease in the yearly operating expense regime which includes decreases in utility costs of \$12,980 and legal fees of \$5,220.
- 6 This variance is mainly due to minister approved refunds of revenue due to the COVID-19 forced closures of non essential businesses.

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

26. Budget vs Actual Comparison (cont'd)

Statement of Financial Position

	Variance Notes	Original Budget 2020 \$	Actual 2020 \$	Variance \$	Variance % of budget
Current Assets					
Cash and cash equivalents	7	1,551,000	1,658,230	107,230	7%
Receivables		7,000	4,069	(2,931)	-42%
Other Assets	8	9,000	374	(8,626)	-96%
Total Current Assets		1,567,000	1,662,673	95,673	6%
Non-Current Assets					
Other Assets-NC	8	10,000	-	(10,000)	-100%
Plant and equipment	9	65,000	33,540	(31,460)	-48%
Total Non-Current Assets		75,000	33,540	(41,460)	-55%
Total Assets		1,642,000	1,696,213	54,213	3%
Current Liabilities					
Payables	10	31,000	75,892	44,892	145%
Accrued employee benefits	10	27,000	297,305	270,305	1001%
Other liabilities	11	220,000	345,700	125,700	57%
Total Current Liabilities		278,000	718,897	440,897	159%
Total Liabilities		278,000	718,897	440,897	159%
Net Assets		1,364,000	977,316	(386,684)	-28%
Equity					
Accumulated surpluses.		1,364,000	977,316	(386,684)	-28%
Total Equity		1,364,000	977,316	(386,684)	-28%

Explanations of Major Variances

- 7 This variance is mainly due to the timing of the lodgement of brothel applications, the timing of paying invoices and the redundancy payout.
8 This variance is due to prepaid services not purchased.
9 This variance is due to the timing of disposing an asset.
10 This variance is due to the timing of invoices received.
11 This variance is mainly due to the timing of the lodgement of brothel applications and the refunds of fees due to the COVID-19 forced closures.

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2019-20

26. Budget vs Actual Comparison (cont'd)

Statement of Cash Flows

	Variance Notes	Original Budget 2020 \$	Actual 2020 \$	Variance \$	Variance % of budget
Cash flows from operating activities					
<i>Inflows:</i>					
User charges and fees	12	903,000	802,429	(100,571)	-11%
Grants and contributions		739,000	739,000	-	0%
GST input tax credits from ATO		(4,000)	37,628	41,628	-1041%
Interest receipts		40,000	25,608	(14,392)	-36%
<i>Outflows:</i>					
Employee expenses	13	(1,062,000)	(944,146)	117,854	-11%
Supplies and services	14	(545,000)	(457,869)	87,131	-16%
Grants and subsidies	6	-	(117,611)	(117,611)	100%
GST paid to suppliers		50,000	(37,630)	(87,630)	-175%
GST remitted to ATO		-	(1,710)	(1,710)	100%
Other		(67,000)	(16,229)	50,771	-76%
Net cash provided by (used in) operating activities		54,000	32,777	(21,223)	-39%
Cash flows from investing activities					
<i>Inflows:</i>					
Sales of plant and equipment	15	-	33,079	33,079	100%
<i>Outflows:</i>					
Payments for plant and equipment		-	-	-	0%
Net cash provided by (used in) investing activities		-	33,079	33,079	100%
Net increase (decrease) in cash held		54,000	65,856	11,856	22%
Cash at beginning of financial year		1,543,000	1,592,374	49,374	3%
Cash and cash equivalents at end of financial year		1,597,000	1,658,230	61,230	4%

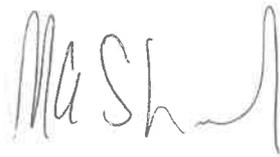
Explanations of Major Variances

- 12 This variance is mainly due to the timing of the lodgement of brothel applications. In 2019-2020 the PLA received \$145,261 of income that relates to 2020-2021. This is \$64,326 less than the prior years unrecognised income. The variance in the other expenses mainly relates to the 2019-2020 unrecognised income and should be read as part of user charges and fees.
- 13 This variance is mainly due to the timing of paying invoices and the redundancy payout.
- 14 This variance mainly relates to a decrease in the yearly operating expense regime which includes utility costs and legal fees and the timing of invoices received.
- 15 This variance is due to the timing of disposing an asset.

CERTIFICATE OF THE PROSTITUTION LICENSING AUTHORITY

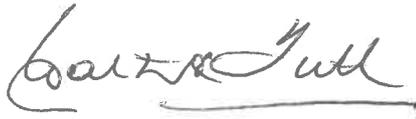
These general purpose financial statements have been prepared pursuant to s.62(1) of the Financial Accountability Act 2009 (the Act), section 39 of the Financial and Performance Management Standard 2019 and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our 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 2020 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 2009 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: 3/8/2020



Walter Tutt
Chairperson

Date 3/8/2020

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 2020, 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 2020, 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 of Queensland 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 of Queensland 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 2020, 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 2020:

- 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.



Melissa Fletcher
as delegate of the Auditor-General

7 August 2020
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)
PINs	Penalty infringement notices		

Appendix 2 - Annual report requirements for Queensland Government agencies for the 2019-2020 reporting period – Section 13.3 Government bodies (statutory bodies and other entities)

Prostitution Licensing Authority (PLA)					
Act or instrument	<i>Prostitution Act 1999</i>				
Functions	The PLA regulates prostitution in Queensland by administering the <i>Prostitution Act 1999</i> and the <i>Prostitution Regulation 2014</i> . 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 last review of the Prostitution Act was conducted in 2011 by the Crime and Corruption Commission, which acknowledged the successful record of the PLA in regulating the state's licensed brothel sector. The PLA has maintained this 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, one application for the renewal of an approved manager's certificate was refused after the applicant was found not suitable to be an approved manager of a licensed brothel.</p> <p>Highly experienced and competent PLA compliance officers continue to carefully scrutinise the operations of licensed brothels, by way of audits and inspections, revealing generally high levels of regulatory compliance. Two brothel licensees appeared before the Authority during the year for inadequate attention to their regulatory obligations. The PLA prefers to achieve compliance by education and cooperation with brothel licensees and approved managers but disciplinary action remains an option in appropriate circumstances.</p> <p>Because the sex industry is largely cash based, it is attractive to organised crime in order to facilitate money laundering. Since the creation of the licensing framework, there has been no substantiated instance of official corruption or organised crime at brothels in the state.</p> <p>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. Since the creation of the licensing framework, there has been no substantiated instance of human trafficking at any of the State's licensed brothels.</p> <p>The operations of licensed brothels have a negligible impact on the community. They operate so discreetly that the PLA has never had a complaint about the impact on community amenity of any of the State's brothels.</p> <p>There were a number of key initiatives during 2019-20. On the initiative of the Authority, fee relief was extended to brothel licensees and approved managers due to the impact of the COVID-19 compulsory closure of brothels, funded wholly out of the Authority's cash reserves. Licensees and approved managers were encouraged to seek to achieve a workplace that is free of the fear, threat or experience of sexual violence and to take further action to prevent and respond to the issue at brothels. 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. The PLA advocated for legislative reform of the sex industry, designed to target illegal operators, minimise the scope for the involvement of organised crime and the incidence of official corruption, improve the health and safety of sex workers, and enhance the scope of regulation of the sex industry.</p>				
Financial reporting	Not exempted from audit by the Auditor-General. Transactions of the entity are accounted for in the financial statements.				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chairperson	Walter Tutt	9	\$650 per day (plus superannuation)	N/A	\$44,846 (including superannuation)
Member	Assistant Commissioner Brian Codd	7	N/A	N/A	\$0
Member	Sharon Loder	7	N/A	N/A	\$0
Member	Diane Rowling	7	N/A	N/A	\$0
Member	Paul Tully	9	\$7,000 pa (plus superannuation)	N/A	\$7,630 (including superannuation)
Member	Margaret Grummitt	7	\$7,000 pa (plus superannuation)	N/A	\$7,630 (including superannuation)
Member	Lynette Palmen	6	\$7,000 pa (plus superannuation)	N/A	\$7,630 (including superannuation)
Member	Frances de la Cuesta Hunt	9	\$7,000 pa (plus superannuation)	N/A	\$7,630 (including superannuation)
No. scheduled meetings/sessions		9			
Total out of pocket expenses		\$0			

Appendix 3 - Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	3
Accessibility	<ul style="list-style-type: none"> Table of contents 	ARRs – section 9.1	1-2
	<ul style="list-style-type: none"> Glossary 		56
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	Inside Front Cover
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Inside Front Cover
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside Back Cover
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	N/A
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	4-6
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 10.2, 31 and 32	N/A
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	9
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	15 - 16
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community 	ARRs – section 11.1	9
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	24 - 25
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	13
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	11-12

Summary of requirement		Basis for requirement	Annual report reference
Governance – management and structure	• Organisational structure	ARRs – section 13.1	23
	• Executive management	ARRs – section 13.2	6,23,41,42
	• Government bodies (statutory bodies and other entities)	ARRs – section 13.3	N/A
	• Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	25
	• Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	26
	• Queensland public service values	ARRs – section 13.6	N/A
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	26
	• Audit committee	ARRs – section 14.2	27
	• Internal audit	ARRs – section 14.3	27
	• External scrutiny	ARRs – section 14.4	27
	• Information systems and recordkeeping	ARRs – section 14.5	27,30
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	28
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	28
Open Data	• Statement advising publication of information	ARRs – section 16	30
	• Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	52
	• Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	53-55

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

Address: State Law Building
Level 20, 50 Ann St
Brisbane, Queensland

Postal address: GPO Box 3196
Brisbane QLD 4001

Telephone: (07) 3858 9500
E-mail: pladmin@iprimus.com.au
Website: www.pla.qld.gov.au

A copy of the Act can be downloaded from the Queensland Legislation website – www.legislation.qld.gov.au.

