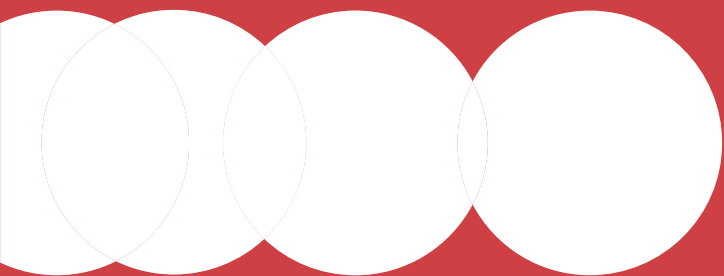
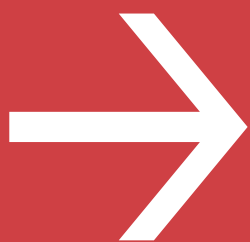


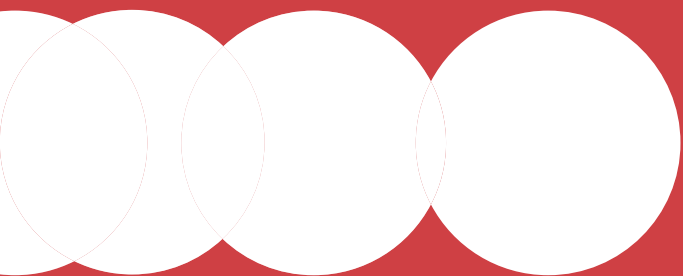
prostitution licensing authority  
**annual report 2003–04**



take a peek inside ...



prostitution licensing authority  
**annual report** 2003–04





# letter of transmission

→ October 2004

The Hon Judy Spence MP  
Minister for Police and Corrective Services  
PO Box 195  
BRISBANE ALBERT STREET QLD 4002

Dear Minister

The Prostitution Licensing Authority is pleased to present our Annual Report for the financial year 2003–04. The report fulfils the requirements of section 109 of the *Prostitution Act 1999* and section 46J of the *Financial Administration and Audit Act 1977*.

Yours sincerely

Mr W J Carter QC  
**Chair**

Mr L Pollard  
**Member**

Dr I Wilkey  
**Member**


Cr A Bennison  
**Member**

Assistant Commissioner  
J McDonnell  
**Member**

Mr J Callanan  
**Member**

Ms A Murphy  
**Member**

Ms L Palmen AM  
**Member**



# highlights of the year



## → december 2003

Certificate of Appreciation awarded to the PLA in recognition of the valuable contribution and support to SQWISI (Self-Health for Queensland Workers in the Sex Industry) (see page 09)

Legislative amendments to the *Prostitution Act 1999* (the Act) legislating the constitution of an offence for either obtaining or providing prostitution without a prophylactic (see inside back cover)

Consequential to the abolition of the Prostitution Advisory Council (PAC) additional functions (responsibilities) were given to the PLA and the constitution of the PLA was changed to include two additional board members who in the Minister's opinion represent community interests (see page 17)



## february 2004

PLA participate in Sexpo held at the Brisbane Convention Centre as part of the PLA's broader communication strategy.

The strategy incorporates interdepartmental working groups, regular meetings with SQWISI, regular contact with the Prostitution Enforcement Taskforce (PETF), addressing public meetings and educational seminars by invitation, the informing of local government about the PLA, its role and function as well as to advise the general public in Queensland (see pages 59, 60)

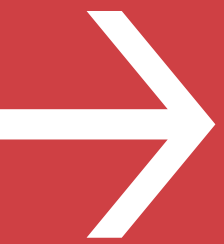
## may 2004

Two additional PLA members appointed to the Authority representing the interests of the Queensland community (see pages 08, 17)

## june 2004

*Selling Sex in Queensland* research report released providing the first comprehensive evaluation of the sex industry in Queensland since the Act was legislated.

The four-phased research covered surveys of sex workers, their clients, community attitudes and public health data (see page 32)



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## abbreviations

APM	Appeal Procedures Manual
CMC	Crime and Misconduct Commission
DIR	Department of Industrial Relations
EEO	Equal employment opportunity
FAM	Finance and Administration Manual
ICT	Information and communication technology
IDAS	Integrated Development Assessment System
ISSC	Information Security Steering Committee
IT	Information technology
LGAQ	Local Government Association of Queensland
PAC	Prostitution Advisory Council
PETF	Prostitution Enforcement Task Force (Queensland Police Service)
PIM	Probity Investigation Manual
PLA	Prostitution Licensing Authority
PPE	Personal protective equipment
QADREC	Queensland Alcohol & Drug Research and Education Centre
QPS	Queensland Police Service
QUT	Queensland University of Technology
SAP	Systems, Accounting & Products in Data Processing
SLA	Service level agreement
SQWISI	Self-Health for Queensland Workers in the Sex Industry
STIs	Sexually transmissible infections
UQ	The University of Queensland

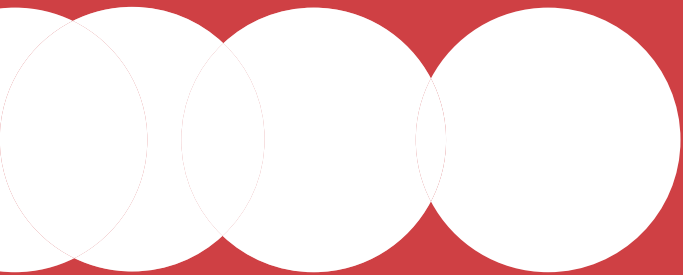


given that prostitution is legal  
the overwhelming majority  
of respondents now support  
**a licensing and registering**  
system as a way to enhance  
the regulation of the sex industry

*(Source: Selling Sex in Queensland)*



 **message** from the chair





## message from the chair

→ The PLA achieved another milestone on 30 June 2004. It marked the end of four years of regulation and control of prostitution in Queensland. It also ushered in the prospect of robust community debate about the operation and effectiveness of the Act so far.

The Act required the Crime and Misconduct Commission (CMC) to review the effectiveness of the legislation after three years of operation. That review has been in progress for some time now and is continuing and the CMC report to the Parliament is expected in the near future. The several stakeholders in the sex industry view the report as the opportunity to engage in the inevitable community debate which will follow its publication.

Public debate about the regulation and control of prostitution in any community will always be attended with strongly held and competing views. That is healthy. What is more important is that such debate be properly informed.

The year under review has seen the progress of the Authority's research project into the sex industry carried out in association with the University of Queensland (UQ) and the Queensland University of Technology (QUT). The result of that professionally generated research is now available and will enhance the debate. It is to be hoped that as a result of this work the debate will be better informed.

An amendment of the Act in December 2003 enlarged the functions of the Authority and altered its composition. It was disappointing that the then Minister chose not to consult with the Authority in relation to these important issues. Those concerns however, have in some respects been relieved by the

current Minister's recent appointment of two new members to the Authority – Ms Lynette Palmen AM and Ms Annette Murphy. Lyn and Annette have very quickly demonstrated their worth as Authority members and they have been warmly welcomed by their Authority colleagues and staff for their valued contribution.

Finally, let me place on record the Authority's appreciation of the support given to it by the current Minister, the Honourable Judy Spence MP. We also recognise and value the assistance of the various departmental officers in the Queensland Police Service (QPS), Queensland Health and the Department of Industrial Relations (DIR) who have so professionally supported and enhanced the work of the Authority. Again we say how much we value the assistance and support of Ms Cheryl Matthews and our other friends at SQWISI.

And how could we have ever coped without the dedication and committed professionalism of our small staff so ably led by the registrar, Ms Margaret Isaac – to you all a very sincere thank you.

WJ Carter QC  
Chair



# registrar's report

→ Our fourth year has passed and our knowledge of the sex industry has further increased. There's a little known phrase that goes "there runs a deep and wide river of information and opinion fed by many springs ..." which conveys, to a great extent, the environment within which the PLA operates.

The commonly advocated function of the PLA staff is to provide usable knowledge to the Authority and to this end I must thank those agencies that have willingly and proactively continued to engage in consultation and provide information that assists our decision making. While the QPS, Queensland Health and the DIR continue to be an invaluable resource I must, in particular, write a special mention to SQWISI. While there were those who endeavoured to paralyse us in the early days SQWISI sought only to stimulate and inform. As a non-government agency they were able to clarify and articulate their needs and wherever possible join in the policy making process. It is far from obvious how to get more people to have better ideas but a strengthened competition of ideas is a core element in improving an organisation's capacity for rational

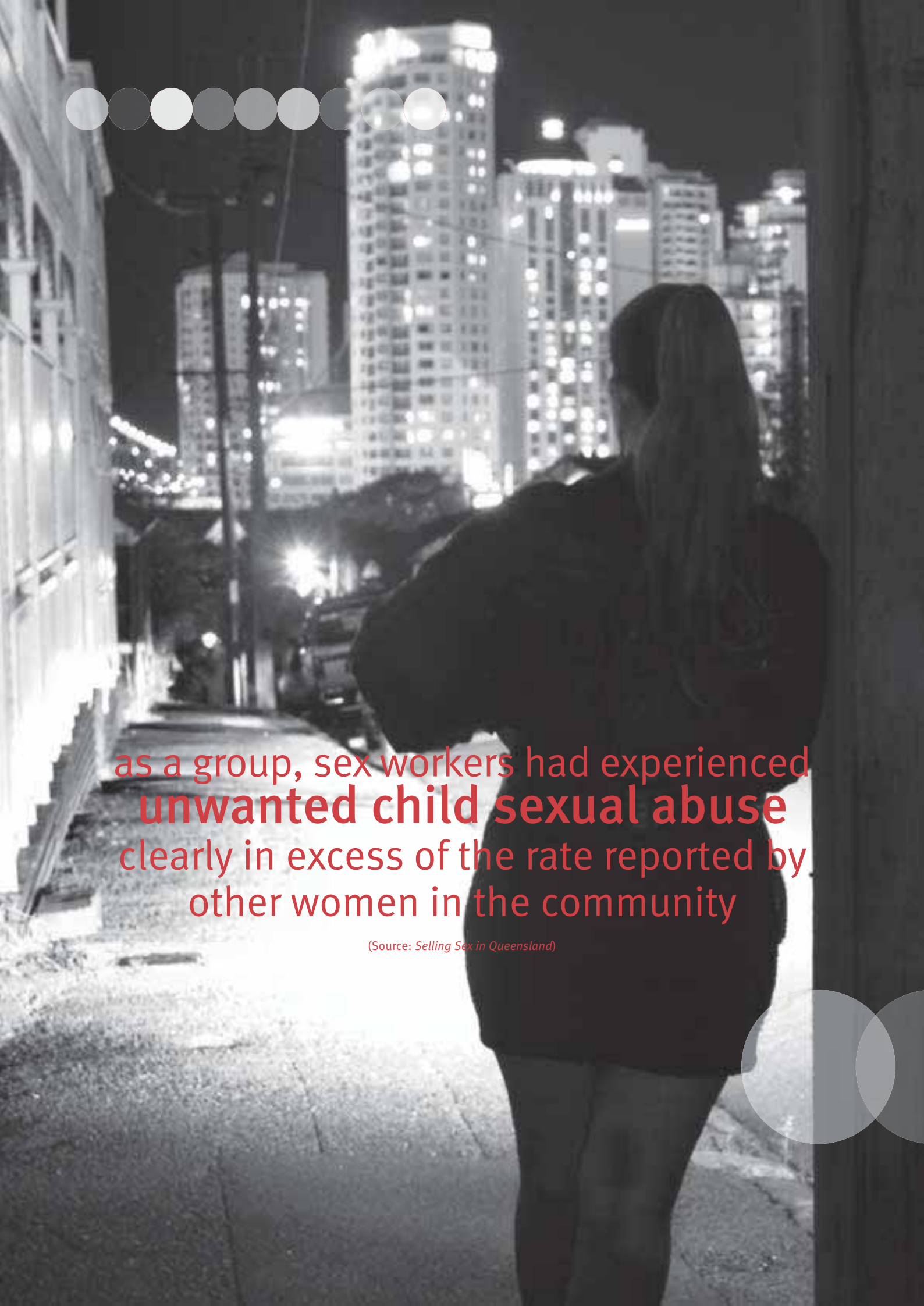
decision making. SQWISI are committed to win themselves an influential role.

Like all agencies it comes as a pleasant and rare surprise to be singled out by an industry group in recognition of your agency's contribution and support. On 17 December 2003 the PLA were the recipients of a Certificate of Appreciation in recognition of the valuable contribution and support to SQWISI. From this perspective our ability to identify and focus on those strategies that optimise the efficient and successful administration of the Act, which has always been our objective, is enhanced.

Our recent launch of the *Selling Sex in Queensland* report represents a significant achievement. It provides an objective and factual benchmark of Queensland's sex industry which will not only ensure a coherent and rational approach to the continued regulation of the licensed sex industry but importantly, will provide further understanding to the CMC in their review of the Act, which cannot be reproduced through analysis alone.

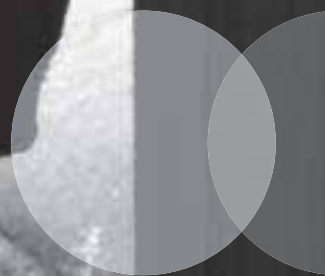
Margaret Isaac  
Registrar

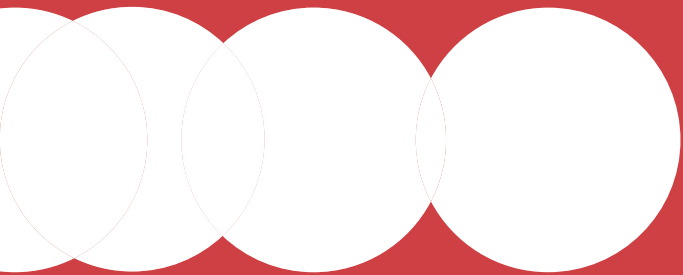




as a group, sex workers had experienced  
**unwanted child sexual abuse**  
clearly in excess of the rate reported by  
other women in the community

*(Source: Selling Sex in Queensland)*









# the average age of sex workers in Queensland is 32 years old

*(Source: Selling Sex in Queensland)*



## → our mission

To ensure that licensed brothels are regulated in the community interest.

## → our values

respect

integrity

health and safety

impartiality

## → our operating principles

The PLA act in the public interest.

The PLA are committed to preventing corruption and organised crime in licensed brothels.

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

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

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

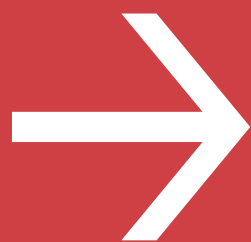
The PLA operate to ensure that all activities are based on the best information and research available.



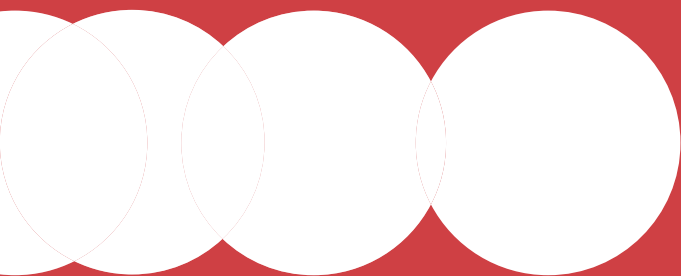


sex workers in all areas of the sex industry were interviewed for the ***Selling Sex in Queensland*** report, that is licensed brothels, illegal establishments, sole operators and street workers

(Source: *Selling Sex in Queensland*)



**welcome** to the prostitution  
licensing authority





# welcome to the prostitution licensing authority

## → our purpose

To regulate prostitution in Queensland by implementing the Act.

## reporting structure and organisation

The PLA employs eight full time and one part time officer under the *Public Service Act 1996* to support the work of the PLA. Staff of the PLA are managed by the registrar, who in turn reports to the PLA. The PLA reports to the Minister for Police and the Parliament.

We administer two non-departmental outputs:

1. Brothel licensing and monitoring prostitution through licensed brothels.
2. Advice on and to the sex industry<sup>1</sup>.

## the PLA

The Act establishes the PLA and prescribes its membership, which must include:

- the chair – an independent, respected 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 assistant commissioner, crime, of the CMC
- a doctor who has at least five years' experience in community health

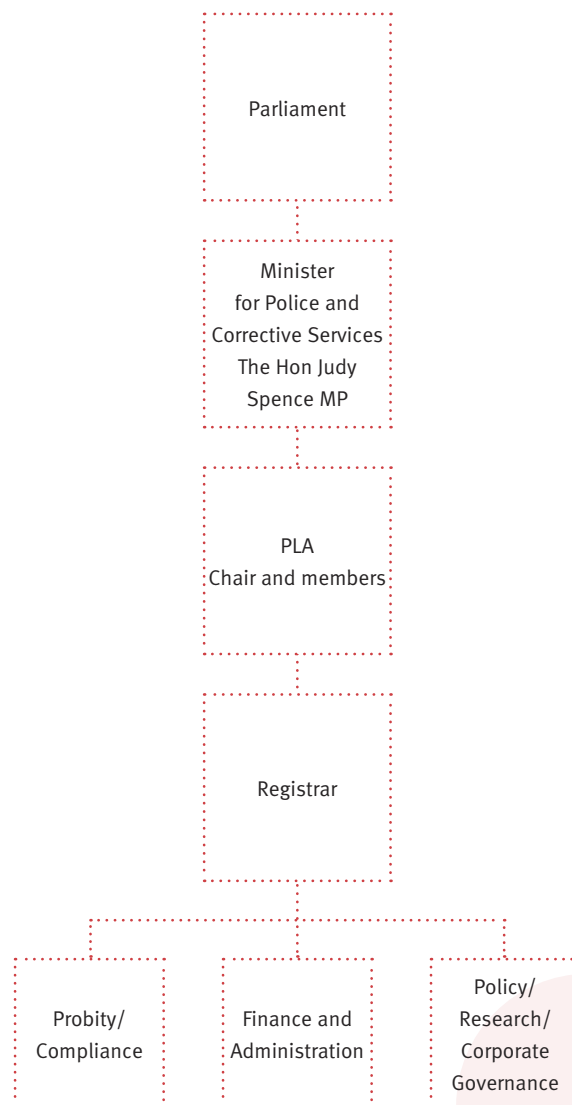


Figure 1: PLA organisational structure

<sup>1</sup> This output will be removed as a result of the December 2003 amendment to the Act which saw the abolition of the PAC.

- 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 senior representative of the Local Government Association of Queensland (LGAQ).

Additional appointments as a result of legislative amendments to the Act which were effected in December 2003 further determined that the PLA be expanded to include two persons who, in the Minister's opinion, are qualified to represent community interests. We welcome Ms Annette Murphy and Ms Lynette Palmen AM as these community representatives.

## role of the PLA

The PLA decides applications for brothel licences and managers' certificates. In addition, the PLA is responsible for:

- monitoring the provision of prostitution through licensed brothels
- conducting probity investigations into licence and certificate applicants
- conducting disciplinary inquiries in relation to licensees and approved managers
- disciplining licensees and managers

- receiving complaints about prostitution
- liaising with and assisting the QPS
- liaising with local authorities
- 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 prostitutes to leave prostitution; or
  - (iii) divert minors and other vulnerable persons from prostitution; or
  - (iv) raise awareness in prostitutes, 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
- approving advertising for prostitution
- maintaining a licence and certificate register
- providing support to the independent assessor
- assisting the CMC with its review of the Act.



## current membership

The current members<sup>2</sup> of the PLA were first appointed by Governor-in-Council for varying terms. All original members of the PLA were reappointed in May 2004 for a further 12 months. In addition, the PLA welcomes two additional appointments to the PLA, Ms Annette Murphy and Ms Lynette Palmen AM, who were appointed by the Minister as qualified to represent community interests.

### 01 mr bill carter qc, chair

Mr Carter graduated as a lawyer from the University of Queensland in 1959, was appointed to the District Court of Queensland in 1980 and to the Supreme Court in 1983. Since leaving the Supreme Court, Mr Carter has served in several high profile public positions, including serving as the chair of the Commissions of Inquiry into Police and Drugs (1996–97), Operation Trident (1992–93) and Townsville Psychiatric Unit (Ward 10b) (1990–91). Mr Carter was first appointed in May 2001, chaired for a further two years and recently reappointed until May 2005.

### 02 assistant commissioner john mcdonnell

Mr McDonnell is the current and inaugural head of the Ethical Standards Command in the QPS, and has served with the service since he joined in the early 1960's. Among his many appointments within the QPS, Mr McDonnell has served with the United Nations Peacekeeping Force in Cyprus, the Fitzgerald Implementation Unit and was the Director of Operations, Criminal Justice Commission. He was awarded the Australian Police Medal in January 1994. Mr McDonnell is an officer of at least the rank of superintendent, and has been nominated by the Police Commissioner as his representative. Mr McDonnell was appointed for four years and reappointed for a further 12 months until May 2005.

### 03 mr john callanan

Mr Callanan is the Assistant Commissioner, Crime, of the CMC. He has a wide range of responsibilities and functions at the senior executive level of the CMC and the management and coordination of investigations into criminal paedophilia, major crime and organised crime. Prior to his appointment as Assistant Crime Commissioner of the Queensland Crime Commission, and later Assistant Commissioner, Mr Callanan had over 20 years' experience in the criminal justice system as a Crown Prosecutor, as a barrister in private practice on the Prosecutions Task Force and for the Office of Special Prosecutor. He was also counsel for the Fitzgerald Inquiry. Mr Callanan was appointed for two years and reappointed for a further 12 months until May 2005.

### 04 cr ann bennison

Councillor Bennison is the Brisbane City Council member for Enoggera Ward and an Executive Member and Treasurer of the Local Government Association of Queensland (LGAQ). Cr Bennison has represented Enoggera Ward since 1994, before which she was a trade union official with the Australian Bank Employees Union and the Queensland Teachers' Union. Cr Bennison was appointed as a senior representative of the LGAQ as required by the Act, and her appointment was for two years and five months and was reappointed for a further 12 months until May 2005.

<sup>2</sup> Three members of the PLA are women, representing 37.5 per cent of the membership.



05

**05 dr ian wilkey**

Dr Wilkey was the Medical Superintendent of Royal Brisbane Hospital and has previously held medical officer positions within the Queensland and Papua New Guinea health systems, including as a Director of the Laboratory of Microbiology and Pathology and the Director-General of Health and Medical Services. He is a member of the Medical Board of Queensland. Dr Wilkey is appointed as a medical practitioner who has at least five years' experience in community health as per legislation, and his appointment was for four years and was reappointed for a further 12 months until May 2005.



06

**06 ms annette murphy**

Ms Annette Murphy is a past recipient of the Queensland Child Protection Award – Professional Category – in recognition of her contribution to child protection in Queensland – 1998. Ms Murphy was also awarded the Winston Churchill Memorial Trust Fellowship 2002 to examine the role of registered nurses in child protection in the USA, UK, Sweden and Denmark. She is the coordinator of the Mater Suspected Child Abuse and Neglect Team as well as the coordinator of the Child Protection Unit at the Mater Children's Hospital.



07

**07 mr lance pollard**

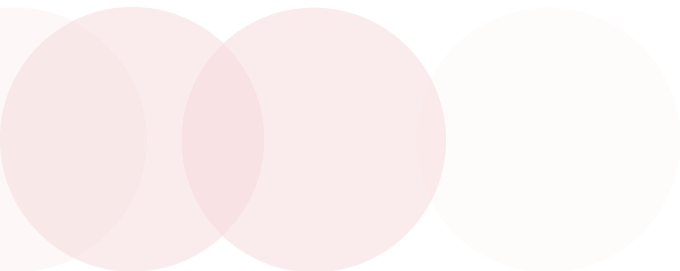
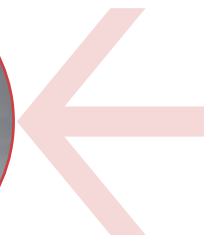
Mr Pollard is a solicitor in private practice and is currently a partner with Bennett and Philp. He has had extensive experience in the areas of commercial litigation, corporate and personal insolvency, debt recovery, administrative law, trade practices law and company law. He is appointed to the PLA as a lawyer who has been admitted for at least five years, and who has knowledge and experience in administrative law, company law or criminal law as required by the Act. Mr Pollard was appointed for four years and reappointed for a further 12 months until May 2005.



08

**08 ms lynette palmen AM**

Ms Lynette Palmen AM is the founder and Managing Director of Women's Network Australia. Established in 1991, the organisation now boasts a membership exceeding 1200, with over 35,000 women benefiting from its existence annually. Ms Palmen AM is also a board member of the Ministerial Taskforce on Work and Family, the Deputy Chair of the Premier's Council for Women, Chair of the Lord Mayor's Business and Domestic Violence "Crossing the Boundaries" Strategy and board member on the Advisory Committee for the Centre for Movement Education and Research, Griffith University. Ms Palmen AM was most recently recognised by the appointment of Member of the Order of Australia (AM) in the Queen's Birthday Honours List for her service to the community, particularly through promoting public awareness of the existing and emerging issues affecting women and in providing expertise to charitable and not-for-profit organisations.



## meetings and special meetings

The PLA held 10 ordinary meetings over the financial year 2003–04.

Name	Number attended (n=10)
L Pollard	9
W Carter (Chair)	10
J McDonnell	9
J Callanan	9
I Wilkey	9
A Bennison	9
L Palmen	1 <sup>3</sup>
A Murphy	1 <sup>3</sup>

Table 1: Attendance at meetings of the PLA

There were also seven special meetings of the PLA held as follows:

- met several times to consider specific applications
- met with the CMC to discuss the CMC's forthcoming evaluation of the Act
- met to consider brothel licence conditions
- met to consider proposed amendments to the Act
- held a special meeting to consider the budget.

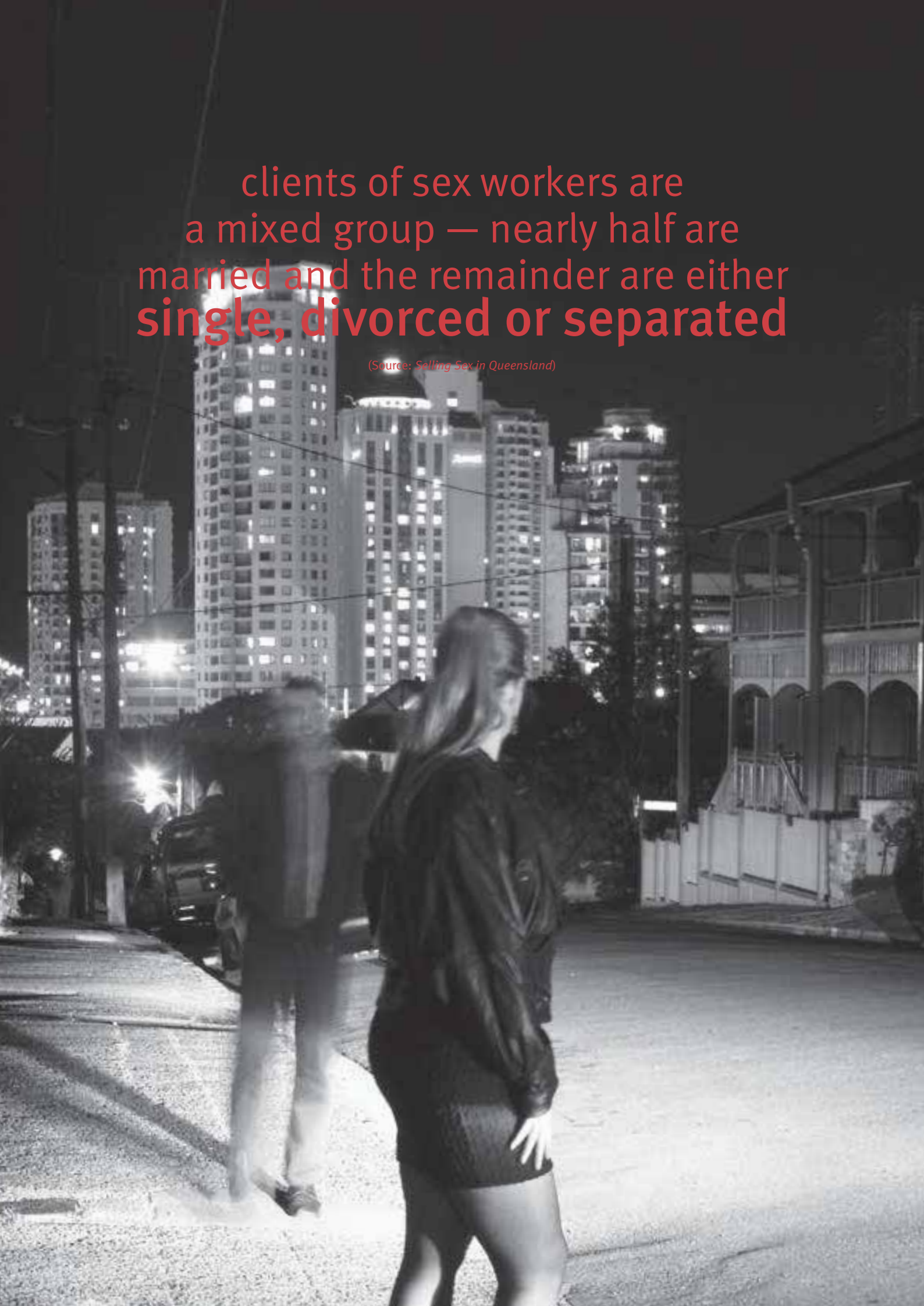
## remuneration

The chair and members of the PLA were paid \$50,791 during the financial year 2003–04, as determined by the Governor-in-Council.

<sup>3</sup> Appointed May 2004 and eligible to attend one meeting during 2003–04.

clients of sex workers are  
a mixed group — nearly half are  
married and the remainder are either  
**single, divorced or separated**

*(Source: Selling Sex in Queensland)*

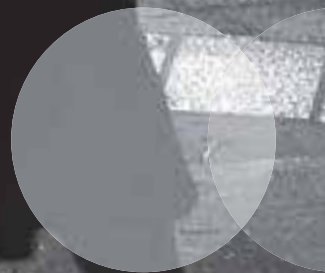




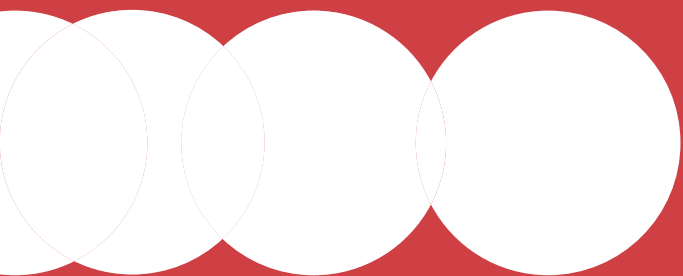


sole operators and sex workers within  
licensed brothels in Queensland are  
mainly Australian born and one in four  
**has a university degree**

*(Source: Selling Sex in Queensland)*



 **our** performance





# our performance

→ Below is a description of outcomes achieved from last year’s projected activities.

What we said we would do	What we did
<b>1. Brothel licensing</b>	
Ongoing review of the brothel licence conditions.	The PLA held a special meeting to consider brothel licence conditions. Brothel licence conditions were reviewed as required/necessary.
Review the <i>Health and Safety Guidelines for Brothels</i> .	An interdepartmental working group was established with Ministerial approval to examine and review issues which include the <i>Health and Safety Guidelines for Licensed Brothels</i> .
Review and update the probity process for licensing through the Probity Investigation Manual (PIM).	PLA staff met to consider comprehensive changes to the probity investigation process. As our systems are further developed procedural changes will be required as we move from a manual to an electronic based system.
Review and update the renewal process for brothel licences and manager’s certificates.	In consultation with members of the PETF, we reviewed and updated the application renewal process.
Develop an Appeal Procedures Manual (APM) to document the role of the registrar for appeals to the independent assessor.	An APM was developed.

→ Sex workers and their clients are a very difficult group to survey due to the marginal and often illegal nature of sex work. The report *Selling Sex in*

## 2. Monitoring and compliance

Regular auditing of licensed brothels including the examination of financial records, policies and procedures, inspection of working rooms, staff areas, reception and waiting areas, outdoor areas and interviews with staff and sex workers.

A comprehensive compliance program was developed and implemented comprising audits and inspections. The program has been expanded to incorporate unannounced inspections of licensed brothels which enhance our ability to accurately assess compliance with the Act, brothel licence conditions and the health and safety guidelines.

Management of complaints.

A protocol was developed for complaints received by the PLA. It is now necessary to further develop protocols with respect to complaints that are of a particularly sensitive nature i.e. health related complaints.

Identification of strategies for the ongoing development of the compliance program.

We are continually reviewing developments and advancements in the field of compliance to ensure that our compliance objectives are met in the most efficient and effective way.

Complete the four research projects of the monitoring program.

We published the report *Selling Sex in Queensland*.

Develop a Compliance Manual which outlines the policies and procedures associated with compliance unit activities.

Currently under development.

## 3. Advertising of prostitution

Regulate the monitoring program for prostitution advertising.

We have further developed our media surveillance program which involves the review of approximately 600 print media advertisements each month. The program has identified a 90 per cent improvement in print media advertising compliance.

Identify necessary changes to the advertising database.

We have introduced a system for the registration, recording and reporting of all advertising submissions. In the last two years the PLA has received over 1,230 advertising submissions for consideration.

Review the brothel and sole operator advertising policies.

We conducted a survey in May 2004 and after considering all submissions we are now working on draft amendments to the two policies.

**4. Liaison and assistance**

Review the complaint handling policy.	Review completed and amendments implemented.
Review the recording and tracking system for complaints.	The system was reviewed and improvement to the system identified and incorporated.
Continue to investigate opportunities for public speaking.	Extended invitations to address community groups on the role and function of the PLA.
Continue to update the PLA website and the multimedia presentation.	Website redesigned and updated regularly. Multimedia presentation updated.

**5. Corporate support**

Conduct a workplace health and safety audit.	Workplace health and safety audit was conducted early in 2004.
Streamline financial procedures to be more self dependent.	Financial procedures streamlined.
Implement an electronic filing system.	Electronic filing system designed and fully implemented.
Further review of the corporate services and Information Technology (IT) Service Level Agreements (SLA's) between the PLA and the QPS.	We reviewed the SLA's for IT and negotiation is currently underway between QPS, Partner One and CorpTech in respect of corporate services.
Continued to develop a business oriented solution to manage the processing of applications, enquiries, complaints, audits and inspections.	We developed and implemented the first stage of the PLA probity and compliance database.
Implement contemporary HR initiatives where appropriate and review the Finance and Administration Manual (FAM).	Currently under review. We have reviewed the FAM, in particular financial management policies and procedures.

**financial performance summary**

**statement of financial performance**

The statement of financial performance is used to compare revenue to expenses over the financial year.

Revenues of the PLA are sourced primarily from a government grant through an administered appropriation received by the QPS. The other major source of funds includes fees for brothel licences and managers' certificates. The decrease in government

contributions between 2002-03 and 2003-04 is due to the increase in user charges and fees which relate to the growth in the number of brothel licences and managers' certificates granted and renewed (Figure 2). During our fourth year of operation employee expenses have increased significantly, due to the employment of two compliance officers for the whole year. The decrease in supplies and services expense during 2003-04 was due to the industry monitoring program being to a large extent completed during 2002-03 year with the final payment being made in 2003-04 (Figure 3).

## statement of financial position

The Statement of Financial Position measures the value of assets, liabilities and equity of the PLA at 30 June 2004.

Our total assets have decreased due to the reduction in cash assets and non-current assets have decreased as a result of an increase in accumulated depreciation. The year ended in a decrease in net equity from \$665,731 at 30 June 2003 to \$570,294 at 30 June 2004 (Figure 4).

## statement of cash flows

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

Cash flow in the PLA is generated primarily from operating activities, where the significant in-flows include revenue from a Government grant and fees for brothel licences and managers' certificates. Significant outflows are employee expenses, supplies and services for facilities management and other payments for lease commitments.

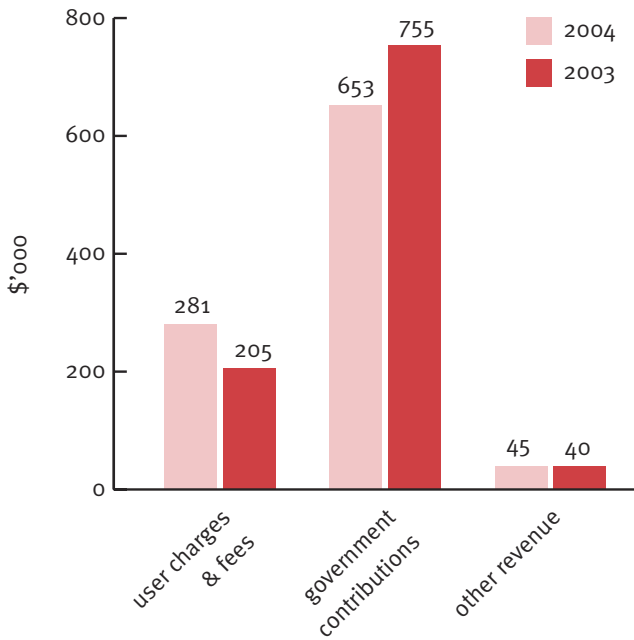


Figure 2: Revenue

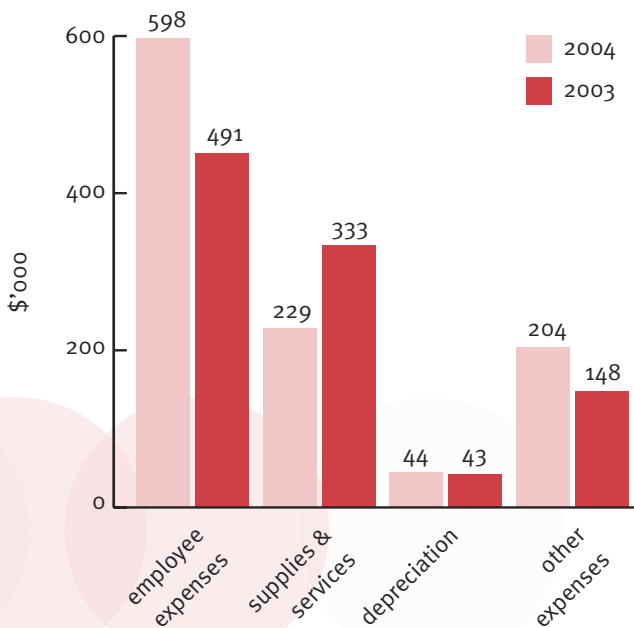


Figure 3: Expenses

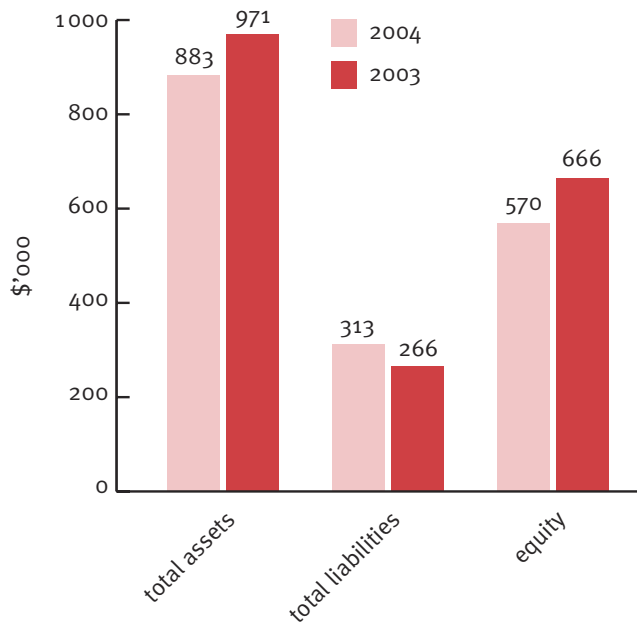


Figure 4: Assets liabilities & equity

## key performance measures

Leading up to the 2003–04 financial year the PLA established some key performance measures to benchmark its corporate performance. We reported these measures to the public and to the Parliament through the state budget process. The following table shows our key performance indicators, the expectations we had about our performance at the beginning of the financial year, and the performance we actually achieved over the year.

Measures	What we said we would achieve	What we achieved
1. Number of licensed brothel premises operating	22	13
2. Number of brothel and certificate applications received	90	115
3. Number of brothel and certificate applications approved	65	68
4. Percentage of complaints resolved	>91%	95%
5. Number of compliance activities conducted	200	202
6. Number of licensed brothels implementing safety and security arrangements <sup>5</sup>	22	13
7. Number of brothels requiring six-weekly sexual health certificates <sup>6</sup>	22	13
8. Number of complaints by QPS about the quality of information provided by the PLA for probity investigations	0	0
9. Satisfaction of SQWISI with liaison between the PLA and the sex industry	80%	100%
10. Applications processed within the PLA and forwarded to the QPS within 30 days	90%	100%
11. Advertising requests processed within 30 days	95%	100%
12. Complaints to the PLA about prostitution resolved within 30 days	90%	90%

Table 2: Key performance measures, 2003–04

<sup>5</sup> All Queensland's legal brothels have implemented safety and security arrangements.

<sup>6</sup> All Queensland's legal brothels require six-weekly sexual health certificates from sex workers.

## statistical highlights

- 13 brothels operating in Queensland (Figure 5)
- 43 brothel licences and 113 managers' certificates granted to date in relation to licensed brothels in Queensland
- 23 approvals by local authorities for development approval for a change of use of premises to become a brothel
- 156 individuals applied for a brothel licence or manager's certificate
- 18 police entries made to six licensed brothels during 2003-04
- 386 advertisements lodged with the PLA for consideration, with 335 granted approval (87%) during 2003-04 (Figure 6)
- 2,103 inquiries responded to during 2003-04, compared with 1,341 the year prior. As the profile of the PLA increases it is expected that the number of inquiries will increase. The compliance officers are operational positions and as a result of their state wide role the PLA's exposure to the licensed sex industry has greatly increased (Figure 7)
- 94 complaints responded to during 2003-04, compared with 92 complaints during 2002-03 (Figure 8).

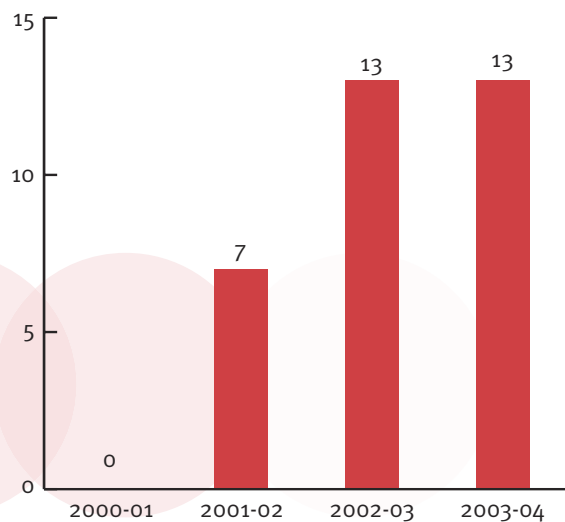


Figure 5: Number of licensed brothels operating by year in Queensland

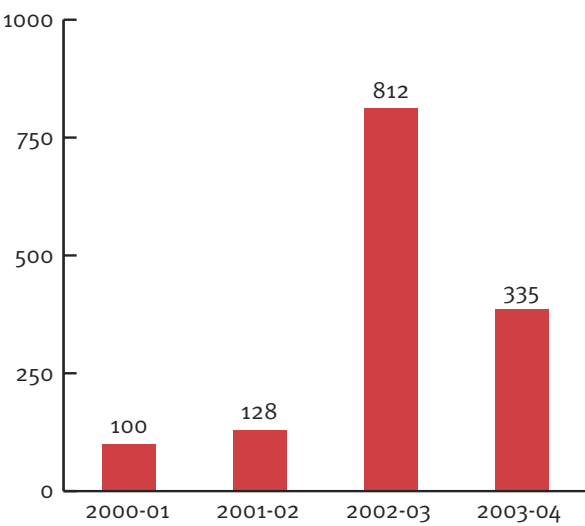


Figure 6: Number of advertising approvals by year

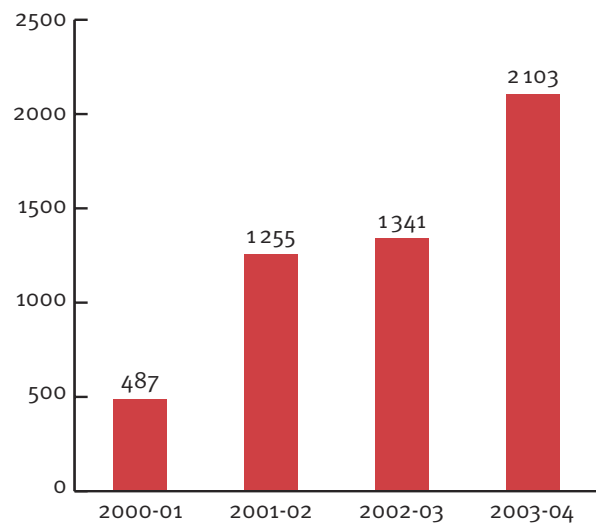


Figure 7: Number of inquiries received by year

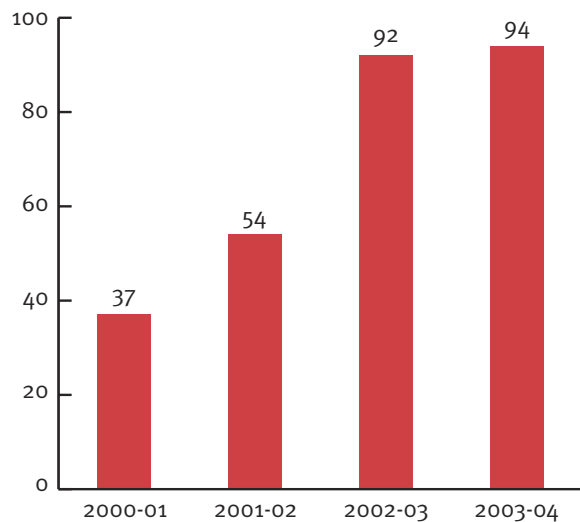


Figure 8: Number of complaints received by year

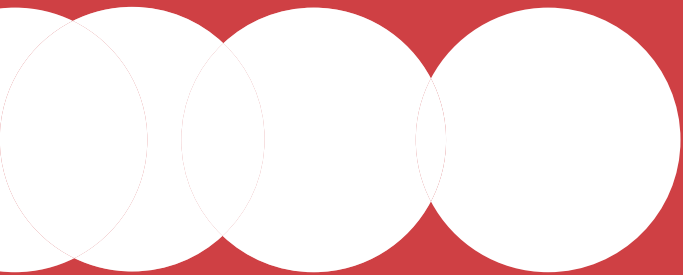


while the **public in general** are not against the availability of prostitution they reject its public visibility

*(Source: Selling Sex in Queensland)*



→ the **environment** in which we operate





# the environment in which we operate

## → selling sex in queensland

During the year we designed and funded a major initiative to inform ourselves and the Minister about trends and issues relating to the sex industry in general and to monitor the operation and effectiveness of the Act. Early in the life of the PLA we recognised the existing literature on the sex industry in Queensland was insufficient for our purposes, and the Minister, and for providing appropriate advice and information about prostitution. While some research had been conducted which had aimed to describe prostitution in Queensland, it was neither ongoing nor contemporary.

The monitoring program comprised four key research projects:

- a survey of sex workers
- a survey of clients of sex workers
- a community attitude survey
- collection of data on sexually transmissible infections (STI's) in Queensland.

The PLA selected a research team from the Queensland Alcohol and Drug Research and Education Centre (QADREC), QUT and UQ to undertake the four research projects. We also established a steering committee to oversee the conduct of the project, comprising members of the PLA, the CMC and the former PAC.

The four projects concluded at the end of 2003 and the results were reported publicly in the document *Selling Sex in Queensland*, released in June 2004. The four projects provide baseline data for monitoring and will be repeated again in 2007–08.

The research design was built on key prostitution related research conducted prior to the introduction of the Act, enabling comparison with data collected before the era of licensed brothels in Queensland.

Interviews were conducted with 247 women currently working in the Queensland sex industry. Of these, 101 were recruited from legal brothels, 82 were working privately (mainly sole operators) and a further 33 were street based sex workers.

Questions were asked about:

- social background and reasons for entering the sex industry
- knowledge of the legal framework of prostitution in Queensland and reasons for choosing to work in a particular sector
- sexual services provided to clients and workers' income
- sexual health and safe work practices
- experiences of sexual and physical violence and harassment
- drug usage
- contact with the QPS and the PLA.

Some of the data were able to be compared with a survey conducted in Queensland in 1991, when the legal status of sex work was in flux following the Fitzgerald Report and around the time when a sole operator only containment policy was imposed.

→ As a group, sex workers had experienced unwanted child sexual abuse clearly in excess of the rate reported by other women in the community.

## social characteristics – sex workers

The 2003 survey participants worked in Brisbane, Gold Coast, Sunshine Coast, Cairns and Townsville. They were aged between 19 and 57 years (mean = 32 years). Over half of the sample had at least one child and almost one quarter were married or living in a long term relationship. Most were Australian born and had studied since leaving high school. Approximately one in four sex workers in licensed brothels and sole operators had completed a university degree.

These women had diverse motivations for entering the sex industry. Many stated they entered the industry for the money, flexible hours and to pursue a personal financial goal, although a significant minority (mostly street based workers) took up sex work to pay for their illicit drug use. About half of this sample had left the industry at some stage for more than six months. Reasons varied, although many took a break because they had “just had enough”, got a “good straight job”, became pregnant or were pressured by partners to leave. Return to the industry occurred primarily for financial reasons.

## knowledge and attitudes

In general the women had good knowledge of the legal requirements of the sex industry. This came from diverse sources, especially word of mouth and SQWISI. Street based workers had the most contact with the QPS and lawyers whilst few women generally had contact with the PLA.

Attitudes to sex work varied. Most perceived advantages to working in legal brothels, especially good security and working conditions, and the company and support of other workers. Private workers and those based on the street saw legal brothels as unattractive mainly because they had to share income with owners. Workers in legal brothels and private workers appeared quite satisfied with their jobs, with apparently few regretting their decision to work in the industry. The street workers, by contrast, were mostly dissatisfied.

01 WJ Carter QC launches  
*Selling Sex in Queensland*

02 Ms Charrlotte Woodward  
(QADREC)

03 WJ Carter QC,  
Professor Jake M Najman  
(UQ), Ms Charrlotte  
Woodward (QADREC),  
Associate Professor  
Michael Dunne (QUT) and  
Ms Jane Fischer (QADREC)



(Source: *Selling Sex in Queensland*)

## health

The assessment of the general physical health and wellbeing of Queensland sex workers was possible with a standard questionnaire used by the Australian Bureau of Statistics and researchers worldwide. The physical health of these women appears comparable to the general female Australian population of the same ages. Mental health, on the other hand, is somewhat poorer, especially for street based workers. Usage of legal and illegal drugs (ever and recently) clearly exceeds the rates in the general community. While this is true of the sex workers as a whole, the real distinction is between street workers and others, with the former group reporting extremely problematic, health-compromising consumption of numerous drugs.

The research was also able to provide some indications about sexual health. The brothel workers were the least likely to say they had ever had an STI. They were also least likely to have unprotected sex and to engage in other practices (such as sadomasochism, bondage and discipline and submissive sex) that could lead to exchange of body fluids. More than 90 per cent of all workers said they regularly check clients for visible STI's. About half of all private and brothel workers report they rarely or never are asked by clients to accept extra money for sex without a condom, but more than half of the street workers said this happened most or all of the time. It is encouraging to see, however, that women in all three sectors reported they rarely or never agree to these clients' demands.

## sexual and physical violence

Most women in the sex industry have experienced sexual violence at some time in their lives. This begins early with childhood sexual abuse being clearly in excess of the rates reported by women in the general Australian community. Rape and other sexual assault during adulthood are also very common, especially among street workers, of whom more than three quarters have been raped. One important observation is that women currently working in legal brothels had a very low risk of being raped or bashed by a client. Private workers experienced slightly more violence, but again, it is the street workers who bear the brunt, with more than 50 per cent having been raped and/or bashed by a client.

Sex workers in all segments of the sex industry in Queensland reported that security and safety from violence is an advantage in the licensed brothels. The primary reason why sex workers did not wish to work in licensed brothels was financial. All sex workers (that is those working in licensed brothels, private sex workers and street based sex workers) did not believe that workplaces other than licensed brothels offered security and safety from violence.

On the other hand, however, the research pointed to the particular vulnerability and needs of street sex workers who are as yet unassisted by the regulatory framework. Given the unsolved homicides of three sex workers in Queensland in recent years, this would seem an obvious area for attention.

In sex work, the type of violence experienced may vary from the extreme (e.g. homicide) to more common and less reported forms, including harassment and aggression. While there is a potential for violence in any workplace, it is more likely in the retail and service industries where service providers come into direct contact with clients. Other factors associated with the risk of violence are the hours of work, with problems being more common outside normal business hours.

## conclusions – sex workers

Legal brothels, appear to offer health and safety benefits for sex workers and their clients, although the data from legal, private workers also indicates a fairly low risk for health problems and violent abuse. One strong implication for policy is that any future revision of the Act or its methods of implementation should retain, first and foremost, the practical focus on protecting health and welfare.

Street based sex workers have not gained from the changes that have been implemented. They are disadvantaged in multiple ways. Many have experienced sexual abuse as children, they are often assaulted or raped by clients, have poor mental health and extremely high rates of illicit drug use. They are often arrested and perceive police harassment. After incarceration or time out of the industry they return primarily because of persistent drug abuse. Street based sex workers have been stereotyped as “sinners” and “vectors of disease”. Such stereotypes are seriously flawed and counterproductive.

→ The Act provides for the proper regulation of licensed brothels. We now know that nowhere within the sex industry in Queensland is a worker

In reality, there are two sex industries, and workers in only one are currently being protected. New policies and strategies to support the health and human rights of street based sex workers are urgently needed.

## the community

Public attitudes to prostitution and the purchase of sexual services are important for a variety of reasons. Firstly, they will impact on the political process, although there may be a need to weigh the weakly held preferences of a majority of the population against the strongly held views of what is a minority of the population. Secondly, to the extent that the public visibility and presence of sexual services may impact on public attitudes, such attitudes provide a measure of the changing impact of the selling of sexual services. It is likely to be important to monitor changes in public attitudes to prostitution as community standards of acceptable sexual behaviour continue to change. Such changes may reflect more generally prevalent changes in public views about sexual behaviour, or they may indicate more general changes in societal expectations about family life, sexual preferences and behaviours.

The purpose of the 2003 community attitudes survey was to sample businesses and residents in geographic areas in which licensed brothels were located and to compare these with areas in which there were no licensed brothels.

## community attitudes towards prostitution

Overall respondents report that the sex industry has no impact on their business or personal activities. Indeed it is clear that only 0.8 per cent reported their business or personal activities had been affected by the operation of a brothel. The overwhelming majority of respondents support a process whereby sex workers would be licensed and registered if prostitution-related activities were no longer against the law. Only one in 20 respondents rejected this policy. The vast majority of the community supports the location of brothels in designated geographic areas. The differences in response between those living in areas with brothels and those without brothels are minor. A little over four out of five respondents agree that a sex worker should not try to attract clients in a public place. The views of those living in areas with brothels are similar to those living in areas without brothels. Respondents, on the

whole, are not against the availability of prostitution. Indeed they appear to be supportive of prostitution as a facility, but they reject its public visibility.

## attitudes of persons in areas with and without legal brothels

Respondents were in universal agreement that prostitution exists in Queensland, with no differences between those living in areas with a legal brothel compared to those living in areas without a legal brothel.

Views about the extensiveness of prostitution were varied. Some 15.9 per cent of respondents reported that prostitution was widespread and 25.9 per cent that it was noticeable in their council area. Over half of the respondents living in areas with brothels reported that prostitution was widespread or noticeable compared with 30.3 per cent of those living in areas without brothels making the same claim.

## regulation of sexual services

Persons living in areas with brothels are more likely to agree that prostitution should be seen as an occupation like any other whereas persons living in areas without brothels, on balance, are more equally divided on this point. Over three out of four respondents share the view that prostitution should be legal, with those in areas with brothels more likely to have this view than those living in areas without brothels. Clearly the presence of brothels in particular geographic areas has not created a negative response to their operation.

## what determines attitudinal differences?

Respondents who report their spiritual beliefs as extremely or quite important tend to be more negative about the morality of the sex industry. They tend more often to favour regulation, restriction and control, and to be more often against the normalisation of prostitution. By contrast, respondents who report that their spiritual beliefs have only a slight or no impact on their lives (these constitute a little under half of the sample), tend to be less negative about the morality of the industry.

more protected from violence than within a licensed brothel. (Source: *Selling Sex in Queensland*)

## conclusions – community attitudes

Community attitudes to prostitution are overwhelmingly supportive, with the caveat that activities to attract clients or promote services should not impact on the public amenity of an area. Persons living in areas which have existing legal brothels appear to be little different in their attitudes and perceptions of the visibility of prostitution from persons living in areas without a legal brothel. Indeed the major determinant of attitudes to prostitution appears to be associated with personal religious preferences rather than direct experiences of and contact with prostitution related activities.

## the clients of sex workers in queensland

Little was known about the clients of sex workers and how they differ from men who do not buy sexual services. For this component of the study 200 male clients were interviewed sampled from three sources, legal brothels, private sex workers and “other” (mainly illegal) sexual service providers.

## characteristics of clients

Clients were disproportionately in the 24–44 year age group. Clients of legal brothels were slightly younger than other respondents. In addition clients were more likely to be single (51%) and to include a substantial proportion of men who had been divorced and/or separated.

## sexual services purchased

Most clients purchase sexual services between once a month and once every few months. The local newspaper was the most common method of locating sex worker services. One quarter of clients use the Internet to locate a sexual service provider. Many clients are using several sources of information to identify service providers.

Clients reported advantages in buying sex, including:

- sex is less complicated
- sex workers are professionals
- it is possible to talk openly with sex workers
- a preference for having sex with a variety of women

→ deriving stress relief from sex worker provided services.

There were some important differences between client groups in the services they preferred, with clients of private and/or “other” workers more often preferring “exotic” services.

## personal relationships

Just over 50 per cent of clients of sex workers reported they did not have a regular partner. Of those who do have a partner most are at least satisfied with the quality of the relationship they have with their partner. Comparison of the relationship quality of clients with a partner with the relationship quality reported by other Australian men suggests that the client sample has poorer relationships with their partners than do other men.

## health and related matters

Generally the clients of legal brothels were less likely to report having experienced an STI than were other men. The vast majority of clients reported using condoms most of the time. The majority of clients stated they had never offered a sex worker extra money to have sex without a condom.

## substance use

Rates of licit and illicit substance use by the client sample were generally higher than in the Australian male population. Generally clients of sex workers were likely to smoke cigarettes (about 38%), many had used cannabis, amphetamines and other illicit drugs such as heroin. This suggests that clients of sex workers are wanting to experience a wider variety of sensations than are sought by other men. Clients of “other” sex workers differ in the extent to which they are more likely to use several illicit drugs.

## conclusions – clients

While in many respects clients of sex workers are similar to other men, they differ in some understandable ways. These men tend to be concentrated in a younger age group, do not have a regular partner (or have a relationship with their partner that is not very positive) and seek out a variety of sensations, including illicit drugs.

→ Sex workers in Queensland’s licensed brothels have a very low risk of experiencing violence whereas half the street based sex workers have been

## what changes can we see since the survey in 1991?

Comparison with surveys undertaken of Queensland sex workers in 1991 and 2003 show that women in the most recent sample are older, left home at a younger age and are more likely to have had children. They are more likely to have an income in addition to their sex work, are somewhat more likely to be attracted to sex work because of the good money and conditions, and are less likely to say they entered because of unemployment. They were also more likely in 2003 to disclose to families that they work in the sex industry. Overall it appears that female sex workers these days are more integrated with mainstream family and employment structures and are perhaps more motivated by financial incentives.

Regarding sexual practices, there appears to have been an increase in the provision of “exotic” sexual services in 2003, including fantasy, sex toys, bondage, submission, lesbian acts and others. In fact, the only sex act that was significantly less common in 2003 than 1991 was unprotected oral sex. Contemporary sex workers appear to be more consistent in checking clients for STI’s. Sex workers in 2003 were also more likely to say they would report violence to the QPS. It should be noted that they were more likely in 2003 to say they had experienced violence at some time in their lives, although we do not have comparative data over time on rates of abuse by clients in the workplace.

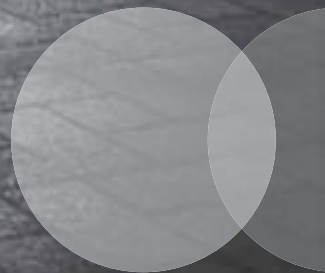
raped and/or bashed by a client. (Source: *Selling Sex in Queensland*)

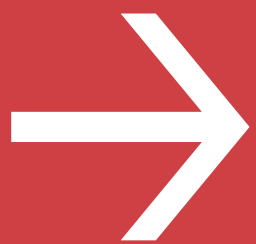




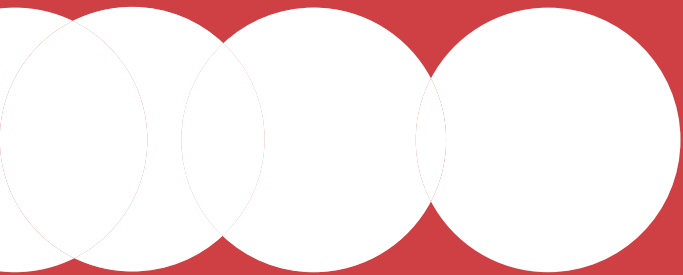
# three out of every four street based sex workers have been raped

*(Source: Selling Sex in Queensland)*





our **corporate** governance framework



# our corporate governance framework

## → appointment of pla members

PLA members are appointed by the Governor-in-Council, pursuant to the Act, for a period of not more than five years. A person is disqualified from 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.

## the strategic planning cycle

This year we have reviewed our 2001–05 Strategic Plan in compliance with the Financial Management Standard 1997, and have presented it to the Minister for Police for consideration. In support of the Strategic Plan, the PLA is currently considering:

- a business plan to cover the 2004–05 financial year
- an Information and Communication Technology (ICT) Resources Strategic Plan for the period 2001–05
- a Procurement Plan for the period 2001–05, which includes a capital acquisition program.

The strategic planning cycle is intended to achieve the following five goals:

- ensure an efficient and effective brothel licensing system to regulate prostitution in Queensland
- ensure licensed brothels are operating to best practice standards

- inform the public about prostitution in Queensland
- maintain strategic liaisons with key agencies
- provide a safe, fair and productive workplace at the PLA.

## ethical and professional conduct

High standards of ethical conduct continue to be one of our key objectives. The Code of Conduct is our key means for directing staff in their ethical obligations. In view of the establishment of the new compliance function and concern about the potential risks associated with compliance activities, the PLA conducted a review of the Code of Conduct in December 2002 and approved a revised version of the document. At the initiation of the PLA, the Code of Conduct was extensively reviewed by the CMC during the latter part of 2003 and further amended after staff and the PLA were consulted on changes in December 2003. During 2004–05 the Code of Conduct will again be reviewed.

An ongoing review of the FAM was completed during 2003–04. As the need arises regular briefings on FAM procedures are provided to all PLA staff at staff meetings.

During 2002–03 we introduced a probity investigation manual (PIM) which provided clear instructions to staff engaged in probity procedures. The manual introduced a new procedure to notify PLA members of the names of individuals associated with brothel licence and manager's certificate applications. This will enable members to advise the PLA of any potential conflict of interest that may have a bearing on the decision making process.

→ Two distinct groups of sex workers exist – licensed brothel and sole operators forming one group and street based sex workers forming the other.

## risk management

Under the former Protective Security Manual, the PLA established an Information Security Steering Committee (ISSC). After reviewing the Protective Security Manual we integrated the document into the FAM by creating two separate chapters – security, and risk management – and we reviewed the functions of the ISSC. Under the new risk management arrangement a newly named Risk Management Steering Committee will be responsible and accountable for the use and application of the PLA's risk management procedures as outlined in the FAM, and will report to the chair of the PLA annually.

During the year we reassessed our risks in relation to all PLA operations. The assessment involved all relevant staff and focused generally on the following areas:

- information/data
- physical security
- staff
- financial systems/records
- policies and procedures
- administration
- relationship with the QPS and other key agencies.

We conducted a separate risk assessment of the application processing system at the PLA, which led to amendment of the PIM.

## freedom of information and privacy legislation

### freedom of information

Section 137 of the Act states that the *Freedom of Information Act 1992* does not apply to any document given to or produced by the PLA under the Act. However, while members of the public are not permitted access to documents, we have developed and published a statement of the affairs of the PLA in compliance with section 18 of the Freedom of Information Act. The statement of affairs is available from our website and explains:

→ our structure and function

→ the effect of our activities on the community

→ the extent of community participation in PLA policy formulation

→ documents held by the PLA

→ bodies established to provide advice to the PLA.

There were no applications made to the PLA under the Freedom of Information Act during the financial year 2003–04.

## privacy

In 2001 the Queensland Government approved Information Standard 42 (Information Privacy) which introduced a new administrative privacy regime into the public sector. The aim was to introduce new privacy arrangements to protect all forms of personal information held in the Queensland public sector from being lost, misused or inappropriately modified or disclosed.

In 2002–03 we developed and introduced a Privacy Plan which is published on the PLA website and outlines the types of personal information we collect, the disclosure of and access to information, and how information is stored and disposed of. The Privacy Plan also establishes a procedure for individuals who wish to make a complaint about our management of their personal information.

## external audit

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

## internal audit

As we are a small office with a limited budget, we have 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. The next systems appraisal is due in the year 2005–06.

(Source: *Selling Sex in Queensland*)

## public interest disclosures

The *Whistleblowers Protection Act 1994* defines a public interest disclosure as a disclosure of information about:

- someone else's conduct
- maladministration
- negligent or improper management affecting public funds
- danger to public health or safety, or danger to the environment
- danger to a person with a disability.

There were no public interest disclosures made to the PLA during the financial year 2003–04.





most Queensland sex workers have  
**experienced sexual violence**  
during their lives

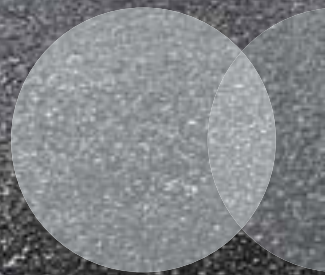
*(Source: Selling Sex in Queensland)*

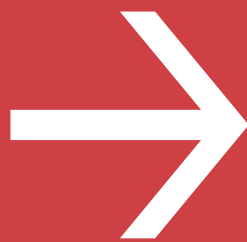
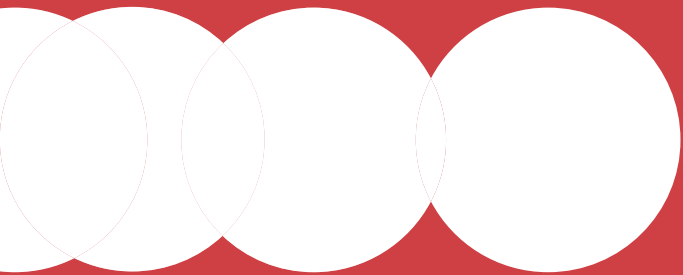




one in four sex workers are  
**married or live in**  
a long-term relationship

*(Source: Selling Sex in Queensland)*





our **business**

# brothel licensing

→ To date, there have been 54 brothel licences<sup>7</sup> and 119 managers' certificates granted, with 34 individual applications currently under active investigation (refer to Tables 3 and 4). The overall number of operational brothels in Queensland remained the same this financial year. This was due to the closure of a brothel on the Gold Coast and the opening of a second brothel in Townsville. We also licensed another three brothels that have not yet opened for business (see Table 5).

Applications received	Brothel licences		Managers' certificates	
	New	Renewal	New	Renewal
Received during 2000–01	12	-	11	-
Received during 2001–02	18	-	35	-
Received during 2002–03	14	11	32	11
Received during 2003–04	10	17	41	22
<b>TOTAL</b>	<b>54</b>	<b>28</b>	<b>119</b>	<b>33</b>

Table 3: Applications received by the PLA to 30 June 2004

Status	Brothel licences		Managers' certificates	
	New	Renewal	New	Renewal
Approved	27	23	89	28
Withdrawn prior to consideration	11	0	22	0
Under investigation	16	5	8	5
Refused	0 <sup>8</sup>	0	0	0
<b>TOTAL</b>	<b>54</b>	<b>28</b>	<b>119</b>	<b>33</b>

Table 4: Status of all applications received to 30 June 2004

Note: Numbers represent individual people rather than brothel sites.

<sup>7</sup> Brothels may be owned by more than one individual, each of whom must have a brothel licence and each of whom must renew their licence each year. The number of brothel

licences therefore exceeds the number of licensed brothels.

<sup>8</sup> A previous decision to refuse a brothel licence application was subsequently vacated by the PLA.

Address	Name of brothel	Date opened	Telephone contact
<b>Brisbane City Council</b>			
175 Abbotsford Rd, Bowen Hills	Purely Blue	17.08.01	3854 0366
120 Robinson Rd, Geebung	Truely Elegance	02.05.02	3856 6010
945 Fairfield Rd, Yeerongpilly	The Viper Room	17.05.02	3392 7070
88 Logan Rd, Woolloongabba	88 on Logan	13.06.03	3891 1198
12 Nile St, Woolloongabba	Cleo's on Nile	Not yet in operation	
<b>Redcliffe Shire Council</b>			
22 Brewer St, Clontarf	Intimate Encounters	20.08.03	3283 6111
<b>Gold Coast Shire Council</b>			
44 Upton St, Bundall	Silks on Upton	12.03.02	5538 2088
30 Jade Dve, Nerang	Pentagon Grand	12.04.02	5597 0777
12 Greg Chappel Dve, Andrews	Black Orchid	09.03.02	5522 1400
<b>Rockhampton City Council</b>			
17 Bush Crescent, Parkhurst	Ishtars	Not yet in operation	
<b>Gladstone City Council</b>			
48 Callemondah Drive	Whispers in Paradise	Not yet in operation	
<b>Maroochy Shire Council</b>			
14 Avian St, Kunda Park	Scarlet Harem	13.12.02	5476 5044
13 Cessna St, Marcoola	Intrigue of Marcoola	14.02.03	5450 7577
<b>Mackay City Council</b>			
39 Enterprise St, Paget	Club 7 on Enterprise	08.07.02	4952 6767
<b>Townsville City Council</b>			
17 Hugh Ryan Dve, Garbutt	Australian Maid	01.07.02	4725 5888
13 Carmel St, Garbutt	Bluebirds on Carmel	01.10.03	4779 9555

Table 5: Licensed brothels

The licensee of the brothel Marilyn's Gentleman's Retreat which operated at 29 Expansion St, Nerang, did not renew the brothel licence.

## development approval

In Queensland, the location of brothels is a matter for local government, subject to the provisions of the Act. Under the Act, the assessment manager for a development application must grant approval for development of a brothel in an industrial area if the premises are:

- greater than 200 metres distance (measured according to the shortest lawful route) from a residential area or an area intended to be residential
- greater than 200 metres distance (measured according to the shortest lawful route) and greater than 100 metres (measured in a straight line) from any residential building, place of worship, hospital, school, kindergarten, or any other place regularly frequented by children for recreational or cultural purposes

- have no more than five working rooms
- comply with the Integrated Development Assessment System (IDAS) Code for development applications for a brothel (the code includes requirements about car parking, lighting, signage and the like).

By the end of the 2003–04 financial year there were 45 applications made to local governments in Queensland for development approval for a brothel. The majority of applications were for premises in the Brisbane and Gold Coast region (see Table 6). Of all these applications, just over half were granted. There are eight premises in Queensland which have been granted development approval for a brothel which have either not yet been licensed by the PLA to operate as a brothel (Table 7 lists these locations) or for which a brothel licence application has not yet been lodged.

Council	Approved	Refused	Withdrawn/ Lapsed	Pending	TOTAL
Brisbane	8	3	3 <sup>9</sup>	1	14
Gold Coast	5	2 <sup>10</sup>	3	-	9
Townsville	3	-	1	-	4
Cairns	1	1	2	1	5
Logan	2	-	1	1 <sup>11</sup>	3
Maroochy	2	-	-	-	2
Toowoomba	-	2	-	-	2
Redcliffe	1	-	-	-	1
Rockhampton	1	-	-	-	1
Mackay	1	-	-	-	1
Gladstone	1	-	-	-	1
Noosa	-	-	1	-	1
Douglas	-	-	1	-	1
<b>TOTAL</b>	<b>25</b>	<b>8</b>	<b>12</b>	<b>3</b>	<b>45</b>

Table 6: Development approval applications for brothel premises

<sup>9</sup> indicates that an appeal was lodged with the independent assessor and subsequently refused.

<sup>10</sup> indicates that the application was refused by council and an appeal subsequently lodged with the independent assessor and upheld.

<sup>11</sup> indicates that the application was approved and then reassessed upon lodgement of final plans with consideration pending.

→ Almost half of the people surveyed in areas that have licensed brothels didn't realise they were there. In fact, 99% of all people surveyed

Local authority	Address
Brisbane	1/9 Alton St, Coopers Plains 1090 & 1110 Kingsford Smith Dve, Eagle Farm
	476 Boundary Rd, Archerfield
Logan	24 Magnesium Dve, Crestmead 3509 Pacific Hwy, Slacks Creek
Gold Coast	37 Upton St, Bundall
Townsville	28 Leyland St, Garbutt
Cairns	7 Owen Cl, Portsmith

Table 7: Council approved brothel premises which have either not been licensed by the PLA or for which a brothel licence application has not yet been lodged.

The independent assessor was established and appointed in December 2001 to hear and decide appeals regarding local government decisions on development applications for brothels. The independent assessor, Mr Stephen Keim, decided four appeals during 2003–04. One appeal was upheld with amended conditions and two appeals were dismissed. A further appeal was lodged in relation to council’s refusal to amend plans for a site already approved as a brothel. It is worth noting that in one of the independent assessor’s decisions he wrote that the independent assessor had no jurisdiction in any matters involving appeals from refusals to change or cancel conditions in the case of development approvals for code assessable brothel uses. The independent assessor respectfully suggested that the Parliament should consider this matter.

This year we developed an APM to document the role of the registrar for appeals to the independent assessor.



### mr stephen keim

Stephen Keim is a barrister of 19 years’ experience and has practised in Brisbane throughout that time. In addition to his professional work as a barrister, he has served in a number of positions including as president of the Legal Aid Commission, member of the Queensland Anti-Discrimination Tribunal, member of the Land Court and deputy chairperson of the Land Tribunal. Mr. Keim is currently a member of the Council of the QUT. Mr Keim has also chaired a task force addressing the fisheries management needs of Moreton Bay. He is a member of the committee of the Kedron Districts Lions Junior AFL Club.

### exempt towns

The Act allows the local government of towns with a population of 25,000 or less to make an application to the Minister for Police for the right to refuse any development application for a brothel in their local government area. To date there are 204 towns in Queensland that have received approval from the Minister for Police to refuse development approval for a brothel (see appendix 1 for a full list of all towns who may refuse an application for development approval for a brothel).

reported no impact at all on either their business or personal lives. (Source: *Selling Sex in Queensland*)





## the advertising of prostitution

→ In its annual report 2001–02 the PLA reported 205 requests for advertising approval were submitted of which 128 were approved. In the year under review that number has almost doubled. There were 386 applications for approval in respect of specific advertising material lodged with the PLA of which 335 were approved.

Advertising prostitution is a sensitive issue. It is an offence to advertise prostitution unless the advertisement has been approved. The PLA, in approving advertising, needs to balance, on the one hand the commercial rights of licensed brothels and of service providers to advertise their business, and on the other hand, the need to ensure that advertising material is not presented in publications in a way which is offensive or indiscreet or potentially so.

The PLA's role in granting approval for the advertisement of prostitution is not only a regulatory one. It has also been educative, by ensuring that the PLA's policies are well known to those who seek to advertise, and by regular contact with the various advertising media interests, to ensure that only approved advertisements are published and that the statutory prohibitions are well understood.

As with other aspects of the PLA's regulatory function it has to ensure compliance with advertising requirements. Not only must the PLA approve or refuse the various advertising proposals, it must ensure that material advertised in the media, or elsewhere either accords with any approval, or otherwise does not offend legislative provisions.

As a result of the PLA's communication strategies, most of those who now seek to advertise, and most of those who now publish advertisements, are generally

familiar, with both the provisions of the Act and with PLA policies for sole operator advertisements and/or for licensed brothel advertisements. Monthly print media surveillance of published advertisements is undertaken by compliance officers and the results reported at each meeting of the PLA. Typically, in any one month, up to 600 published advertisements are reviewed by the relevant officers. There is also a regular review of those websites or alterations to those websites which have been the subject of prior approval.

The worth of this process can be demonstrated.

Most advertisements now comply either with the Statute or with PLA policies. One recent review of 130 advertisements under the "Adult Services/Products" column in the *Courier Mail* found that all were compliant. Of 163 advertisements in various columns in the *Gold Coast Bulletin*, two were found to require further investigation by police. A review of 46 advertisements in a provincial daily found that one had referred to "massage" which is prohibited under Section 95 of the Act. This was drawn to the attention of the newspaper management and the situation rectified.

Compliance officers are continuing their consultative approach with media personnel to give guidance in recognising inappropriate words or phrases. There is good reason to conclude that such an approach has much to commend it.

The creative ingenuity of the advertising agencies, particularly in relation to internet advertising, presents as a continuing challenge, a matter which will be addressed in further reviews by the PLA of its current advertising policies.

→ The Queensland community accepts the existence of licensed brothels which demonstrates that the licensing regime currently operating under

Outcome	Number	Per cent
Approved	335	87
Approved with conditions	8	2
Refused	43	11
<b>TOTAL</b>	<b>386</b>	<b>100</b>

Table 8: Advertising approvals, 2003–04

Under the Act, the PLA is responsible for approving all advertising for prostitution in Queensland. During the year we received 386 requests for PLA consideration; most applications complied with our policy concerning prostitution advertising and 89 per cent of advertisements were approved, two per cent of which were subject to conditions (see Table 8).

the *Prostitution Act 1999* is effective in meeting the expectations of the community. (Source: *Selling Sex in Queensland*)



## the role of compliance

→ The legislative initiatives for the proper regulation and control of prostitution vary from state to state. Queensland's legislative scheme for regulation is modelled on the Victorian scheme but has significant differences, however, in each, the ongoing process of regulation and control involves the need for effective oversight and compliance. The licensing system which is integral to the Queensland scheme necessarily requires the regulatory body – the PLA – to ensure compliance.

Compliance in Queensland therefore requires the regulatory body to ensure that the licence which it issues to each brothel licensee is operated in accordance with the conditions which the PLA attaches to each licence and with the relevant statutory requirements. Further, the clear and unmistakable logic of the legislation, which is the source of the statutory licensing scheme, is to ensure that prostitution which is permitted in accordance with a licence is conducted in a manner and in an environment which is compatible with and acceptable to the community rather than be seen to operate in a way which is confronting, offensive and which challenges, rather than conforms with, the mind of the community.

In January 2003, when there were 12 licensed brothels operating in the state, the PLA, to achieve these objectives, appointed two specialist compliance officers to undertake the effective and ongoing regulatory oversight of the developing licensed brothel industry. The persons selected for this challenging role come from professional backgrounds in environmental health with an emphasis on communicable disease control, premises compliance, complaint handling and the auditing of regulatory requirements to identify and reduce hazards and at the same time ensure the development and maintenance of requisite standards.

In the year under review these valued officers, subject to PLA oversight, have developed the necessary procedures and protocols for the development of an effective and professional compliance program. Audits are conducted routinely at the time of annual licence renewal and at approximately six monthly intervals. As the occasion requires, random unannounced inspections are also undertaken.

Unannounced inspections are usually designed to address a specific issue, to assess compliance at any given time or to determine the validity of a specific complaint. Routine audits are designed to examine compliance with licence conditions and legislative requirements to ensure the ongoing maintenance of the required standards envisaged by the licence and the Act.

That is not to say that the execution of the compliance program has always been enthusiastically accepted by all licensees. Reluctance in this respect is merely an incident of any regulatory process undertaken by any regulatory body in relation to any industry.

The PLA can, however, say that in the year under review brothel licensees are generally accepting of the need for a process of compliance and are mostly cooperative with the execution of the compliance officers brief to ensure the continued maintenance of the standards which are either expressly or impliedly required and which are inherent in any system for the effective regulation and control of prostitution.

The PLA is satisfied not only with the professional efforts of its compliance officers but also with the licensees' response to the compliance program.

→ Street based sex workers distrust the criminal justice system whereas those who work in licensed brothels or sole operators would report violence to



Recent media publicity relating to compliance issues arising from political interaction was ill-informed and misleading.

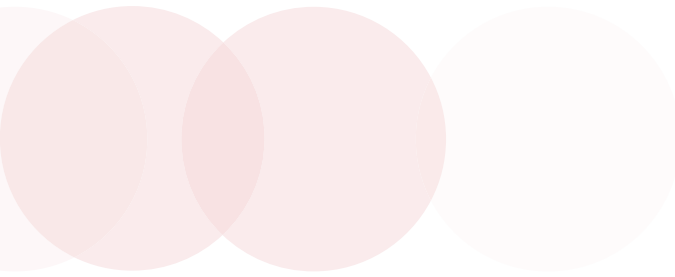
It needs to be understood that compliance reaches even to matters of detail and effective oversight will reveal such matters even though in the scheme of things they may be seen, in relative terms, as matters of minor concern and able to be quickly corrected.

On the basis of the information provided to the Parliament in respect of “44 audits and inspections” conducted since 2001–02 one political leader is reported as saying that he “found it staggering that brothel licensees are not complying with the law”. The fact is that brothel licensees are complying with the law and with the conditions of licence. Because the law and the conditions of licence are being complied with both generally and in particular cases, a headline that asserts the contrary, and attributes that to the responsible Minister, is apt to mislead.

The fact that even minor deficits are identified says much not only for the quality of compliance audits but also for a general intent on the part of licensees to comply.

The PLA is satisfied that its compliance program is working well.

“The fact is that brothel licensees are complying with the law and with the conditions of licence.”



the police. (Source: *Selling Sex in Queensland*)



# monitoring and compliance

## → the compliance program

Monitoring of licensed brothels is achieved through the functions of the compliance program, established in January 2003.

The core role of the compliance unit is to ensure brothel licensees and managers meet their obligations in managing Queensland's licensed brothels. The compliance officers provide guidance to licensees during and beyond the initial application process to ensure that the requirements of the Act, the *Prostitution Regulation 2000*, brothel licence conditions and the *Health and Safety Guidelines for Brothels* are being met.

The compliance unit has completed operational audits for each licensed brothel in Queensland and provided full reports on these to the PLA.

In addition the compliance officers provide technical and compliance related reports to the PLA on relevant emergent issues.

In the 2003–04 year PLA officers undertook 202 compliance activities. As a result of audits and inspections during the year, 101 recommendations for improvements were made and 18 notices of non-compliance were issued.

These compliance activities include:

### Compliance activities

- Renewal and interim audits of licensed brothels. Audits include the examination of financial records, review of policies and procedures, assessment of facilities and security arrangements within the brothel, examination of brothel records and interviews with staff and sex workers
- Unannounced inspections
- Management of complaints, and the introduction of a complaints database to record and monitor complaints about prostitution
- Management of the prostitution advertising surveillance program
- Development of recommendations relating to brothel policies and operational procedures
- Identification of strategies for the ongoing development of the compliance program
- Reports on technical or emergent issues relating to the compliance program

Table 9: Compliance activities

→ In reality, there are two sex industries, and workers in only one are currently protected. Policies and strategies to support the health and human

## → development of the compliance program

- The compliance officers have reviewed all compliance protocols and established administrative systems to facilitate an effective compliance program. To support the effectiveness and equity of the compliance functions and program transparency, a comprehensive compliance manual is being developed for consideration by the PLA.
- The compliance officers continue to liaise on a range of issues with key stakeholders including the DIR, Queensland Health and the PETF.
- Final implementation of the relevant recommendations arising from the CMC review of probity and compliance functions.

## → future developments for the compliance program

- Develop and establish a handbook for brothel managers and increase the awareness of managers about their roles and responsibilities.
- Develop a protocol for the handling of complaints of a particularly sensitive nature, which will balance the rights of the individual with community needs.
- Liaise with the DIR, Queensland Health and PETF to promote best practice through development of a comprehensive document to provide guidance and directives in the operation of best practice in licensed brothels.

rights of street based sex workers are urgently needed. (Source: *Selling Sex in Queensland*)



There are four areas of focus for the compliance program.

**1. Infectious disease control**

Measures are in place to control the spread of infectious disease and to provide harm minimisation strategies in relation to clinical waste.

Compliance function	Outcomes
→ Infection control procedures in the maintenance of the premises and general facilities	→ Infection control measures are maintained to appropriate standards
→ Provide advice to licensed brothel staff in the identification of STI's	→ Increased staff knowledge in the identification of STI's
→ Appropriate provision of personal protective equipment (PPE) (eg prophylactics)	→ PPE is freely available and stored according to requirements
→ Promotion of safe sex practices	→ Clients and workers engage only in safe sex practices
→ Monitoring of sexual health checks for workers	→ Sex workers have current sexual health certificates while working at licensed brothels
→ Provision of information to sex workers and their clients	→ Enhanced community knowledge on the control of STI's
→ Monitoring of clinical waste disposal protocols to achieve best practice	→ Harm minimisation principles are adopted through the appropriate disposal of clinical waste and sharps
→ Identification of emergent issues relating to infectious disease control	→ Best practice and currency of knowledge is promoted and maintained

Table 10: Infectious disease control

→ The PLA has in the past advocated that the *Prostitution Act 1999* does not assist the proper regulation of street based sex workers. *Selling Sex in*

## 2. Policies and procedures

Operational plans, policies and procedures are developed by the licensee to address all operational and management areas.

Compliance function	Outcomes
Assess and provide advice on the development of policies and procedures for the following general areas:	
→ Business operations	→ Promotion of best practice
→ Employment of staff and engagement of sex workers	→ Comprehensive operational policies and procedures are established
→ Workplace health and safety	→ Information contained within the policies and procedures is actively adopted by licensees, managers, staff and workers
→ Sexual health management	
→ Cleaning/sanitising procedures	
→ Waste management	

Table 11: Policies and procedures

## 3. Safety and security

Risks to safety and security are identified within and external to the brothel.

Measures are required to be adopted by the licensee to control risks to sex workers, staff and clients.

Compliance function	Outcomes
Assess control measures for:	
→ Risk reduction measures including: video surveillance, lighting external to the brothel, availability and operation of duress alarms within the working rooms and other relevant areas, policies for, and training of, staff and workers to manage safety and security matters	→ Risk assessments are completed annually for each licensed brothel → Safety and security of persons working at the licensed brothel are maintained or enhanced as required
→ Personal danger to workers from clients in the working rooms	→ Policies concerning matters of safety and security are available and reviewed regularly
→ Risks to workers arriving and leaving the premises	→ Incident and accident reports document safety and security breaches and action taken
→ Violent or dangerous behaviour from clients entering the brothel, including alcohol and drug-induced behaviours	→ Duress alarms, video equipment and lighting are operational and maintained → Safety for sex workers is maximised and maintained

Table 12: Safety and security

#### 4. Rooms provided for prostitution

Facilities for the provision of prostitution are appropriate.

Compliance function	Outcomes
→ Assess the suitability of duress alarms and other safety measures to provide safety to workers	→ Safety measures in the working rooms are in place and operational
→ Policies, procedures and lighting are available to assist workers in the assessment of clients for the presence of STI's	→ Workers can assess clients for the presence of STI's and provide general information regarding places for treatment if required
	→ Workers can refuse to provide sexual services where a risk is identified
→ PPE is readily available at no charge/cost to workers in the working rooms	→ Safe sex is practised at all times
→ Suitable disposal facilities are available for the disposal of clinical waste	→ Disposal of clinical waste complies with approved standards

Table 13: Rooms provided for prostitution

#### police entries to licensed brothels

During the year we received advice from QPS, as required under section 61 of the Act, regarding 18 police entries to six licensed brothels, detailed below.

Brothel	Number of visits
Purely Blue	3
Viper Room	1
Club 7	4
88 on Logan	4
Scarlet Harem	4
Truely Elegance	2
<b>TOTAL</b>	<b>18</b>

Table 14: Police entries to licensed brothels

→ The community – both in areas where licensed brothels currently operate and in areas where they do not – were consulted as to how they

# liaison and assistance

## → communicating with members of the public

Considering the sensitive nature of our core business, opportunities to communicate directly with members of the general public about the PLA and its activities are limited. We have been acutely conscious that any active public education campaign may appear to be promoting prostitution – a public impression we are careful to avoid. To date we have simply responded to a small number of invitations from community groups to speak about the sex industry and brothel licensing (see Table 15).

Date	Subject	Forum
21.05.04	The role and function of the PLA	Rotary Club of Toowoomba
27.05.04	The role and function of the PLA	Rotary Club of Port of Brisbane

Table 15: External presentations by staff, 2003–04

The PLA website (see Figure 9) communicates pertinent information to the public. The site was redesigned during 2003–04.

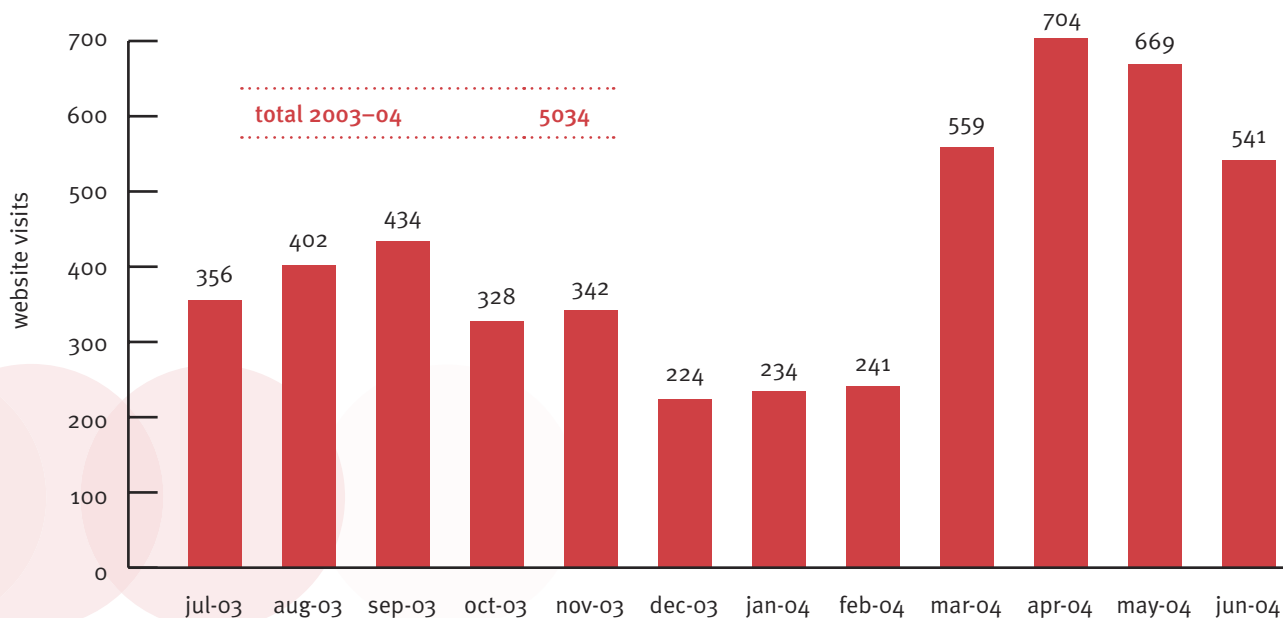


Figure 9: PLA website statistics 2003–04

thought the legalisation of brothels had impacted their business and personal lives. (Source: *Selling Sex in Queensland*)

Our multimedia presentation was updated and again, the presentation was very successful at Sexpo as well as in other smaller forums.

In addition to responding to invitations from community groups, the PLA established an information booth in the “Sexual Health and Education” section of Sexpo to distribute information about brothel licensing and the legal framework for prostitution in Queensland. Sexpo is an annual health, sexuality and lifestyle exhibition staged in Melbourne, Sydney and Brisbane which is open to members of the public aged over 18 years. Sexpo provides a useful forum to disseminate information to the general public about the PLA and its activities in an appropriately adult only forum. The PLA joined other government and non-government agencies, in an effort to emphasise sexual health.

During the year we have continued to add to our small library which contains publications, reports, media articles and other material on the sex industry and brothel operation. The library is accessible to members of the public and applicants and has been particularly useful to students in their preparation of university assignments.

### communicating with the sex industry

During 2003–04 we published four editions of our industry newsletter *In Touch*. *In Touch* was developed because while we had good contact and liaison with brothel licensees and managers through the compliance unit and through the annual renewal of applications, our communication with sex workers and other brothel staff needed improvement. We distribute *In Touch* to brothels for the general interest of workers in licensed brothels, to SQWISI’s five Queensland offices for other sex workers and to a quickly expanding mail out list. *In Touch* has included articles on industrial relations issues, the role of the independent assessor, prostitution law reform in other states of Australia and compliance issues as well as items considered of interest to sex workers.

During the year we continued our contact with SQWISI and maintained a formal monthly meeting with the state manager to discuss the operation of the Act.

### communicating with other key stakeholders

We met regularly with our key stakeholders and have assisted other agencies perform their functions with regard to industry related issues. Table 16 shows the number of meetings we held with our key stakeholders.

Group	Number
Licensees and managers, applicants, potential applicants	29
QPS	41
CMC	6
SQWISI	13
Government agencies	43
Sex workers	4
Media	1
Ministerial	8
Members of the public/students	2
<b>TOTAL</b>	<b>147</b>

Table 16: Meetings held by the PLA with key stakeholders, 2003–04

→ Sex workers in licensed brothels rarely risk their sexual health and are rarely or never asked by clients for unprotected sex whereas street based

## complaints

During the 2003–04 year we received 94 complaints about prostitution, a slight increase on the 92 complaints received for the previous year. Figure 10 shows that most of these complaints fell into two main categories – complaints about advertising and complaints about brothel operation. Most complaints were resolved by our PLA staff or by referral of the complaint to PETF for criminal investigation (Figure 11).

We believe the number of complaints made to us over the past year are the result of an increasing awareness of the role and function of the PLA and that over the years we have demonstrated our ability to properly investigate a wide range of complaints received about the sex industry.

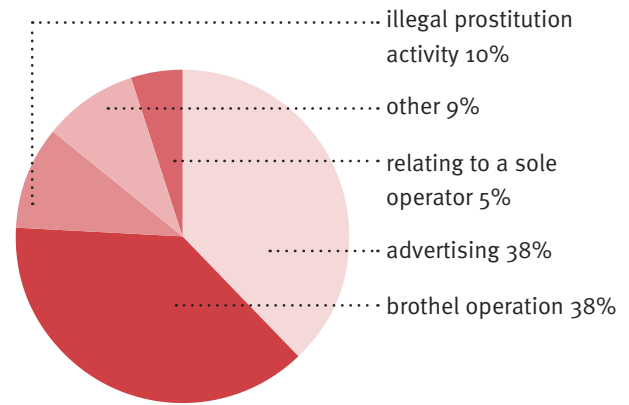


Figure 10 Nature of complaints, 2003–04

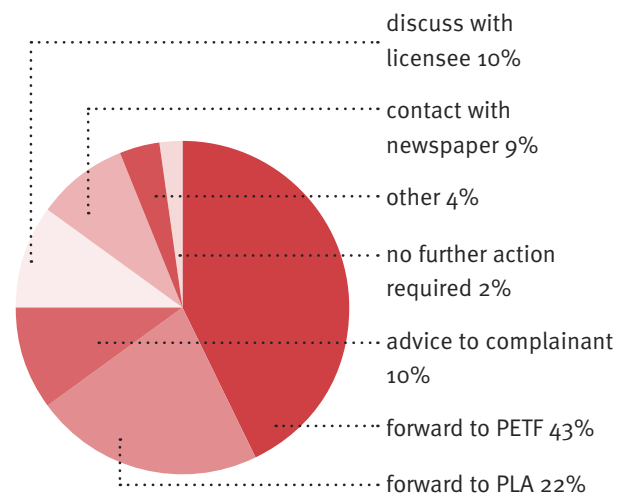


Figure 11 Resolution of complaints, 2003–04

sex workers are mostly or always asked to provide unprotected sex. (Source: *Selling Sex in Queensland*)



## complaint case studies

Here are some examples of the complaints we received during the year.

### Complaint 1 – Illegal prostitution

The complaint	We received information from a complainant about an illegal brothel that had been previously prosecuted, continuing to operate and advertise in local newspapers. The complainant, while happy to disclose the details to us, wished to remain anonymous to the QPS.
What we did	We were able to gather and forward the information provided to us by the complainant to PETF without disclosing the identity of the complainant.
The outcome	The complaint provided useful information in the investigation and prosecution of a significant illegal prostitution operation which resulted in six arrests on seven criminal charges including knowingly participating in the provision of prostitution, persons found in places reasonably suspected of being used for prostitution and tainted property.

### Complaint 2 – Illegal prostitution occurring at an adult entertainment venue

The complaint	A complaint was received from a member of the public who claimed that illegal prostitution was occurring at an adult entertainment venue.
What we did	We referred all information to PETF for investigation.
The outcome	PETF commenced investigation based on the information provided by us and together with proactive investigations and intelligence assessments confirmed that female staff were providing massage and sex shows to clients in private rooms. Police officers acting in a covert capacity obtained evidence that constituted the offence of knowingly participating in the provision of prostitution. As a result nine females were detained on the premises. Four persons were charged with knowingly participating in the provision of prostitution and five persons were charged with being persons found in places reasonably suspected of being used for prostitution. Enquiries are continuing in relation to the persons responsible for organising and benefiting from the illegal prostitution taking place at the venue.

→ Street based sex workers have extremely problematic, health-compromising drug consumption and a far lower level of mental health compared

### Complaint 3 – Illegal prostitution

The complaint	Complaint of illegal prostitution occurring in residential areas involving suspected illegal immigrants was received from a concerned member of the public. A resident had observed a number of females arriving and leaving a unit and observed that these persons were reluctant to be seen.
What we did	We referred the complaint to PETF for investigation of a possible offence against the Act or the <i>Criminal Code 1899</i> . After investigations PETF confirmed suspicions that a number of sex workers were operating illegally from several locations.
The outcome	<p>PETF investigators, along with the Australian Federal Police and Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) attended the addresses in question and executed warrants. Detectives located four female sex workers, one transsexual and one male. The male made admissions to being the lessee of the three premises, placing and paying for the escort advertising, paying the rent and having a controlling interest in the illegal enterprise.</p> <p>Two of the sex workers were identified as illegal immigrants. Deportation proceedings were commenced by DIMIA. Six persons were charged with 14 offences related to knowingly participating in the provision of prostitution, having an interest in premises used for the purposes of prostitution and possession of tainted property.</p>

### Complaint 4 – Brothel operation

The complaint	An anonymous complaint was received that a sex worker within a licensed brothel was providing sexual intercourse or oral sex without a prophylactic.
What we did	We referred the matter to PETF who attended the licensed brothel in a covert capacity. The officer requested the services of that particular sex worker. The sex worker subsequently offered an extra charge to provide and receive oral sex without a prophylactic.
The outcome	The sex worker pleaded guilty and was convicted under s 77A of the Act.

### Complaint 5 – Advertising/Fraud

The complaint	The PLA lodged a complaint with the QPS that an interstate licensee had forged a PLA advertising approval.
What we did	We referred the matter to PETF who attended interstate premises.
The outcome	PETF investigations indicated that while the offences constituted fraud they were committed interstate. Ongoing legal advice is being sought and the complaint may be forwarded to interstate police for investigation.

to other sex workers. (Source: *Selling Sex in Queensland*)

## enquiries

During the year we responded to 2,103 enquiries about prostitution and related issues. Figure 12 shows that enquiries generally come from brothel licensees and managers, other agencies and sex workers. The most common categories of enquiry are legal or brothel licensing questions, questions about prostitution advertising, and questions about brothel operation (Figure 13).

In the majority of cases we were able to respond to the enquiries over the phone (see Figure 14).

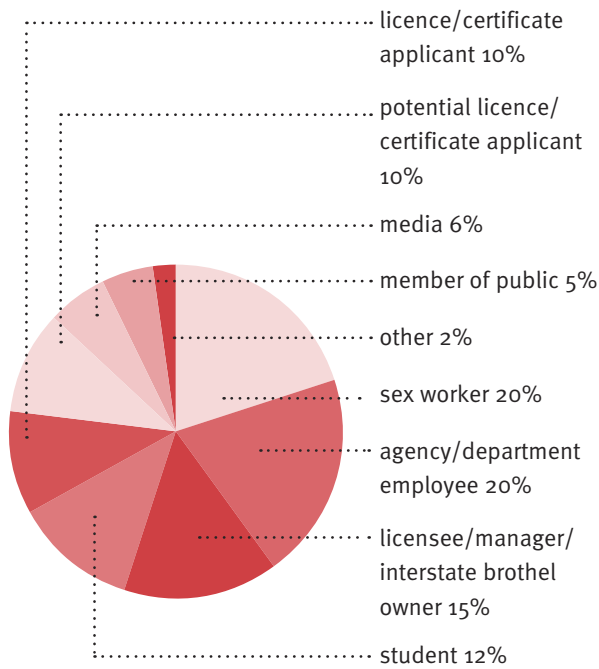


Figure 12 Source of enquiries 2003-04

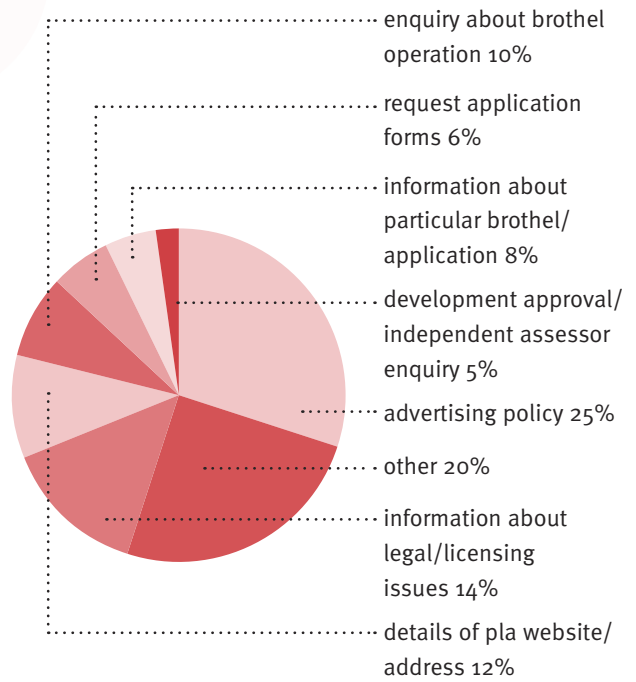


Figure 13 Nature of enquiries 2003-04

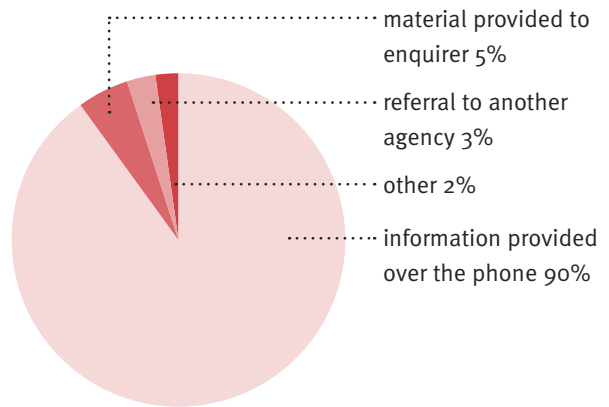


Figure 14 Response to enquiries 2003-04

→ Clients of street based sex workers are a group who demonstrate a far higher level of risk taking behaviour (that is, licit and illicit drug use) than

our staff

This year we had eight full time and one part time staff members in total, three quarters of whom are women (see Tables 17 and 18). This year we fully implemented our staff performance, planning and review policy, with all staff having participated in the annual review process. This policy will assist the career planning process for individual staff members.

All staff have participated in on-site and external training programs, including courses in advanced procurement, purchasing, financial accounting, privacy, policy skills, detection of fraud, safety auditing and some industry specific seminars. We spent a total of \$16,109 and 300 hours on staff training this year.

There was no overseas travel undertaken by either staff or members of the PLA.

Staff category	Female	Male
AO7-SO1	3	1
AO4-AO6	2	1
AO2-AO3	1.5	0
<b>TOTAL</b>	<b>6.5</b>	<b>2</b>

Table 17: PLA staff full time equivalents

Target group	Number	Per cent
Women	6.5	76
People from a non-English-speaking background	0	0
Aboriginal/Torres Strait Islander	0	0
People with a disability	0	0

Table 18: PLA staff membership of equal employment opportunity (EEO) target groups

The finance and administration section of the PLA comprises two full time and one part time staff who have an ongoing workload in providing advice on the financial, administrative and human resource issues that influence PLA outcomes. This includes a review of our FAM and other policies and procedures to ensure that the conduct of the financial, administrative and human resource activities of the PLA complies with whole-of-Government legislation, policies and directives.

The major financial management activities have included reviewing and managing the budget, processing expense payments and revenue, and preparing financial statements and reports. A review of financial procedures has streamlined several processes resulting in the PLA being more self dependent by minimising outsourced activities. To ensure probity of the financial operations, financial reports were prepared for presentation and tabling at the monthly meetings. These reports provided PLA members with details of variances in actual expenses and revenues against budget as well as highlighting that there was an adequate cashflow.

While systems and business practices are constantly monitored and updated to maintain efficiency and compliance, 2004-05 will involve the review and further development of the financial management system to ensure compliance with International Accounting Standards.

Administrative functions have been enhanced by the development and implementation of an in-house electronic filing system to ensure adequate recording and security of information and documentation.

A review of the SLA between QPS and the PLA has determined that Partner One and CorpTech, being the shared services providers for the PLA, will complete some of the services originally provided by QPS such as payroll, processing payments and SAP support. Other services remaining with QPS include expert advice on financial management and industrial relations issues.

We did not enter into any consultancy contracts during the year.

## information management

An area where we receive assistance from the QPS is for the provision of IT services and support, which includes maintenance of the PLA website. The IT assistance provided by the QPS is a separate SLA, which we review annually.

A major initiative for the PLA this year has been the progress made in the development of a brothel licensing database, which aims to streamline the storage and retrieval of information from brothel licence and manager's certificate applications and related paperwork.

In 2003–04, the PLA engaged a project team from the Faculty of Information Technology, QUT. The team consisted of Mr Chad Rowe, Mr Clayton Lewis and Mr Michael Davis – final year students completing Bachelor of Business and Information Technology majoring in Information Systems degrees. The partnership between the PLA and QUT provided for the development of the brothel licence database and afforded the students with an opportunity to fulfil the requirements of their course.

The first stage of the project required planning and development of a licensing database, ensuring that the processing of applications, enquiries, complaints, audits and inspections is responsive to the needs of stakeholders and clients and information is managed efficiently. Without doubt, the first stage of the project would not have been successful were it not for the contribution, commitment and expertise provided by the students and QUT.

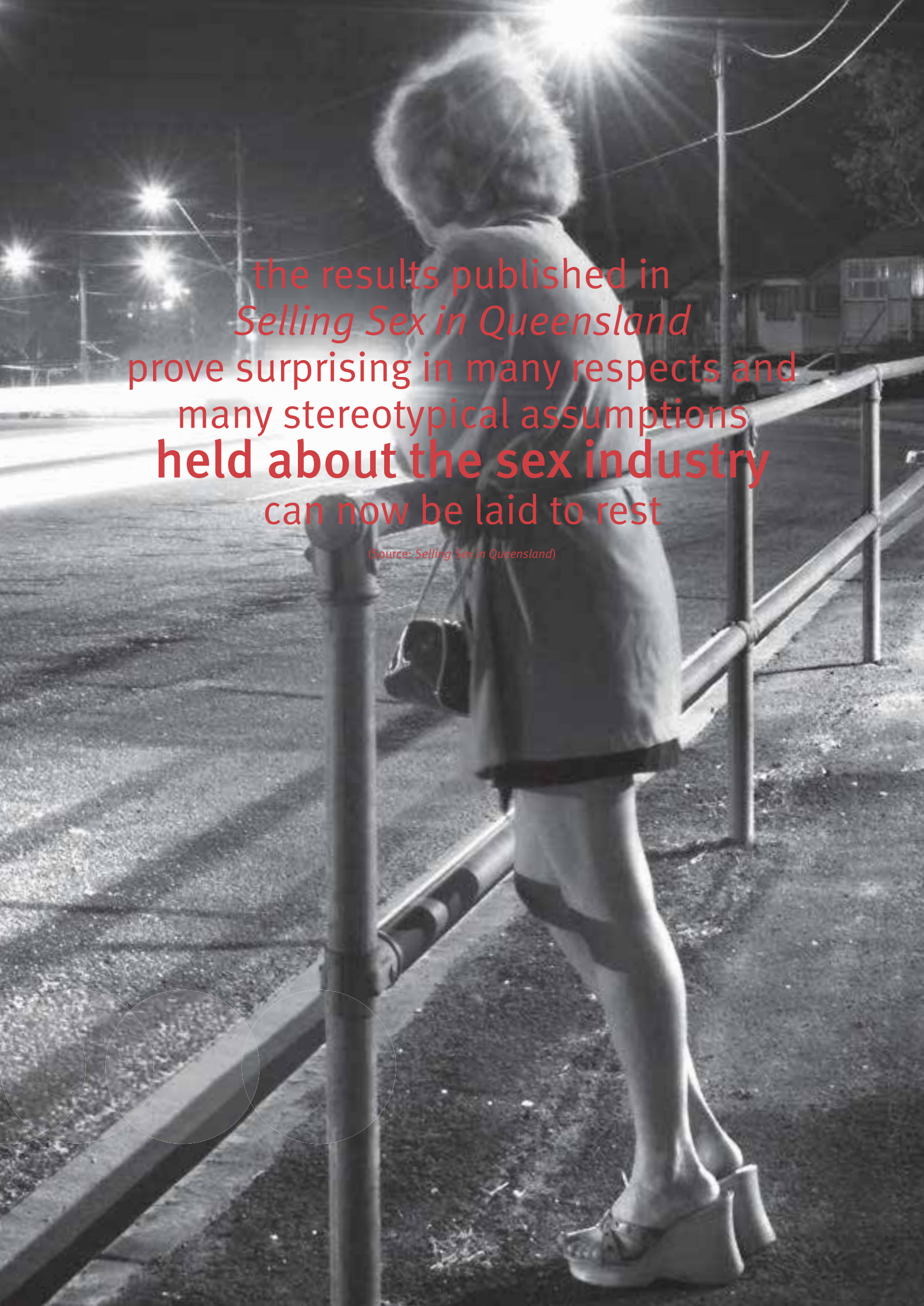
A major project for 2004–05 will involve the transfer of data into the new database for testing and evaluation in preparation for the next QUT project team to develop and implement stage two.

## outlook for 2004–05

We will continue to improve efficiency and effectiveness in our work in the coming year. To achieve this we will:

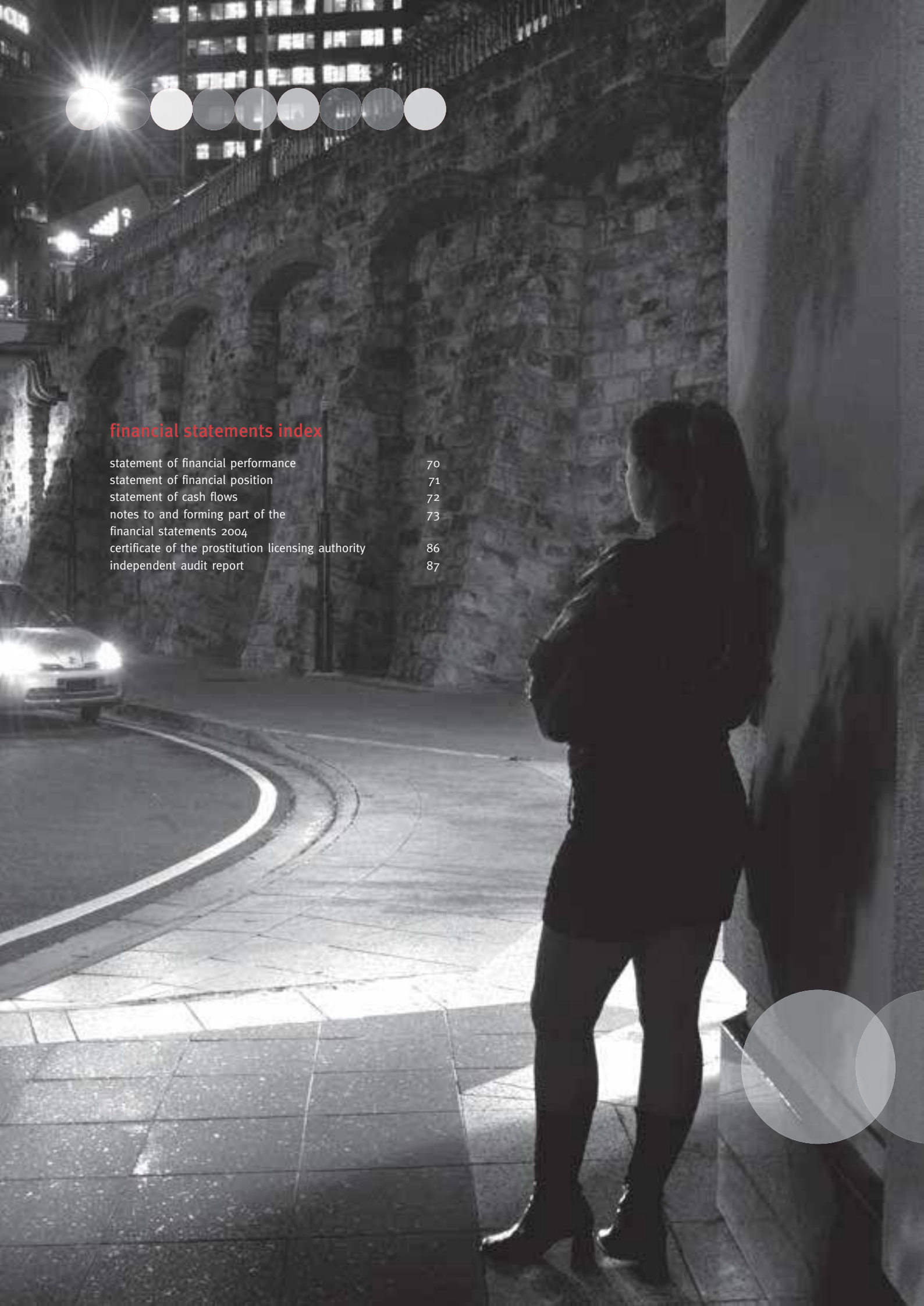
- continue to review and update the probity process for licensing
- continue to review and update the renewal process for brothel licences and managers' certificates
- implement the PLA's two new legislative functions
- finalise implementation of the recommendations arising from the CMC review of the probity and compliance functions
- undertake a visit to regional Queensland to liaise with local government, QPS, and other relevant agencies to assist them in performing their functions in relation to the Act
- review the PLA business plan in light of the new responsibilities of the PLA
- develop and establish a handbook for brothel managers and commence education of managers about their roles and responsibilities
- review the PLA Code of Conduct
- respond to recommendations arising from the CMC review of the effectiveness of the Act
- complete the re-engineering process for the PLA licensing database
- develop a protocol for handling complaints of a particularly sensitive nature that will balance the rights of individuals with community needs
- liaise with the DIR to clarify the situation of sex workers in relation to industrial relations law and practice
- review and improve the PLA communication strategy.





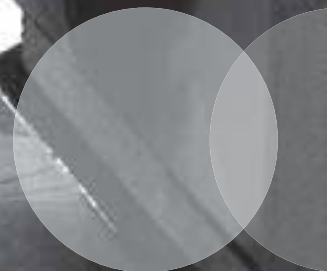
the results published in  
*Selling Sex in Queensland*  
prove surprising in many respects and  
many stereotypical assumptions  
**held about the sex industry**  
can now be laid to rest

(Source: *Selling Sex in Queensland*)



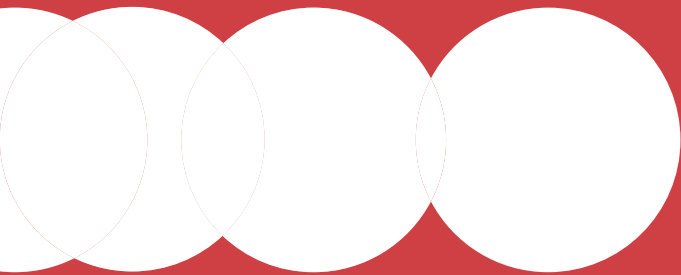
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 financial **statements**



# prostitution licensing authority statement of financial performance

for the year ended 30 June 2004

	Notes	2004 \$	2003 \$
<b>Revenue from ordinary activities</b>			
User charges and fees	1(c),2(a)	281,272	205,425
Government contributions	1(c),2(a)	653,000	755,000
Other	1(c),2(a)	45,001	40,275
<b>Total revenue from ordinary activities</b>		<b>979,273</b>	<b>1,000,700</b>
<b>Expenses from ordinary activities</b>			
Employee expenses	2(b)	597,823	491,288
Supplies and services	2(c)	228,837	333,397
Depreciation and amortisation	1(e),2(d)	44,473	42,667
Other	2(e)	203,577	147,833
<b>Total expenses from ordinary activities</b>		<b>1,074,710</b>	<b>1,015,185</b>
<b>Net result for the reporting period</b>		<b>(95,437)</b>	<b>(14,486)</b>

The above statement should be read in conjunction with the accompanying notes.

# prostitution licensing authority statement of financial position

As at 30 June 2004

	Notes	2004 \$	2003 \$
<b>Assets</b>			
Current assets			
Cash assets	1(f),3	618,979	650,800
Receivables	1(g),4	21,037	16,362
Other	5	–	2,970
<b>Total current assets</b>		<b>640,016</b>	<b>670,132</b>
Non-current assets			
Property, plant and equipment	1(d),6	234,560	288,859
Intangibles	1(d),7	8,295	11,825
<b>Total non-current assets</b>		<b>242,855</b>	<b>300,684</b>
<b>Total assets</b>		<b>882,871</b>	<b>970,816</b>
<b>Liabilities</b>			
Current liabilities			
Payables	1(h),8	260,009	251,482
Provisions	1(i),9	14,159	14,473
<b>Total current liabilities</b>		<b>274,168</b>	<b>265,955</b>
Non-current liabilities			
Provisions	1(i),9	38,409	39,130
<b>Total non-current liabilities</b>		<b>38,409</b>	<b>39,130</b>
<b>Total liabilities</b>		<b>312,577</b>	<b>305,085</b>
<b>Net assets</b>		<b>570,294</b>	<b>665,731</b>
<b>Equity</b>			
Contributed capital	10	665,731	680,217
Accumulated deficit	10	(95,437)	(14,486)
<b>Total equity</b>		<b>570,294</b>	<b>665,731</b>

The above statement should be read in conjunction with the accompanying notes.

# prostitution licensing authority statement of cash flows

for the year ended 30 June 2004

	Notes	2004 \$	2003 \$
<b>Cash flows from operating activities</b>			
<i>Receipts</i>			
Government contributions		653,000	755,000
User charges and fees		298,398	325,500
GST collected from customers		7,955	3,630
GST input tax credits from ATO		30,775	53,394
Interest receipts		37,208	34,930
<i>Payments</i>			
Employee expenses		(597,358)	(484,608)
Supplies and services		(477,365)	(445,651)
Insurance premiums		(3,100)	(2,566)
GST paid to suppliers		(1,181)	–
GST remitted to ATO		–	(50,286)
<b>Net cash (used in)/provided by operating activities</b>	<b>11</b>	<b>(51,668)</b>	<b>189,343</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		79,545	36,108
Payments for property, plant and equipment		(59,698)	(123,187)
<b>Net cash (used in)/provided by investing activities</b>		<b>19,847</b>	<b>(87,079)</b>
Net movement in cash		(31,821)	102,264
Cash at beginning of financial year		650,800	548,535
<b>Cash at end of financial year</b>	<b>3</b>	<b>618,979</b>	<b>650,800</b>

The above statement should be read in conjunction with the accompanying notes.

# prostitution licensing authority notes to and forming part of the financial statements 2004

## note 1 significant accounting policies

### prostitution licensing authority

The Prostitution Licensing Authority was established as a statutory body from 1 July 2000 under the *Prostitution Act 1999*. Under the Act, the objectives of the Authority are to establish an efficient and effective brothel licensing regime, to ensure that licensed brothels operate in accordance with the legislation and that the objectives of the legislation are achieved.

During 2003–04, the Authority continued to be substantially funded through non-reciprocal government contributions.

#### (a) basis of accounting

##### *General*

These financial statements are a general purpose financial report and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, *Financial Management Standard 1997*, applicable Australian Accounting Standards, Urgent Issues Group Abstracts and Statements of Accounting Concepts.

The financial report has been prepared on an accrual and going concern basis.

The financial report has also been prepared under the historical cost convention except where specifically stated.

##### *Accounting policies*

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

##### *Classification between current and non-current*

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Authority's operational cycle.

##### *Rounding and comparatives*

Amounts included in the financial statements have been rounded to the nearest whole dollar, or where that amount is less than \$0.50, to zero.

Comparative information and figures have been restated where necessary to be consistent with disclosures in the current reporting period.

#### (b) the reporting entity

The financial statements include all revenues, expenses, assets, liabilities and equities of the Authority. The Authority controls no other entities.

#### (c) revenue recognition

Revenue is recognised when goods or service are delivered.

##### *User Charges and Fees*

Application fees for licences and certificates and fees for licences and certificates granted are recognised as revenues of the Authority. Other user charges are recognised as revenues when invoices for the related services are issued.

##### *Government contributions*

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established whichever is the sooner, and disclosed in the Statement of Financial Performance as *Government contributions*.

##### *Sale of assets*

The profit or loss on sale of an asset is determined when control has passed to the buyer. In accounting for the sale of non-current assets, gross proceeds from the sales are included as other revenue and the written down value of the assets sold is disclosed as an operating expense.

# prostitution licensing authority notes to and forming part of the financial statements 2004

## *Services acquired for no cost*

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and as an expense.

## **(d) recognition and measurement of intangibles, property, plant and equipment**

### *Acquisition*

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition.

Actual cost is used for the initial recording of all acquisitions of assets controlled by the Authority.

Assets acquired at no cost or for nominal considerations, are recognised at their fair value at date of acquisition.

Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees.

All intangible assets and all items of property, plant and equipment with a cost or other value in excess of \$1,000 are recognised for financial reporting purposes in the year of acquisition. All other items of intangibles, property, plant and equipment are expensed on acquisition.

### *Revaluation*

Land, buildings, infrastructure and heritage and cultural assets are measured at fair value. All other assets are measured at cost. This is in accordance with the Queensland Treasury's *Non-Current Asset Accounting Guidelines for the Queensland Public Sector*.

All non-current physical assets of the Authority are valued at cost in accordance with these guidelines and as such no revaluations are required.

## *Repairs and maintenance*

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The Authority did not replace any asset components and as such no costs were capitalised and depreciated.

## *Finance leases*

Leases of property, plant and equipment where substantially all the risks and benefits incidental to ownership of the asset are assumed by the Authority are classified as finance leases.

The Authority held no finance leases at 30 June 2004.

## *Operating leases*

Lease payments for operating leases are recognised as an expense in the years in which they are incurred and this reflects the pattern of benefits derived by the Authority.

Operating leases are used by the Authority.

## *Leasehold improvements*

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

## **(e) amortisation and depreciation of intangibles, property, plant and equipment**

Amortisation and depreciation of intangibles, property, plant and equipment is calculated on a straight line basis so as to write-off the net cost of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Authority.

The depreciable amount of leasehold improvements is allocated progressively over the estimated useful life of the improvements to the Authority or the unexpired period of the lease on the premises, whichever is the shorter. The unexpired period of the lease includes option periods where exercise of the option is probable.

# prostitution licensing authority notes to and forming part of the financial statements 2004

It is the intention of the Authority to sell motor vehicles on an annual basis therefore no depreciation is applied.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

Class	Periods
Intangibles (internal use software)	5 years
Computer equipment (hardware)	3-5 years
Office equipment (photocopier)	5 years
Office equipment (telephone, facsimile, shredders, e/whiteboards)	7-10 years
Office equipment (safes)	40 years
Plant and equipment	7-10 years
Leasehold improvements	8-10 years

## (f) cash assets

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

## (g) receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, with settlement generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with provision being made for doubtful debts if required. The Authority did not have any bad debts at 30 June 2004.

## (h) payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Authority. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

## (i) employee benefits

### *Annual leave and sick leave*

Annual leave benefits are accrued on a pro rata basis in respect of services provided by employees up to balance date, having regard to expected future rates of pay and on-costs.

Sick leave is expensed as incurred.

### *Long Service Leave*

Under the State Government's long service leave scheme a levy is made on the Authority to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 – *Financial Reporting by Governments*.

### *Superannuation*

Employees of the Prostitution Licensing Authority are members of QSuper. Contributions to employee superannuation plans are charged as expense as the contributions are paid or become payable.

For employees of QSuper, the Treasurer of Queensland, based on advice received from the State Actuary, determines employer contributions for superannuation expenses.

No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported pursuant to AAS 31 – *Financial Reporting by Government*.



# prostitution licensing authority notes to and forming part of the financial statements 2004

## (j) insurance

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

## (k) taxation

The activities of the Board are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable and GST payable from/to the Australian Tax Office are recognised and accrued.

## (l) adoption of international financial reporting standards

The Financial Reporting Council has determined that all entities preparing general purpose financial statements will apply the Australian Equivalents to International Financial Reporting Standards (IFRSs) for reporting periods beginning on or after 1 January 2005.

To assist in the implementation of the new reporting requirements the Authority has established a Work Group which receives advice from the Queensland Police Service. All Pending Australian Equivalents to IFRSs are being progressively reviewed for possible implications on policies, procedures, systems and financial impacts arising from such changes.

To date, the Authority has identified a number of areas which may be impacted including intangibles and non-current assets – impairment test.

# prostitution licensing authority notes to and forming part of the financial statements 2004

## note 2 statement of financial performance – disclosures

### (a) revenue

#### *User charges and fees*

	2004 \$	2003 \$
Fees for licences granted	213,000	150,740
Fees for licence applications	41,513	37,500
Fees for certificates granted	913	465
Fees for certificate applications	24,202	16,500
Other fees	1,644	220

**281,272**      **205,425**

#### *Government contributions*

Operating	653,000	755,000
-----------	---------	---------

**653,000**      **755,000**

#### *Other revenue*

Interest	38,510	35,436
Net gain on disposal of motor vehicles	6,491	4,839

**45,001**      **40,275**

### (b) employee expenses

Wages and salaries	512,381	422,437
Employer superannuation contributions	64,388	51,648
Long service leave levy	7,701	6,151
Other related expenses	13,353	11,052

**597,823**      **491,288**

Number of full time equivalent employees at 30 June 2004	8.5	8
--	-----	---

# prostitution licensing authority notes to and forming part of the financial statements 2004

	2004 \$	2003 \$
<b>(c) supplies and services</b>		
Consultants and contractors	50,393	163,167
Materials	62,461	65,191
Travel	6,506	9,878
Repairs and maintenance	21,234	14,656
Communications	13,890	10,737
Queensland Police Service corporate service charges	20,000	20,000
Public utilities	12,957	10,831
Professional development	16,880	11,493
Other	24,516	27,444
	<b>228,837</b>	<b>333,397</b>
<b>(d) depreciation and amortisation</b>		
The deficit from ordinary activities includes the following specific expenses		
<i>Depreciation and amortisation</i>		
Leasehold improvements	17,264	7,623
Motor vehicles	–	4,607
Computer equipment	10,815	13,782
Office equipment	8,867	8,800
Plant and equipment	2,716	2,717
Furniture and fittings	1,281	1,608
Intangibles – own use software	3,530	3,530
	<b>44,473</b>	<b>42,667</b>
<b>(e) other expenses</b>		
Insurance	3,100	2,566
Auditor's remuneration – external audit services	9,100	8,700
Rental expense – operating lease	133,597	85,983
Prostitution Licensing Authority – chair and members' fees	50,791	50,508
Other	6,989	76
	<b>203,577</b>	<b>147,833</b>

# prostitution licensing authority notes to and forming part of the financial statements 2004

	2004 \$	2003 \$
<b>note 3 cash assets</b>		
Imprest account	300	300
Cash at bank	618,679	650,500
	<b>618,979</b>	<b>650,800</b>
The total for cash assets reconciles to cash at the end of the financial year as disclosed in the Statement of Cash Flows.		
<b>note 4 receivables</b>		
<i>Current</i>		
GST receivable	11,801	8,429
Interest receivable	9,236	7,933
	<b>21,037</b>	<b>16,362</b>
<b>note 5 other assets</b>		
<i>Current</i>		
Prepayments	-	2,970
	<b>-</b>	<b>2,970</b>

# prostitution licensing authority notes to and forming part of the financial statements 2004

	2004 \$	2003 \$
<i>note 6 property, plant and equipment</i>		
<i>Leasehold improvements</i>		
At cost	151,615	149,936
Less: Accumulated amortisation	(48,120)	(30,856)
	<b>103,495</b>	<b>119,080</b>
<i>Office equipment</i>		
At cost	60,561	54,943
Less: Accumulated depreciation	(24,431)	(15,565)
	<b>36,130</b>	<b>39,378</b>
<i>Plant and equipment</i>		
At cost	21,717	21,717
Less: Accumulated depreciation	(6,962)	(4,246)
	<b>14,755</b>	<b>17,471</b>
<i>Motor vehicles</i>		
At cost	51,102	75,136
Less: Accumulated depreciation	–	(2,081)
	<b>51,102</b>	<b>73,055</b>
<i>Computer equipment</i>		
At cost	53,857	52,558
Less: Accumulated depreciation	(33,420)	(22,605)
	<b>20,437</b>	<b>29,953</b>
<i>Fixtures and fittings</i>		
At cost	13,445	13,445
Less: Accumulated depreciation	(4,804)	(3,523)
	<b>8,641</b>	<b>9,922</b>
<b>Total</b>	<b>234,560</b>	<b>288,859</b>

# prostitution licensing authority notes to and forming part of the financial statements 2004

## note 6 property, plant and equipment (continued)

### reconciliation

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current reporting period.

	Leasehold improvements 2004	Office equipment 2004	Plant & equipment 2004	Motor vehicles 2004	Computer equipment 2004	Fixtures & fittings 2004	Total 2004
Carrying amount at 1 July 2003	119,080	39,378	17,471	73,055	29,953	9,922	288,859
Acquisitions	1,679	5,619	–	51,102	1,299	–	59,699
Transfer between classes	–	–	–	–	–	–	–
Disposals	–	–	–	(75,136)	–	–	(75,136)
Depreciation/ amortisation	(17,264)	(8,867)	(2,716)	2,081	(10,815)	(1,281)	(38,862)
<b>Carrying amount at 30 June 2004</b>	<b>103,495</b>	<b>36,130</b>	<b>14,755</b>	<b>51,102</b>	<b>20,437</b>	<b>8,641</b>	<b>234,560</b>

## note 7 intangibles

### Internal use software

At cost	17,649	17,649
Less: Accumulated amortisation	(9,354)	(5,824)
	<b>8,295</b>	<b>11,825</b>

## note 8 payables

### Current

Fees for licences received in advance <sup>a</sup>	228,750	225,000
Fees for certificates received in advance <sup>a</sup>	290	315
Other	30,969	26,167
	<b>260,009</b>	<b>251,482</b>

<sup>a</sup> Fees for licences and certificates received in advance are monies held by the Authority pending a decision whether or not to approve the application.

# prostitution licensing authority notes to and forming part of the financial statements 2004

	2004 \$	2003 \$
<b>note 9 provisions</b>		
<i>Current</i>		
Annual leave	14,159	14,473
	<b>14,159</b>	<b>14,473</b>
<i>Non-current</i>		
Annual leave	38,409	39,130
	<b>38,409</b>	<b>39,130</b>
<b>note 10 contributed capital</b>		
Balance at the beginning of the reporting period	665,731	680,217
Net deficit	(95,437)	(14,486)
<b>Balance at end of reporting period</b>	<b>570,294</b>	<b>665,731</b>
<b>note 11 reconciliation of net result to net cash (used in) /provided by operating activities</b>		
Net result for the period	(95,437)	(14,486)
Depreciation and amortisation	44,473	42,667
Gain on sale of property, plant and equipment	(6,491)	(4,839)
<i>Change in operating assets and liabilities:</i>		
(Increase)/decrease in GST receivable	(3,372)	6,738
(Increase)/decrease in other receivables	(1,303)	46,742
(Increase)/decrease in prepayments	2,971	(1,472)
Increase/(decrease) in fees paid in advance	3,725	120,075
Increase/(decrease) in other payables	–	(13,959)
Increase/(decrease) in other LSL payable	19	–
Increase/(decrease) in accruals	4,783	4,877
Increase/(decrease) in employee provisions	(1,036)	3,000
<b>Net cash from operating activities</b>	<b>(51,668)</b>	<b>189,343</b>



# prostitution licensing authority notes to and forming part of the financial statements 2004

## note 12 financial instruments

### (a) interest rate risk

The Authority's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities are shown in the following table.

	Maturity date 1 year or less \$	Non-interest bearing \$	Total \$	Weighted average rate %
<i>Financial assets</i>				
Cash assets	618,679	300	618,979	4.15
Receivables	–	21,037	21,037	
<b>Total financial assets</b>	<b>618,679</b>	<b>21,337</b>	<b>640,016</b>	
<i>Financial liabilities</i>				
Payables	–	260,009	260,009	
<b>Total financial liabilities</b>	<b>–</b>	<b>260,009</b>	<b>260,009</b>	

### (b) net fair values

The net fair value of cash assets, receivables and payables approximates their carrying value.

### (c) credit risk

Credit risk exposure represents the extent of credit related losses that the Authority may be subject to on amounts to be exchanged under accounts receivable from financial assets.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any provisions for doubtful debts as indicated in the Statement of Financial Position.

No significant credit risks have been identified.

# prostitution licensing authority notes to and forming part of the financial statements 2004

## note 13 commitments for expenditure

### (a) operating lease commitments

At 30 June 2004 the Authority had the following operating lease commitments which are inclusive of GST:

	2004 \$	2003 \$
Not later than one year	143,494	148,167
Later than one year and not later than five years <sup>b</sup>	–	139,642
<b>Total commitments</b>	<b>143,494</b>	<b>287,809</b>

<sup>b</sup> The operating leases expire during the 2004–2005 financial year. The Authority has the right to be granted further leases of the premises according to the terms of the contract.

Operating leases are entered into as a means of acquiring access to office accommodation. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined. No renewal or purchase options exist in relation to operating leases and no operating lease contains restrictions on financing or other leasing activities.

### (b) capital commitments

The Authority had no capital expenditure commitments at 30 June 2004.

# prostitution licensing authority notes to and forming part of the financial statements 2004

## note 14 remuneration of board members

Remuneration received, or due and receivable by Board Members from the Authority in connection with the management of the Authority. Remuneration includes, fees received by Members. There were no payments made to the Members for salaries, commissions and contributions to member's superannuation and other benefits.

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

	2004	2003
Nil	2	2
\$1—\$10,000	5	3
\$30,001—\$40,000	1	1

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

W J Carter QC	34,434
Dr I Wilkey	5,715
Mr L Pollard	5,022
Cr A Bennison	4,764
Ms L Palmen AM (appointed May 2004)	428
Ms A Murphy (appointed May 2004)	428
Assistant Commissioner G J McDonnell (QPS)	—
Mr J Callanan (CMC)	—
<b>Total remuneration</b>	<b>50,791</b>

## note 15 contingency

### (a) guarantees and undertakings

The Prostitution Licensing Authority had provided no guarantees or undertakings at 30 June 2004.

### (b) litigation in progress

Litigation is currently in process for an appeal lodged against the Authority by a brothel licence applicant. As the matter is not yet finalised the Authority is unable to estimate any possible costs.

# prostitution licensing authority notes to and forming part of the financial statements 2004

## certificate of the prostitution licensing authority

The general purpose financial report has been prepared pursuant to section 46F(1) of the *Financial Administration and Audit Act 1977* (the Act) and other prescribed requirements. In accordance with Section 46F(3) of the Act we certify that in our opinion:

- (a) the prescribed requirements for the establishment and keeping of the accounts have been complied with in all material respects; and
- (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 2004 and of the financial position of the Authority at the end of that year.

Margaret W Isaac  
**Registrar**  
21 September 2004

William J Carter qc  
**Chairperson**  
21 September 2004

# independent audit report

## *To the board of the prostitution licensing authority*

Matters relating to the electronic presentation of the audited financial statements

The audit report relates to the financial statements of the Prostitution Licensing Authority for the financial year ended 30 June 2004 included on the Prostitution Licensing Authority's web site. The Authority is responsible for the integrity of the Prostitution Licensing Authority's web site. The audit report refers only to the financial statements identified below and does not include a review of the integrity of this web site or provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements, available from the Prostitution Licensing Authority to confirm the information included in the audited financial statements presented on this web site.

These matters also relate to the presentation of the audited financial statements in other electronic media including CD Rom.

## scope

### *The financial statements*

The financial statements of Prostitution Licensing Authority consist of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial statements and certificates given by the Chairperson and Registrar of the Prostitution Licensing Authority for the year ended 30 June 2004.

### *The Authority's responsibility*

The Authority is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

### *Audit approach*

As required by law, an independent audit was conducted in accordance with *QAO Auditing Standards* to enable me to provide an independent opinion whether in all material respects the financial statements present fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

Audit procedures included –

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial statements,
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Authority,

# independent audit report (cont)

- obtaining written confirmation regarding the material representations made in conjunction with the audit, and
- reviewing the overall presentation of information in the financial statements.

## independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

## audit opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Prostitution Licensing Authority for the financial year 1 July 2003 to 30 June 2004 and of the financial position as at the end of that year.

EA Muir, FCPA  
**Assistant Auditor-General**  
(Delegate of the Auditor-General of Queensland)

Queensland Audit Office  
**Brisbane**

# appendix 1



Towns where approval has been granted by the Minister for Police for exemption from considering development applications for brothels

<b>Acland</b>	Coolana	<b>Harlin</b>	Mooloolah	Tarampa
Allora	Coominya	Hebel	Moonie	Texas
Antigua	Cooya	Helidon	Moore	Thallon
Appletree Creek	Cooyar	Hivesville	Moranbah	Thargomindah
Aramac	Cordalba	Horton	Mossman	The Causeway
Aratula	Cotswold Hills	Hungerford	Mount Chalmers	The Caves
Atherton	Crawford	<b>Inglewood</b>	Mount Colliery	Theebine
Atkinson Dam	Curra	Innisfail	Mount Molloy	Tinnanbar
Aubigny	<b>Daintree</b>	<b>Jondaryan</b>	Mount Tarampa	Tiaro
<b>Bajool</b>	Dalby	Joskeleigh	Mount Tyson	Tieri
Bauple	Dalveen	<b>Kabra</b>	Mourilyan	Tinaroo
Bauple Estate	Dimbulah	Kairi	Mungindi	Tingooora
Beerburrum	Dirranbandi	Kalbar	Murgon	Tolga
Beerwah	Doolbi	Karara	Murphys Creek	Toobeah
Biddeston	Durong	Keppel Sands	Muttaborra	Toogoolawah
Biggenden	<b>El Arish</b>	Killarney	<b>Nerimbera</b>	Torrington
Bingil Bay	Emerald	Kingaroy	Newell	<b>Vernor</b>
Blackall	Emu Park	Kingsthorpe	Nobby	<b>Walkamin</b>
Bollon	Emu Vale	Kinka Beach	Noccundra	Wallangarra
Boonah	Esk	Kulpi	<b>Oakey</b>	Wangan
Booyal	<b>Fernvale</b>	Kumbia	Ogmore	Wangetti
Bouldercombe	Flinton	Kuranda	<b>Patrick's Estate</b>	Warrill View
Bowenville	Flying Fish Point	Kurrimine Beach	Peachester	Warwick
Brightview	Forest Hill	<b>Laidley</b>	Peranga	Westbrook
Bungunyah	<b>Gatton</b>	Landsborough	Pittsworth	Westmar
Burdekin	Glamorgan Vale	Leyburn	Port Douglas	Westwood
Buxton	Glass House Mtns	Linville	Pratten	Windsor Park
Byfield	Glendale	Lowood	Prenzlau	Withcott
<b>Cambooya</b>	Gleenlee	<b>Maclagan</b>	Proston	Witta
Capella	Glenmorgan	Maleny	<b>Quinalow</b>	Wivenhoe Pocket
Cawarral	Glenvale	Mareeba	<b>Silkwood</b>	Wondai
Cecil Plains	Glenwood	Marlborough	Somerset Dam	Wonga Beach
Childers	Gogango	Marmor	South Johnstone	Woodgate
Chillagoe	Goombungee	Maryvale	Southbrook	Wooroolin
Chinchilla Shire	Goondiwindi	Meandarra	St George	Wyreema
Clarendon	Gowrie Junction	Memerambi	Stanthorpe	<b>Yangan</b>
Clermont	Gracemere	Meringandan West	Stanwell	Yarraman
Clifton	Grantham	Millmerran	Stanage Bay	Yelarbon
Colinton	Great Keppel Is	Minden	<b>Talwood</b>	Yeppoon
Conondale	Gunalda	Mission Beach	Tannymorel	<b>Zilzie</b>
Coolabunia	Gundiah	Mondure	Tara	



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half the Queensland sex workers interviewed had children which reflects **both the general community** of Australian women and other sex worker studies undertaken in Australia

*(Source: Selling Sex in Queensland)*

# feedback on the annual report 2003–04

## → your details (optional)

Title/Name: .....

Organisation: .....

Address: .....

Please include me in the mailing list for next year's Annual Report.

Please remove me from the mailing list for next year's Annual Report.

## we welcome your feedback

We hope you have found our Annual Report 2003–04 useful and informative. Our Annual Report is part of our commitment to keeping people informed about prostitution and the implementation of the Prostitution Act.

Please find below a short survey to let us know what you thought about the Annual Report so we can improve the document next year. Please tick the boxes that best indicate your response.

	Agree	Neutral	Disagree
It was an easy to read publication that flowed well.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The use of language was not too basic or too difficult to read.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It was interesting and informative.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The design and presentation were interesting and appropriate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments: .....

.....

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.....

Please indicate what sector you are from:

- Sex industry
- Government
- Non-government agency
- General community

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Additional copies of this Annual Report can be obtained from the office of the PLA. The Annual Report can also be downloaded from the PLA website.



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