



**Prostitution  
Licensing Authority**  
Annual Report 2001-2002

# letter of transmission

October 2002

The Hon Anthony McGrady MP  
Minister for Police and Corrective Services and  
Minister Assisting the Premier on the Carpentaria Minerals Province  
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 2001–02. 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 Ann Bennison  
**Member**

Assistant Commissioner J McDonnell  
**Member**

Mr J Callanan  
**Member**

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# abbreviations

<b>CJC</b>	Criminal Justice Commission
<b>CMC</b>	Crime and Misconduct Commission
<b>EEO</b>	Equal Employment Opportunity
<b>IDAS</b>	Integrated Development Assessment System
<b>ISSC</b>	Information Security Steering Committee
<b>LGAQ</b>	Local Government Association of Queensland
<b>NSW</b>	New South Wales
<b>PAC</b>	Prostitution Advisory Council
<b>PETF</b>	Prostitution Enforcement Task Force (Queensland Police Service)
<b>PLA</b>	Prostitution Licensing Authority
<b>QPS</b>	Queensland Police Service
<b>SA</b>	South Australia
<b>SAP</b>	Systems, Applications and Products in Data Processing (an accounting software package)
<b>SQWISI</b>	Self Health for Queensland Workers in the Sex Industry
<b>WA</b>	Western Australia

**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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**Special thanks to those sex workers we interviewed for this Annual Report. The names and personal details of the sex workers have been changed to protect their identities.**

## "Cassie" aged 53 years

"What some people don't understand about being a sex worker is that it is not all about sex. I have clients who just want to be cuddled and want to (for the time being) just feel that they are loved. Some of my clients have wives who they love but their wives can't or don't want to spend the time with their husbands just chatting and being held. I see myself as an actor with a wide range of skills, I ask what the client wants and then I provide what it is they want. I don't ridicule them, I don't make fun of them and I don't say they are perverted or dirty."



# message from the chair



The *Prostitution Act 1999* has now been in operation for two years. It commenced on 1 July 2000.

In my remarks which introduced the first Annual Report of the Prostitution Licensing Authority (PLA), I wrote that the PLA was then on a steep learning curve. That curve has flattened somewhat as the PLA proceeds with the further implementation of the licensing process and becomes more familiar with the complexities of prostitution and the sex industry generally.

This, the PLA's second report, will disclose that in the year under review 13 brothel licences and 22 managers' certificates were granted by the PLA after rigorous and comprehensive inquiry and investigation by the staff of the PLA and the Prostitution Enforcement Task Force (PETF), a limb of the State Crime Operations Command within the Queensland Police Service (QPS).

Not only was PETF effective in assisting the PLA in the licensing process, its law enforcement effort in respect of illegal prostitution was noteworthy. It needs to be understood that the policing of the illegal sex industry is time-consuming and difficult, and that detection and prosecution are not always the most effective tools in curbing the incidence of illegal prostitution. The illegal sex industry is large, controlled by relatively few and is extremely mobile. Freestanding illegal brothels are really a thing of the past. The illegal industry now operates through advertisement, telephone contact, a network of accommodation units and outcalls to private residences and hotels. The developing licensed brothel industry has yet to successfully meet the challenge presented by operators acting unlawfully. This report will address the issue in greater detail.

The year under review has seen the beginning of a developing licensed brothel industry which is characterised by quality, well-appointed premises in which practices which enhance sexual health, the safety of sex workers and the avoidance of exploitation are insisted on. The PLA has developed and continues to develop its processes for compliance auditing of licensed brothels and the next year will see its further development.

We are indebted to the several agencies with which we share a mutual interest in and obligation towards the proper implementation of the Prostitution Act. In particular, we record our appreciation of the work of the Commissioner of Police and his officers, those in Queensland Health with expertise in sexual health and Self Health for Queensland Workers in the Sex Industry (SQWISI) with all of whom we enjoy a healthy and professional working relationship.

Finally, I wish to place on record the PLA's indebtedness to the Registrar, Ms Margaret Isaac, and her small but efficient staff who at times have had to labour under trying and stressful conditions. At the same time, I record my personal thanks to my fellow members of the PLA for their friendly and industrious support and professionalism. Without the benefit of their constant and wise counsel, the many challenges which are inherent in the regulation and control of prostitution may have prevailed.

W J Carter QC  
Chair



"Jason"  
aged 30 years

"All the rugby team know what I do, they think it's highly hilarious. I was born in Brisbane so I have to be very careful about who is out the front (of the licensed brothel), I check the cameras before I go out just in case I know anyone. I would never do a job for anyone I knew."

# registrar's report



Out from the shadows in 2001 and into the light of day ... and, my, what days we have had. Days where we have had all four seasons in one, days where the blizzard is so thick one can hardly see in front of one's nose, days where the temperature has reached extraordinary highs and then those that are fine one day, perfect the next. One thing I can say about having lived those days is that I wouldn't be dead for quids.

It is with a sense of professional pride that I look back at what the PLA has achieved to date and the contribution that those achievements make towards safer communities. The PLA remains committed to promoting and improving safety and health in the sex industry and in the wider community and to eliminating corruption and organised crime in the prostitution industry. These are the fundamental principles that continue to motivate and drive the PLA toward success in realising the objectives of the legislation.

Experience to date has served to further demonstrate what was suspected at the outset. While there was a clear idea about the picture that was to be created, the rules were that you had to get there by assembling pieces of a puzzle that at first glance were all the pieces you would ever need but as you got the borders worked out and started to focus on the detail you realised that some of the pieces were from different puzzles. No matter how much you bent and rotated those pieces or manoeuvred other pieces around them, they just would not fit. With only one choice to make, those pieces were set aside as the PLA continued to build the picture with the pieces they could. The challenge then is what to do with those unusable pieces and the negotiations from here on in.

Who has helped with the picture so far? I cannot overstate the support, contribution and efforts of PETF, QPS. While maintaining their independence and objectivity they have allowed themselves to step inside our world and see the view from here. The benefit and value they bring to our probity responsibilities has not gone unnoticed. Queensland Health – while you have (seemingly) effortlessly cemented a reputation with us for best practice sexual health management and continued to fill those gaps that we could never have accomplished on our own, I look forward to securing a new partnership role with you upon establishment of a PLA inspectorate. SQWISI – if there was ever an expectation that we would be quarantined in our education of the sex industry, it was wrong. The saying that you have to read a book from front cover to back to understand the story applies. Thankyou for those important pieces of the puzzle that we would never have found without your help (or in some circumstances – never have recognised or known what to do with!).

I cannot finish the year without mentioning my work colleagues – Anne, Stephen, Jan, Andrew and Candice. These five wonderful people that I work with personify, in particular, two lessons I learnt many years ago – that I and others working together can accomplish far more than, even at my best, I could accomplish alone and while I may have a great sense of worth within myself I need the best thinking of other people to join with my own. Thank you.

Margaret Isaac  
**Registrar**





"Cassie"  
aged 53 years

"I started work in the sex industry five years ago at the age of 48 years. Other jobs I have held are shop work, bar work, I worked at a gymnasium, at a health and fitness club and at a mall. Since working in the sex industry I have put some money in the bank and saved, and because my ex and I had a house I have managed to pay him out."

# about the pla

## **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 acts in the public interest.

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

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

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

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

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

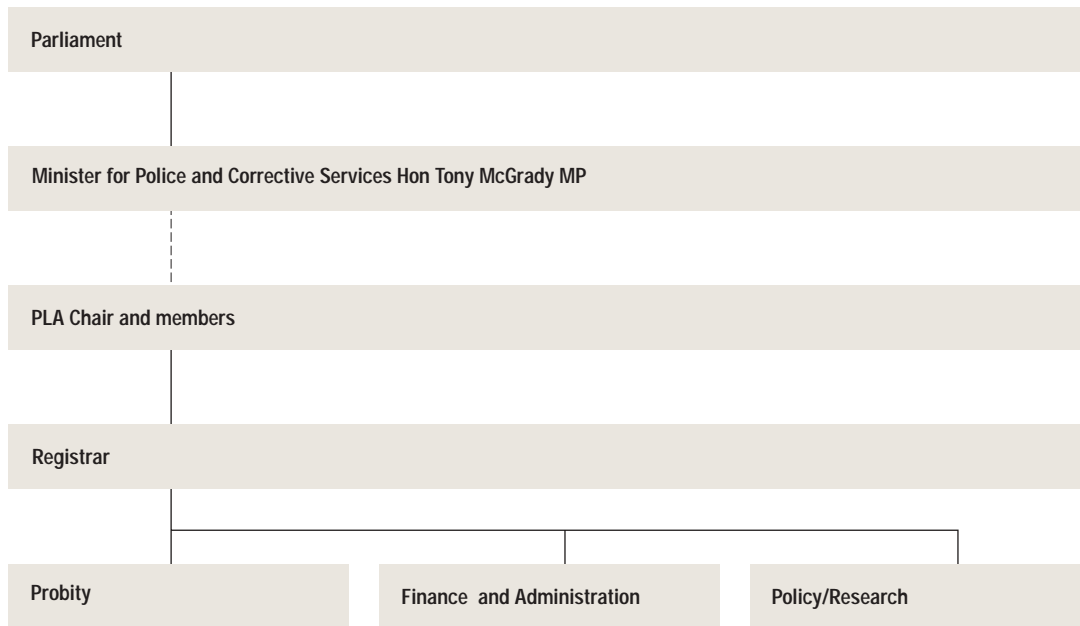
## **Our purpose**

To regulate prostitution in Queensland by implementing the Prostitution Act.

## **Reporting structure and organisation**

The PLA employs six officers under the *Public Service Act 1996* to support the work of the PLA. Staff of the PLA answer to the Registrar, who in turn reports to the PLA. The PLA reports to the Minister for Police and the Parliament.

Figure 1: PLA organisational structure



There are two non-departmental outputs administered by the PLA:

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

John McDonnell, John Callanan,  
Ann Bennison, Lance Pollard,  
Bill Carter and Ian Wilkey



## The year in review

Month	Event
<b>July</b>	Interim Code of Practice for Licensed Brothels established.
<b>August</b>	First Queensland brothel commences operation.
<b>September</b>	Criminal Justice Commission (CJC) report on the risk review of the PLA. Protective Security Manual approved by the PLA. First brothel inspection conducted.
<b>October</b>	CJC risk review recommendations adopted by the PLA.
<b>November</b>	First Strategic Plan 2001–04 adopted by the PLA.
<b>December</b>	Amendments to the Prostitution Act are proclaimed. Appointment to the PLA of Cr Ann Bennison, Councillor for Enoggera Ward.
<b>January</b>	Office of the Independent Assessor established. Registrar for Appeals to the Independent Assessor appointed.
<b>February</b>	PLA attendance at the Trafficking in Women conference in Melbourne. Appointment of the Independent Assessor.
<b>March</b>	Three licensed Gold Coast brothels commence operation. The PLA staff an information stall at the Four Seasons Condom Sexpo. Upgrade of standard operating environment. Computer roll-out to PCs. First appeal to the Independent Assessor lodged. Service Level Agreement between PLA and QPS for corporate services approved and signed.
<b>April</b>	A fourth Gold Coast brothel commences operation. Brothel licences granted for brothels in Mackay and Townsville. PLA Annual Report 2000–01 achieves a merit award. Appointment to the PLA of Mr John Callanan, Assistant Commissioner, Crime, Crime and Misconduct Commission (CMC). Staff training module conducted: 'Dealing with Difficult People'.
<b>May</b>	Two Brisbane brothels commence operation. Brothel licence granted for a brothel in Maroochydore. PLA Privacy Plan approved by the PLA. Reappointment to the Chair, PLA of Mr Bill Carter QC for a term of two years. Staff training module conducted: 'Effective Communication'.
<b>June</b>	Brothel advertising policy approved by the PLA. PLA website redesigned. Finance and Administration Manual approved by the PLA. Staff training module conducted: 'Ethics in the PLA'.

## Financial summary

### Revenue

The major sources of our revenue each year are a government grant from an administered appropriation received by the QPS and fees. In 2001–02, the grant was \$871,000 representing 79.7% of our revenue (2000–01, 94.7%) and fees were \$177,361 representing 16.2% (2000–01, 3.1%).

### Expenses

Expenses were \$883,152 compared to \$647,888 in 2000–01. In this, our second year, we had a general increase in expenses because we were operating at full staff capacity.

### Assets

Our current and non-current assets increased from \$557,029 to \$767,065 during 2001–02. Current assets increased by \$80,634 due to cash on hand and an unexpended advance, whilst non-current assets increased by \$129,402 from purchases of property, plant and equipment.

### Liabilities

At \$86,848, our liabilities as at 30 June 2002 were largely unchanged from last year. An increase in employee leave entitlements arising from annual leave available, but not taken, was offset by a decrease in accrued creditors.

### Net equity

The year ended in an increase in net equity from \$470,163 at 30 June 2001 to \$680,217 on 30 June 2002.

## Financial highlights

Year ended 30 June 2002	2002	2001
	\$	\$
<b>For the year</b>		
Government contributions	871,000	1,059,000
Fees	177,361	34,500
Operating expenses	883,152	647,888
<b>At year end</b>		
Total assets	767,065	557,029
Property, plant & equipment	236,078	112,655
Net assets	680,217	470,163

## Summary of corporate performance

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

Projected activity	Progress in 2001-02
<b>1. Brothel licensing and monitoring</b>	
Negotiate the terms of a memorandum of understanding with the QPS for probity checking procedures.	Under negotiation.
Negotiate the terms of a memorandum of understanding with the Liquor Licensing Division for access to information.	Deferred.
Implement the recommendations of the licensing database review.	Currently commencing trial phase.
Provide support to local government on the implementation of the Prostitution Act.	Implemented.
Consider the development of an inspectorate to audit licensed brothels.	Compliance and audit unit approved. Unit to be established during 2002-03.
Establish a monitoring strategy for the regulation of licensed brothels.	Established.
Develop a formal disciplinary process for licensees and approved managers.	Deferred.
Develop an efficient approval system for police entry to licensed brothels (refer to section 60 of the Prostitution Act).	Established.
<b>2. Advertising prostitution</b>	
In conjunction with sole operators, review the advertising policy to assess its effectiveness.	Consultation has commenced with SQWISI and with key Queensland print publications.
Liaise with PETF, QPS, to establish an audit of advertising for prostitution to assess compliance with the advertising policy.	Consultation has commenced.

Projected activity	Progress in 2001–02
<b>3. Liaison and assistance</b>	
Develop a formal communication strategy for key stakeholders.	Consultation has commenced.
<b>4. Corporate support</b>	
Establish a staff induction program.	Established.
Establish a risk management strategy.	The Information Security Steering Committee (ISSC) was established and assigned responsibility for conducting an annual risk assessment of threats to the security of premises, staff, property and information at the PLA.
Develop a fraud control policy and an anti-corruption strategy for the PLA and Prostitution Advisory Council (PAC)	While a specific fraud control policy and anti-corruption strategy has not yet been developed, the PLA has implemented a number of significant activities to address risk and manage opportunities for fraud and other types of misconduct. Refer to pages 29 and 30 for a description of these.
Develop an information security management policy.	Established.
Establish an electronic records management system.	Under negotiation with QPS.
Review and update the PLA website.	PLA website reviewed, redesigned and approved.

## Statistical highlights

- 13 brothel licences and 22 managers' certificates granted to date in relation to 10 brothels in Queensland
- 17 approvals by local authorities for development approval for a change of use of a premises to become a brothel
- 201 towns or areas in Queensland granted permission to refuse brothel development applications
- 2 appeals made to the newly established Independent Assessor, one of which was upheld with the other still undecided
- 53 individuals applied for a brothel licence or manager's certificate
- 231 days is the average time for processing a brothel licence application and 136 days is the average time for processing a manager's certificate application
- 4 police entries made to one licensed brothel
- 204 advertisements lodged with the PLA for approval, with 128 granted approval
- 1,255 inquiries responded to
- 54 complaints responded to
- 205 meetings held with key stakeholders





"Genevieve"  
aged 37 years

"I've been a sex worker for 13 years. I've had heaps of other jobs: at a meat works, at a supermarket, as a barmaid, a waitress, cleaning, I've been an Avon lady, I worked at a milk bar and at a shoe shop. I started sex work for the money, my friends tried to talk me out of it."

# the illegal prostitution industry - a challenge for the prostitution act

The first PLA Annual Report contained a history of prostitution and early attempts at its regulation in Queensland.

In more recent history, particularly following the publication of the Fitzgerald Report in 1989, it was the Criminal Justice Commission (CJC) which generated further debate about the regulation of prostitution within Queensland with publication of its 1991 report *Regulating morality? A review of prostitution laws in Queensland*. The immediate government response to the CJC report was the enactment of the *Prostitution Laws Amendment Act 1992*. Whereas the CJC had recommended the licensing of brothels with a minimum of two and a maximum of 10 workers including a manager, receptionist and security personnel, the 1992 legislation confirmed only the legality of sole operators. Facilitating or participating in prostitution became an offence, police powers were increased and advertising was prohibited. No provision was made for licensed brothels.

The Prostitution Act has established, for the first time, a system of licensed brothels with a maximum of five rooms. The maximum permitted number of sex workers on the premises at any one time is limited to the number of rooms licensed; prostitution is prohibited, under the licence, at any place other than the brothel. Advertising is permitted but made subject to PLA approval.

It is worthwhile recording here the form of regulation and control which is currently in place in other states of Australia.

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<b>New South Wales</b>	Prostitution is effectively deregulated and decriminalised by a process controlled by local government which decides where brothels are permitted. There is no statutory limit to the number of rooms and outcalls are permitted.
<b>Victoria</b>	Regulation and control is governed by a licensing system for brothels. The Queensland legislation is modelled on the Victorian framework with notable differences: <ul style="list-style-type: none"><li>• The maximum number of rooms in Victoria is six</li><li>• There is no restriction on the number of sex workers permitted on the premises at any one time</li><li>• Outcalls are permitted.</li></ul>
<b>Northern Territory</b>	Regulation and control is effected by licensing 'escort services' only (escort services refers to outcalls). There is no provision for the establishment of licensed brothels.
<b>Australian Capital Territory</b>	Brothels are established by a process of registration rather than by a licensing process and certain areas are prescribed for the establishment of a brothel.

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<b>South Australia</b>	A Bill providing for licensed brothels according to the Victorian model but providing for a maximum of eight rooms was passed by the lower House of the SA Parliament but defeated in the upper House.
<b>Western Australia</b>	The WA government is said to be currently considering plans for the regulation and control of prostitution in WA.
<b>Tasmania</b>	All forms of prostitution are illegal.

The different forms of regulation and control of prostitution across the national spectrum reveal a significant lack of uniformity. On the other hand, the considerations which favour regulation and control are relatively constant and uniform. Regulation, whatever form it takes, is essentially a community sexual health issue. It is also designed to ensure the physical safety of sex workers, particularly women; it seeks to avoid the exploitation of the vulnerable by the imposition of proper workplace arrangements in the brothel. By removing the prospect of illegality it seeks to minimise the incidence of official corruption which might otherwise support an illegal sex industry.

The PLA, since its inception, has been driven by the need to implement these principles through the licensing and regulation process under the Prostitution Act.

When the Prostitution Act came into operation on 1 July 2000, there was already in place a large, well-established and highly organised illegal sex industry. The 1992 Act and its aftermath had confirmed the legality only of sole operators. It had effectively closed a large system of illegal freestanding brothels and had dispersed and fragmented a thriving sex industry. The most optimistic expectations for the new legislation in 1999, with its re-introduction of the so-called boutique brothel, included the prospect of bringing the illegal industry 'out of the shadows and into the light of day'.

After two years of operation of the Prostitution Act, the illegal sex industry in Queensland remains alive and well. Some idea of its size and human resources can be gauged by a few statistics. In the year ending 30 June 2002 PETF closed 70 illegal premises, compared with 45 in the previous year. The number of persons charged with illegal prostitution increased from 141 to 218 and the charges laid from 265 to 504.

Law enforcement alone is largely ineffective in preventing illegal prostitution and yet the need for effective regulation and control has never been more urgent.

The fact, however much we may regret it, is that sex is a commodity. It sells. There are those who are anxious purchasers of it. There are many who are willing vendors. The fundamental social concerns about this particular market are based on matters of sexual health, personal safety, an effective workplace and the minimisation of official corruption. The case for proper regulation and control is compelling.

How then does one implement regulatory legislation so as to entice within its influence the unregulated and uncontrolled illegal sex industry? It cannot be assumed that all sections of the illegal industry have no respect for sexual health standards, safety and the like. Indeed it is well known that many operating illegally do. But equally there is a valid concern that an unregulated illegal sex industry pays, and will pay, less respect to the standards and values which underpin an effectively regulated and controlled industry which is licensed and subject to continual review and compliance auditing.

## What is the nature and form of the present-day illegal industry?

Paradoxically, it was the 1992 legislation which has largely determined the form and practices of the present-day illegal industry operating in Queensland. The legality of sole operators was confirmed by the 1992 amendments to the Criminal Code which made prostitution by one person legal. It was illegal for any other person to participate in the provision of that prostitution. Any receptionist, driver, provider of accommodation, a recipient of phone calls or anyone who in any other way assisted or participated in the provision of the sexual services made available by a sex worker committed an offence. The only exception was a fully qualified and certified security person. Therefore sole operators, or the perception of legal sole operation, became the norm. Deceptive advertisements flourished. Because the 1992 Act prohibited the advertisement of sexual services, various forms of deception, such as references to massage services and the like, were regularly used as more than obvious fronts for advertising prostitution.

But, more importantly, there quickly became attached to the concept of sole operation a whole matrix of support services which transformed what was simplistically legal into a complex, well-organised network of persons and services with significant infrastructure which rendered the old freestanding brothel an anachronism. From this time, the illegal 'brothel' became less frequently a freestanding building in the traditional mode which the clientele visited or from which the service providers visited the client. Rather, the business of the 'brothel' has come to consist of a network of people and services in various locations supported by a central administrative infrastructure which participates in the provision of prostitution by a large number of individual workers at a variety of locations, each of whom attempts to present as a legal single operator. The reality is that the owner/controller conducts a well-organised business which delivers sexual services over a wide area, at different locations, through a network of people connected by mobile phone to the central console or telecommunications service centre, which takes the 'booking' and then diverts it to a particular worker located in either a city accommodation unit or similar facility, or even by the roadside or more convenient parking facility to which the centre is linked by personal mobile phone. This is the modern-day 'brothel without walls'. The 'centre' need not necessarily be located at a Queensland address or location. It may just as well be located in Sydney, Melbourne or elsewhere. The dominant form of service delivery is service to the client who is visited by the service provider who, during his/her shift, will usually be mobile rather than located in one place, although some will. In short, the illegal 'brothel' centres upon the provision of the outcall (or 'escort' service) business which, if provided by a licensed brothel under the Prostitution Act, is unlawful.

Another form of illegality is well recognised. The 'brothel' for the purposes of the Prostitution Act means 'premises made available for prostitution by two or more prostitutes at the premises'. Therefore, if two (or more) persons use premises for prostitution without a licence the premises are an illegal 'brothel'.

The PLA is well aware of a cooperative arrangement usually entered into by two sex workers who share the use of the same premises for their business. The premises will usually be rental accommodation. One worker, because of other commitments (not unusually family or other employment), will prefer to work during the day; the other for his/her own reasons would prefer to work in the evening. They share a common phone number or contact person. They will typically service clients at the 'premises' or drive or be driven to outcall locations. They present as sole operators. In fact, they are unlawfully engaged in prostitution in Queensland if the premises are not a licensed brothel. Invariably, given that local government approval is required, such premises will most likely never be licensed, if for no other reason than such premises are usually located in a residential area. It is relevant to mention in this context that

in Victoria the minimum number of rooms/workers required for a brothel if it is to be licensed is three - the maximum is six. In Queensland the minimum is two and the maximum is five. In Victoria, like sole operators, two workers together are regarded as exempt.

Whatever form the illegality takes, it is to be contrasted with the host of illegal brothels which existed before the Fitzgerald Inquiry and prior to the enactment of the 1992 legislation. The easily identifiable characteristics of the more modern forms of illegal prostitution are that it is more discreet; it is designed to present as legal by taking advantage of legal sole operation. It is very mobile. It can exist at the same time at a variety of locations as part of the same business. Law enforcement efforts to 'close the brothel' necessarily involve 'raids' on a variety of locations and persons. How different that process is from that which operated immediately pre- and post-Fitzgerald and prior to the enactment of the 1992 legislation!

The nature of the illegal industry presents considerable difficulties for law enforcement. An operation to 'close' an illegal brothel is a major piece of law enforcement. The prosecution of the illegality is complex, detailed and time consuming; upon conviction the penalty imposed is hardly a deterrent. But, more importantly, the closure of the police operation, the arrests and the prosecution are soon forgotten. The wheels of the well-organised, mobile brothel business quickly commence to turn again. The illegal operation is soon back in business at different locations with newly numbered mobile phones and supported by the same infrastructure. In a relatively short time, nothing has changed.

The frustration for law enforcement is obvious. The QPS through PETF has, particularly since January 2001 under the leadership of Detective Inspector John Hartwell, been active in policing illegal prostitution. But even PETF would question whether competent professional law enforcement will in the long term have the desired impact on the illegal sex industry. That is not to say that law enforcement processes are superfluous. Once a licensed sex industry is developed pursuant to legislation, those who have chosen to be part of it and who accept the process of probity investigation, regulation and licence fee payment deserve law enforcement protection from the illegal industry. In short, the integrity of the licence has to be protected. But law enforcement alone can never provide an effective deterrent to the illegal industry. Law enforcement, however, is much more likely to provide a more efficient and effective response if more of those who operate illegally can be persuaded to become part of the licensed sex industry, and this is more likely if the licensed industry is able to operate and compete within the market in a way which is as commercially effective as that already available to the illegal industry. The current provisions of the Prostitution Act substantially hinder the achievement of such an objective.

## **Does the Prostitution Act provide an effective antidote which will encourage legality and discourage illegality?**

The answer to this question is no. The PLA is very conscious of the disadvantages to which licensed brothels are presently subject and which heavily impact on their present ability to capture the market which is largely serviced by the illegal prostitution industry. Since the enactment of the Prostitution Act there is anecdotal evidence that some sections of the illegal industry would value the opportunity to operate legally. Both workers and clients have reported their preference to be involved in the legal commercial brothel industry which is facilitated by the licensing scheme, rather than be continually subject to the threat of police action. It should be noted that amendment of the Prostitution Act in December 2001 has made more effective the 'prohibited brothel' procedure in the Magistrates Court, which potentially has serious consequences for operators, workers and clients alike. But these are of superficial effect only and will not assist law enforcement to disable the substantial commercial interests and operations of those who are involved illegally.

The PLA is firmly of the opinion that legislative review of the Prostitution Act is required if the Act is to achieve its objectives, harness illegal prostitution and entice those involved in it to become subject to the operation of the Act. The PLA goes as far as to say that unless there is legislative review, the prospects in the longer term of substantially affecting illegal prostitution are minimal. The additional risk is that the licensed industry will falter and become even less acceptable because of an inability to cope with unfair competition.

After all, the purpose of the Act is 'to regulate prostitution in Queensland'. That objective cannot be achieved to an acceptable degree as long as the present major restrictions which are imposed upon the licensed industry are maintained.

We reiterate the disadvantages to which licensed brothels are currently subject and which, for no apparent or logical reason, place in a position of disadvantage those licensees who have been prepared to subject themselves to the rigours of probity checking, who accept the need to pay the appropriate licence fee and who otherwise are prepared to subject themselves and their business to controls inherent in the regulation of prostitution.

- Section 78(1) of the Act makes it an offence if a licensee provides prostitution under the licence 'at a place other than the brothel'. This provision should be removed. At present, all clients must come to the brothel, which is prevented by law from providing services to the client at his/her home, hotel or other location. Clearly, some clients will prefer to visit the brothel, many others will prefer not to visit the brothel but to receive a visit from a service provider at a more discreet location. Contrast this with the manner in which this market is serviced by the illegal industry. Services are provided much more readily and conveniently by sole operators and those who are heavily engaged illegally in the provision of outcalls or 'escort services'. The fact is that the large proportion of sexual services are delivered in this mode. Sole operators can do so legally, large illegal operations are in fact doing so. Why then is the licensed brothel excluded from this market?
- Since for the most part licensed brothels will be located in 'industrial areas', clients who will necessarily have to visit the brothel will suffer a degree of inconvenience in having to travel to inconvenient locations. Rather than suffer that inconvenience, the prospective client is more likely to turn to the illegal industry, which can more easily service his/her needs. In short, the client is diverted from the legal to the illegal operator.
- Those licensed brothels which operate in the Gold Coast area suffer the additional commercial disadvantage of having to compete with NSW (Tweed Heads) brothels which are also lawfully able to service outcalls and in fact do so not only in their own area but also in Queensland. In short, NSW brothels can lawfully provide outcalls in Queensland. Queensland licensed brothels cannot.
- The PLA is now well aware of an anomaly whereby outcalls can be lawfully serviced by an individual worker from the premises of the licensed brothel in Queensland. Most, if not all, sex workers are engaged pursuant to contractual arrangements which exclude employer/employee relationships between licensee and worker. Many workers in licensed brothels also operate as sole operators when they are not engaged in shifts at a licensed brothel. Many such operators have their own telephone number advertised and their own clientele who are familiar with the sole operator's telephone contact details. It is not unlikely therefore that a sole operator, at the time a call is received on the mobile phone, is engaged on her shift at the licensed brothel. The practice is for the worker to leave the brothel to provide the service at some other location and



to return to the brothel for the remainder of her shift. There is no illegality apparent in such an arrangement because the licensee is not involved in the provision of the relevant prostitution. In short, an independent contractor/worker in a licensed brothel is able to lawfully provide service to an outcaller at a place other than the brothel, but the licensee of that brothel is prohibited by law from doing so.

The Victorian legislation, which provided the model for the Queensland Act, permits licensed brothels to provide outcalls. One major licensed provider in Melbourne has advised the PLA that at least 50 per cent of the business consists of the provision of outcall services. That businessman had intended to establish a quality business in Queensland but decided against it because of the law that prohibits outcalls. Why this feature of the Victorian model was rejected is not known.

Finally, the provision of outcall facilities from the licensed brothel is much more likely to better achieve the core objectives of the legislation than the provision of the same service by either a sole operator or a person working illegally. The service provider from the licensed brothel has the advantage of being supported by the infrastructure of the brothel. The worker is accompanied to the location. The location is therefore known by others and, if concern arises, appropriate relief can be summoned. Given the requirements of the licence for safe sex practices, it is less likely that a worker in servicing outcalls would depart from the required standards.

The requirement that licensed brothels be prohibited from participating in a very significant section of the market is illogical and not easily intelligible. The PLA's considered view is that without change there can be no serious prospect that the Prostitution Act can effectively regulate prostitution in Queensland and the Act in its present form will accordingly have no real impact on the thriving illegal sex industry.

Any legislative review of the Prostitution Act will need to address other matters which also impact adversely on the operation of licensed brothels such as restricting the numbers of workers to the number of rooms, a restriction which imposes unacceptable workplace arrangements in the brothel.

The reality is therefore that, after two years of the Prostitution Act, a small licensed brothel industry has developed and will develop but the limitations to which it is subject will mean that it will be of doubtful financial viability in the longer term. The Prostitution Act in its present form will have no appreciable impact on the flourishing trade in illegal prostitution. In short, the Prostitution Act, as currently enacted, cannot achieve either its stated objective or those objectives which underpin the legislative initiative for the regulation and control of prostitution.

The issue of illegal street prostitution has not been involved in the above review. It raises quite specific and different issues which are not relevant in this context and require separate consideration.



## "Russell" aged 33 years

"I definitely insist on condoms with every client, not only for their health but for mine. I go to SQWISI every six weeks for health checks. I have never had a client offer me money to not wear a condom."



# corporate governance

## The Prostitution Licensing Authority

### Membership

The Prostitution Act prescribes the membership of the PLA, 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
- 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).

### Role

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 the police service with a view to assisting the police service
- Liaising with local authorities
- Collecting fees under the Prostitution Act
- Informing relevant government departments and agencies about possible offences that are detected while carrying out its functions
- Informing the PAC about issues and trends relevant to its functions
- Approving advertising for prostitution
- Maintaining a licence and certificate register
- Providing support to the Independent Assessor
- Assisting the CMC with its review of the Prostitution Act.

## Members

The current members of the PLA were appointed by Governor-in-Council for varying terms. All members of the PLA will conclude their term of appointment in May 2004.

### **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 reappointed for a further two years.

### **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 1960s. 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, CJC. He was awarded the Australian Police Medal in January 1994. Mr McDonnell is appointed as 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.

### **Mr John Callanan**



Mr Callanan is the Assistant Commissioner, Crime, of the CMC. He is involved in a range of responsibilities and functions at the senior executive level of the CMC and the management and coordination of investigations into paedophilia, major crime and organised crime. Prior to his appointment as Assistant Crime Commissioner of the Queensland Crime Commission, and later Assistant Commissioner, Crime, of the CMC, 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.

### **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 per legislation. Mr Pollard was appointed for four years.



**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.

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.



**Cr Ann Bennison**

Cr Bennison is the Brisbane City Councillor for Enoggera Ward and an Executive Member and Treasurer for the 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 legislation and her appointment was for two years and five months.



**Mr Tim Carmody SC**

Mr Carmody was appointed the Queensland Crime Commissioner in 1997 and in that role served as a member of the PLA as per legislation between May 2000 and December 2001. The Queensland Crime Commission merged with the CMC on 1 January 2002, at which time Mr Carmody ceased as a member of the PLA.

**Meetings**

The PLA held 11 ordinary monthly meetings over the financial year 2001–02. In addition, 12 special meetings were held to address specific issues (see special meetings below).

**Table 1: Attendance at meetings of the PLA**

<b>Name</b>	<b>Number of meetings attended (n=11)</b>
W Carter (Chair)	11
T Carmody <sup>1</sup>	5
J Callanan <sup>2</sup>	3
J McDonnell	11
A Bennison <sup>3</sup>	4
L Pollard	11
I Wilkey	11

<sup>1</sup> Mr Carmody ceased as a member of the PLA in December 2001.

<sup>2</sup> Mr Callanan commenced membership of the PLA in April 2002.

<sup>3</sup> Cr Bennison commenced membership of the PLA in December 2001.

## Remuneration

The chair and members of the PLA were paid, as determined by the Governor-in-Council, \$49,271 during the financial year 2001–02.

## Special meetings

The Advertising Subcommittee was convened to consider the question of advertising approval and to establish a brothel advertising policy. The subcommittee drafted a brothel advertising policy and procedure for consideration of the PLA.

The Code of Practice Subcommittee was convened to consider the Interim Code of Practice for Licensed Brothels. The subcommittee comprised two members of the PLA, two members of the PAC and PLA staff. The subcommittee discussed the requirements of a code of practice.

A subcommittee was formed to review and rewrite the standard brothel licence conditions attached to brothel licences. The subcommittee compiled new standard brothel licence conditions for consideration of the PLA.

## The Prostitution Advisory Council

The Prostitution Act established the PAC, which reports to a ministerial committee comprising the Ministers administering the following legislation:

- The Prostitution Act
- The *Family Services Act 1987*
- The *Health Act 1937*
- The *Liquor Act 1992*.

An Annual Report about the operations of the PAC will be submitted to the ministerial committee as required by section 122 of the Prostitution Act.

## Membership

The PAC comprises 11 individuals from various backgrounds. The Prostitution Act requires that the membership of the Council include men and women, some of whom fulfil the following characteristics:

- A person who represents sex workers in Queensland
- A person who has experience as a sexual health care doctor or social worker with sex workers
- A person who has knowledge of relevant issues for marginalised or disadvantaged young people
- A person who is representative of religious or community interests.

## **Role**

The PAC is responsible for:

- Advising the ministerial committee on issues related to the regulation of prostitution in Queensland
- Monitoring the operation of the Prostitution Act
- Liaising with the PLA, the QPS and other agencies to assist them in carrying out their functions
- Referring matters it considers appropriate for investigation to an agency of government or any other entity for investigation
- Promoting and coordinating programs that:
  - ❖ Promote sexual health care
  - ❖ Help prostitutes to leave prostitution
  - ❖ Divert minors and other vulnerable persons from prostitution, especially opportunistic prostitution
  - ❖ Raise awareness in sex workers, judicial officers, police, community workers and the community about issues relating to prostitution
- Promoting the dissemination of information about:
  - ❖ The dangers inherent in prostitution
  - ❖ Security measures to improve the personal safety of sex workers
- Coordinating the development of codes of practice for licensed brothels, if appropriate.

## **Meetings**

During the financial year 2001–02, the PAC held nine monthly meetings and several special meetings to consider specific issues.

## **Remuneration**

The Chair and members of the PAC were paid \$30,446 during the financial year 2001–02, as determined by the Governor-in-Council. Payment of fees to PAC members was funded from the PLA budget.

## PLA Strategic Plan

The PLA Strategic Plan 2001–04 was reviewed and approved by the PLA and will replace the existing Strategic Plan that became effective late in 2001. The reviewed Strategic Plan retains the existing five goals for the PLA, these being:

1. To ensure an efficient and effective brothel licensing system to regulate prostitution in Queensland.
2. To ensure licensed brothels are operating to best practice standards.
3. To inform the public about prostitution in Queensland.
4. To maintain strategic liaisons with key agencies.
5. To provide a safe, fair and productive workplace at the PLA.

The Strategic Plan outlines those initiatives that will give effect to the five goals, for example:

- Finalise a Probity Investigation Policy and Procedures Manual
- Establish a statewide compliance program to monitor the operations of licensed brothels and brothel advertising<sup>1</sup>
- Establish a data collection and monitoring program to assist in determining the effectiveness of the legislation
- Consult with and inform stakeholders about the Prostitution Act and its implications
- Implement human resource management practices which value the contribution of all staff.

## Ethical conduct

High ethical standards are critical to the work of the PLA. To achieve a high standard of ethical conduct among staff, the PLA has:

- Established a Code of Conduct early in 2001 to guide staff in understanding the ethical objectives of the PLA and expected behaviour of staff members
- Developed a Finance and Administration Manual to oversee the financial and administrative operations of the PLA and to provide clear direction for staff working in these areas
- Introduced a staff induction process and an induction package which includes a personal copy of the Code of Conduct
- Implemented a staff training program that included a two-day module on ethical decision-making. The training session was based on the Code of Conduct and other legislative standards for staff
- Reviewed and enhanced probity checks as part of the staff recruitment process.

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<sup>1</sup> Compliance officers will also contribute to probity processing of brothel licence and manager's certificate applications.

## **Risk management**

Following an approach by the Chair of the PLA, the then CJC conducted a risk review of the PLA. Two risk assessment workshops were carried out at the offices of the PLA during July 2001 in which all staff participated. The aim of the risk review was to identify vulnerabilities and to reduce or avoid corruption risks. The review included an assessment of all policies and procedures under development or in place at the PLA and an assessment of areas such as property, computers and information, personnel, health and safety, reputation and image, liability and risk aversion. A report on the risk review was furnished to the PLA in September 2001 and the PLA has addressed all 43 recommendations for control improvements.

With the establishment of the Protective Security Manual in September 2001, the PLA established an Information Security Steering Committee (ISSC). The ISSC is responsible for conducting an annual risk assessment, in conjunction with the QPS, of threats to the security of premises, staff, property and information at the PLA. From the risk assessment, the ISSC prepares an annual report to the PLA with any recommendations to address identified risks. The ISSC comprises the Registrar of the PLA, the Senior Policy and Research Officer (PLA), the Finance and Administration Officer (PLA) and an officer from the CMC. The ISSC is responsible for monitoring the Protective Security Manual.

## **Protection of personal information**

In accordance with the requirements of Information Standard 42, the PLA has developed and established a Privacy Plan which documents arrangements within the PLA that will ensure the responsible and accountable collection and management of personal information. The aim of the Privacy Plan is to protect all forms of personal information from being lost, misused or inappropriately modified or disclosed. The Privacy Plan was approved by the PLA in May 2002 and will be posted on the PLA website. The Privacy Plan will be fully implemented by December 2002.



"Jessica"  
aged 28 years

"Yeah, I've been in a long-term relationship for about seven years, on and off. I have a little boy who is two and a half. He knows I go to work at night, but he doesn't know what I'm up to. I want to be honest with my child, but I don't intend to work forever. I would hope that when he gets to be eight or so I won't be working anymore. My partner knows I work, but my family doesn't."



A black and white photograph of a street lined with trees. The trees are in the foreground and middle ground, with their trunks and branches visible. The street is paved and has a blurred car driving past, suggesting motion. The lighting is bright, creating strong shadows on the ground.

“Cassie”  
aged 53 years

“I have thought about starting up a licensed brothel of my own because I would like to see good working conditions for the workers. I haven’t done so because of the money required to set one up.”

# work programs

## 1. Brothel licensing

### Recent achievements

- 13 brothel licences and 22 managers' certificates granted to date.
- 10 brothels licensed in Queensland, with seven currently operational.
- Creation of the Office of the Independent Assessor.

Brothels in Queensland are limited to five working rooms. Escort services, or 'outcalls', are not allowed. At any one time the number of sex workers at the brothel must not be greater than the number of working rooms. In other words, if approval is given to operate a five - (working) room brothel, there must not be more than five sex workers at the brothel at any one time. The number of staff at a brothel, including the manager, receptionist and all other workers, regardless of the 'room rule', must not exceed 10 staff at any one time.

An applicant must obtain two separate approvals before a licensed brothel can be established: development approval (a local authority approval) and a licence approval (a PLA approval). There is no set order for these approvals, although the PLA is not obliged to consider an application until the development approval has been obtained. These two approval processes are described below.

### Development approval applications

The location of brothels in Queensland is an issue that is decided by local authorities as part of the development application process. The *Integrated Planning Act 1997* makes provision for code<sup>2</sup> or impact<sup>3</sup> assessment of development applications for a change of use of a premises. This means that, when a development application for a brothel is made to a local authority, the assessment manager at the local authority will decide whether the application will be code- or impact-assessed. The application will then be assessed according to requirements established in the *Integrated Planning Act* and the *Integrated Planning Regulation 1998*.

If a development application for a brothel is situated in an 'industrial area', the assessment manager is compelled, under the *Prostitution Act*, to assess the application as a code-assessable application. For a code-assessable application to be approved, it must be situated further than:

- 200 metres (measured according to the shortest route a person may reasonably and lawfully take) from an area that is primarily residential, or that is approved for or intended to be residential in character

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<sup>2</sup> Code assessment means the assessment of development by the assessment manager only against the applicable code. For brothels, the applicable code for code assessment is contained in the *Prostitution Act* and the *Prostitution Regulation 2000*.

<sup>3</sup> Impact assessment means the assessment of the environmental effects of a proposed development and the ways of dealing with the effects. Impact assessment requires applicants to publicise their intention to change the use of a premises and to call for submissions about the application from members of the public.

- 200 metres (measured according to the shortest route a person may reasonably and lawfully take) from any residential building, place of worship, hospital, school, kindergarten, or any other facility or place regularly frequented by children for recreational or cultural activities
- 100 metres (measured in a straight line) from any residential building, place of worship, hospital, school, kindergarten, or any other facility or place regularly frequented by children for recreational or cultural activities.

Based on information provided to the PLA by local authorities, there have been 35 development applications made to local authorities for a change of premises for a brothel, 17 of which have been approved for change of use as a brothel. However, not all of these approved premises have resulted in the establishment of a brothel - some individuals who have applied for development approval for a brothel have not applied for a brothel licence, or have not yet had their brothel application considered by the PLA. Figure 3 (pages 41-42) shows the locations of premises that have been granted development approval to date.

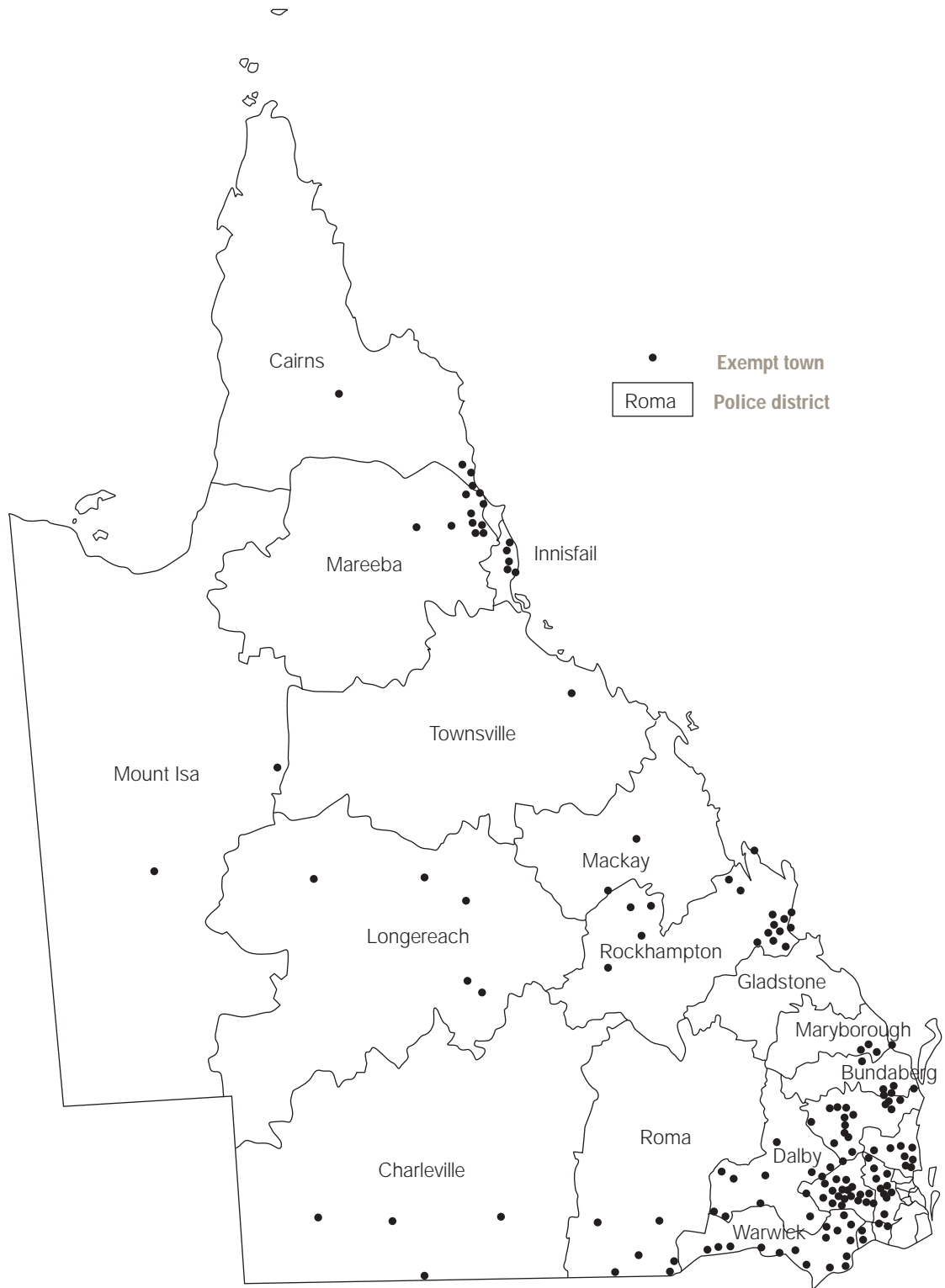
### **Exempt towns**

At the end of the 2001–02 financial year, 201 towns or areas with a population under 25,000 have sought and received approval from the Minister for Police to enable them to refuse all development applications for a brothel in their area (section 64(1)(c) of the Prostitution Act allows this exemption). These towns are listed in appendix 1 and shown in figure 2.

# Stephen Norris, Financial Investigator and Jan Johns, Manager, Finance and Administration



Figure 2: Location of exempt towns in Queensland



## The Independent Assessor

Amendments to the Prostitution Act came into effect in December 2001. The amendments established a new mechanism for appealing decisions made by local authorities for code-assessable development applications for brothels. The aim of the new appeal mechanism is to provide for easily accessible, informal, fair, speedy and just reviews of code assessment decisions.

If an applicant in a code-assessable development application for a brothel is unhappy with the outcome of the assessment by the local authority, an appeal can be made in relation to:

- The assessment manager's refusal, or the refusal in part, of the application
- A matter stated in a development approval for the application, including any condition applying to the development
- A decision to give a preliminary approval when a development permit was applied for
- The length of a currency period<sup>4</sup>
- A deemed refusal.<sup>5</sup>

An Independent Assessor, who must be a lawyer of at least five years' experience, was appointed to hear and decide appeals. Mr Stephen Keim, the first Independent Assessor, was appointed on 7 December 2001.

### Mr Stephen Keim



Stephen Keim is a barrister of 17 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 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 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.

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<sup>4</sup> The currency period is the length of time that the development approval remains current.

<sup>5</sup> A deemed refusal means a refusal that is taken to have happened if a decision is not made:

- Within the decision-making period (that is, within 20 business days after the decision stage has commenced), including any extension of the decision-making period;
- Within the time allowed for a decision about a request to make a change to a development approval or for a change to or cancellation of a condition of a development approval (that is, within 20 business days of making the request).

## Report of the Independent Assessor

Section 64B of the Prostitution Act ('the Act') was inserted into the Act by the *Prostitution Amendment Act 2001* ('the Amendment Act') which commenced by proclamation on 7 December 2001. Section 64B creates the Office of Independent Assessor for the Act ("the Independent Assessor").

By letter dated 7 December 2001 from the Minister for Police and Corrective Services and Minister Assisting the Premier on the Carpentaria Minerals Province, Tony McGrady, I was appointed to fill the Office of Independent Assessor for the Act for a period of two years.

Section 64K of the Act creates a right of appeal to the Independent Assessor against decisions of an assessment manager (in most cases, a local government) in respect of development applications for a material change of use of premises for a licensed brothel. Appeals to the Independent Assessor can be brought only where the particular development application is required to be the subject of code assessment under the *Integrated Planning Act 1997*. Such a development application will be code-assessable where the proposed licensed brothel is to be located in an industrial area or on strategic port land.<sup>6</sup>

Pursuant to s. 64A of the Act, the object of those provisions which create the opportunity for appeals to the Independent Assessor is to provide for easily accessible, informal, fair, speedy and just reviews of decisions about code-assessable development applications. Thus, the task for the Independent Assessor is to provide ease of accessibility and informality and efficiency while maintaining quality of decision making particularly in terms of fairness and justice.

The vast majority of appeals in respect of decisions on development applications are heard and determined by the Planning and Environment Court, a body comprised of full time judges of the District Courts who have a commission to constitute the Planning and Environment Court. The creation of the office of the Independent Assessor, therefore, represents an alternative legislative approach to the determination of planning appeals in this limited area of code-assessable licensed brothels.

The appeal provisions of the Act provide a flexible process by which the object of efficient but high quality decision making is to be achieved. Section 64P provides that the Independent Assessor need not proceed in a formal way; is not bound by the rules of evidence but must comply with natural justice; and may inform himself or herself in the way the Independent Assessor considers appropriate. The standard procedure provided for requires the assessment manager to provide to the Independent Assessor all of the documentation held with regard to the decision being appealed. The Independent Assessor is then to carry out a preliminary assessment with reasons which are then provided to the parties. The parties then have an opportunity to make written submissions about the preliminary assessment. The Independent Assessor is then to proceed to make his or her final decision on the appeal with the benefit of those submissions.

However, the Independent Assessor has a discretion to vary the process, as required, for the needs of the particular appeal. In an appropriate case, the flexibility of the process would allow the receipt of written or oral evidence from particular witnesses with cross-examination if necessary. The Independent Assessor, with the assistance of the parties, has the ability to vary the process.

The Notice of Appeal, which commences the process, must state the grounds of the appeal, including why the applicant considers the decision is wrong, and the Notice must be accompanied by the prescribed fee of \$750.00. Apart from the prescribed fee, an appellant (and a respondent local

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<sup>6</sup> See Schedule 1 to *Integrated Planning Regulation 1998*, Clause 3.



government) can control his or her own legal costs since s. 64R of the Act provides that each party to an appeal must bear that party's own costs for the appeal.

At the same time as the present writer was appointed to be Independent Assessor for the Act, Margaret Isaac, a full-time employee of the Prostitution Licensing Authority ('the Authority'), was appointed as the Registrar for Appeals to the Independent Assessor. Margaret and, in her absence, Anne Edwards, another employee of the Authority, have provided efficient and enthusiastic assistance to me and have more than adequately carried out the Registrar's role.

The first appeal was lodged with the Registrar on 11 February 2002. The appeal by Springwood Development Pty Ltd against a deemed refusal by Logan City Council was finally determined on 24 April 2002. The appeal was upheld and the failure to decide the development application was replaced by a decision that the application for the development permit be approved subject to specified conditions.

A second appeal was lodged on 22 March 2002 by Craig Leach against a decision of the Gold Coast City Council against the conditions imposed upon a development approval granted by the local government for a site in Bundall. The particular condition to which the applicant objected was a condition restricting him from operating the licensed brothel outside a period from 6.00pm to 6.00am. As at 30 June 2002, that appeal had not been finally decided.

The code against which the code assessment for the material change of use for a licensed brothel is to be assessed comprises Schedule 3 to the *Prostitution Regulation 2000*. Clause 3 of the Schedule states that the purpose of the code is to seek to ensure that a licensed brothel is compatible with the form, function and amenity of the locality in which it is located and to seek to ensure the safety and security of staff of a licensed brothel. The code contains a number of performance criteria which relate to matters such as car parking, vehicular access, signage, siting and design and the need to have proper infrastructure including connections to sewerage and water. As with most planning codes, for each criterion there is an acceptable solution which is one but not an exclusive manner of satisfying the performance criterion.

It is not yet clear whether there will be many appeals to be dealt with by the Independent Assessor. This will depend to a large extent upon a number of factors including the demand for planning approval for licensed brothels in industrial areas and on strategic port land and the extent to which proponents and local governments are able to reach agreement with regard to the application and requirements of the code.

Stephen Keim  
**Independent Assessor**

Copies of the decisions of the Independent Assessor can be obtained by contacting the office of the PLA.

## Licence and certificate applications

### Application processing

The Prostitution Act allows a person to apply for a brothel licence or a certificate to manage a brothel on behalf of the licensee. Licences and certificates are granted only to individuals who meet criteria under the Prostitution Act. Individuals are ineligible to apply for a brothel licence or manager's certificate if they:

- Are a minor
- Are an insolvent under administration
- Hold a licence or permit under the Liquor Act
- Have been convicted of a disqualifying offence
- Have had a licence or certificate under the Prostitution Act cancelled in the last three years
- Are subject to an order from the PLA declaring them to be ineligible to apply.

The PLA must refuse to grant a brothel licence or manager's certificate if an individual is not a suitable person to operate a licensed brothel or if the individual has an interest in another brothel in Queensland. The PLA must also refuse to grant a brothel licence if it considers that granting it would substantially affect the character of the area (for example, if it means the area will become a 'red light district').

In deciding whether to grant or refuse a licence or certificate, the PLA must consider:

- The applicant's reputation, having regard to character, honesty and integrity
- Whether the applicant has a conviction for an offence against the Prostitution Act, or a conviction for an indictable offence, or a conviction for an offence the circumstances of which constitute the running of a brothel, or whether the applicant has ever been charged with an offence of a sexual nature.

Finally, when deciding a brothel licence application, the PLA must also consider:

- Whether the applicant has, or will be able to obtain, financial resources that are adequate to ensure the financial viability of the brothel
- Whether the applicant will have in place arrangements to ensure the safety of sex workers
- Whether the business structure for the operation of the brothel is sufficiently transparent to enable all associates<sup>7</sup> of the applicant to be readily identified
- Whether any of the applicant's associates have a conviction for a disqualifying or indictable offence or whether they hold a licence or permit under the Liquor Act.

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<sup>7</sup> Under the Prostitution Act, associates include:

- A member of the applicant's family
- A person who has entered into a business arrangement or relationship with the applicant
- A person who is the owner or lessor of the building where the brothel will operate under the licence.



A conviction for prostitution does not automatically exclude a person from obtaining a licence or certificate. Under the Prostitution Act the PLA is prevented from deciding a person is unsuitable just because the person has worked as a sex worker.

The process for assessing applications is generally quite lengthy. The Prostitution Act requires all applications to be referred to the Police Commissioner for any inquiries considered appropriate by the Police Commissioner. The requirements of the Prostitution Act also necessitate checks to be made with other Queensland government agencies, and with relevant interstate agencies.

At the end of the 2001–02 financial year there had been brothel applications received from 30 individuals in relation to 21 brothel premises, with 47 individuals having applied for manager's certificates (see table 2).

**Table 2: Applications received by the PLA to 30 June 2002**

Applications received	Brothel licences		Manager's certificates
	Sites	Persons	Persons
Received during 2000–01	9	11	11
Received during 2001–02	12	19	36
<b>TOTAL</b>	<b>21</b>	<b>30</b>	<b>47</b>

Tables 3 and 4 show that, to date, 35 individuals have been granted a brothel licence or a manager's certificate. These individuals together manage 10 licensed brothels, seven of which were operational at 30 June 2002 (three brothels are not yet in operation). Licensed brothels are located largely in Brisbane and the Gold Coast (see figure 3), with three brothels located in regional areas.

**Table 3: Status of all brothel licence applications\* received to 30 June 2002**

Status	Received 2000–01	Received 2001–02	TOTAL
Approved	6	7	13
Withdrawn prior to consideration	4	0	4
Under investigation	1	12	13
Refused	0	0	0
<b>TOTAL</b>	<b>11</b>	<b>19</b>	<b>30</b>

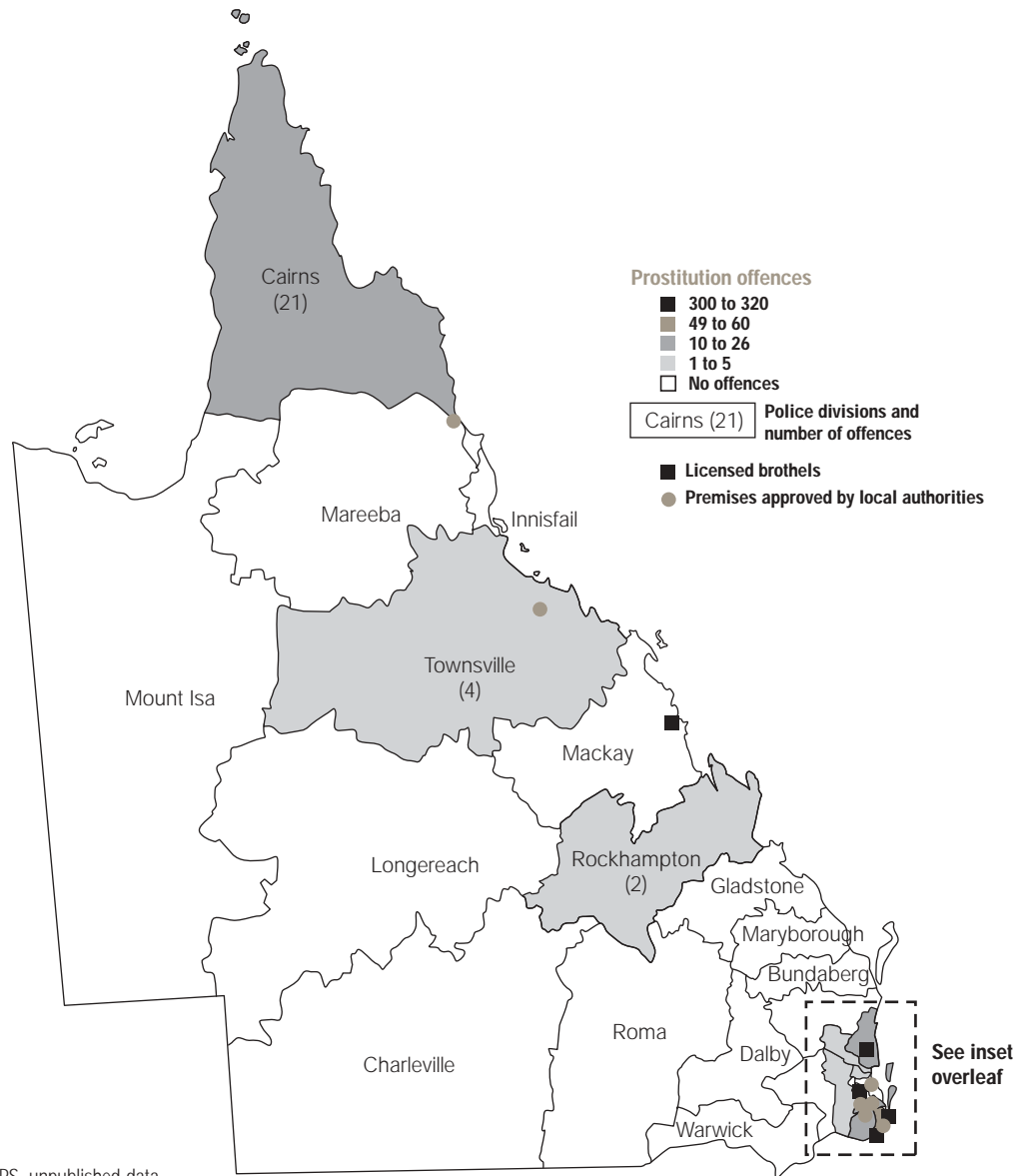
\*Applications relate to individual people rather than to brothel sites.

Table 4: Status of all manager's certificate applications\* received to 30 June 2002

Status	Received 2000-01	Received 2001-02	TOTAL
Approved	3	19	22
Withdrawn prior to consideration	8	5	13
Under investigation	0	12	12
Refused	0	0	0
<b>TOTAL</b>	<b>11</b>	<b>36</b>	<b>47</b>

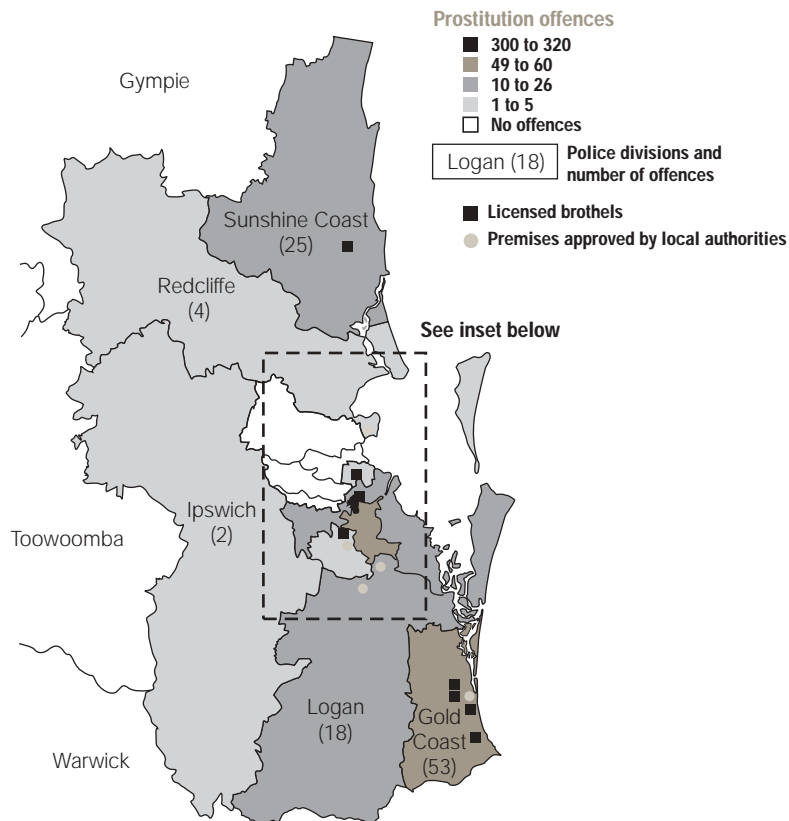
\*Applications relate to individual people rather than to brothel sites.

Figure 3: Location of licensed brothels, premises approved by local authorities and 2000-01 prostitution offences in Queensland



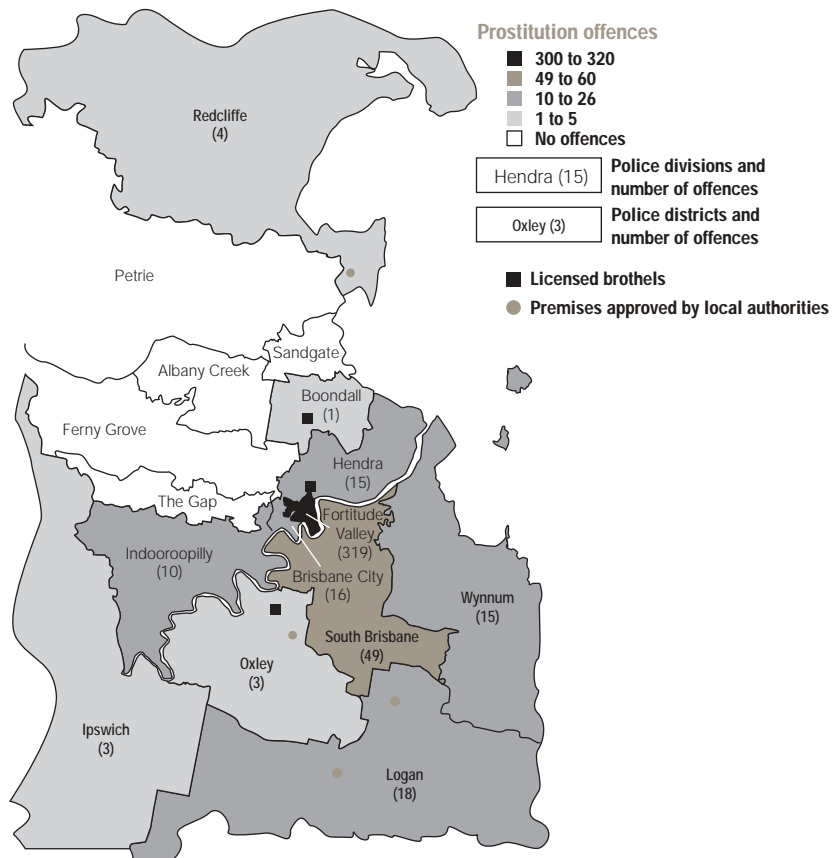
Source: QPS, unpublished data

**Inset 1: South East Queensland**



Source: QPS, unpublished data

**Inset 2: Metropolitan Brisbane**



Source: QPS, unpublished data

During the course of application processing in 2001–02, PLA staff conducted investigations and made inquiries with respect to several hundred individuals and companies (refer to table 5).

**Table 5: Investigations undertaken by PLA staff as part of application processing**

Type of application	Investigations conducted
Brothel licence	372 persons 254 companies
Manager's certificate	252 persons 82 companies

The average time taken from receipt of a brothel licence application to consideration by the PLA is 231 days (the description of application processing on page 39 explains all the steps involved in preparing an application for consideration). On average, a manager's certificate application takes 136 days from start to finish, although the time taken to process an application is dependent on the complexity of each individual application.

## Stephen Norris, Financial Investigator, Candice Zaviska, Administration Officer



## Licensed brothels

At the end of the 2001–02 financial year there were 10 licensed brothels in Queensland, with seven in operation (see table 6).

**Table 6: Licensed brothels in Queensland as at 30 June 2002**

Local authority	Address	Name of brothel	Telephone	Date opened
<b>Brisbane</b>	175 Abbotsford Rd Bowen Hills	Purely Blue	3854 0366	17.08.01
	120 Robinson Rd Geebung	Truely Elegance	3856 6010	02.05.02
	945 Fairfield Rd Yeerongpilly	The Viper Room	3392 7070	17.05.02
<b>Gold Coast</b>	44 Upton St Bundall	Silks on Upton	5538 2088	12.03.02
	30 Jade Dve Nerang	Pentagon Grand	5597 0777	12.04.02
	12 Greg Chappell Dve Andrews	Black Orchid	5522 1400	09.03.02
	29 Expansion St Nerang	Essential Pleasures	5597 1188	10.03.02
<b>Maroochy</b>	14 Avian St Kunda Park	Moulin Rouge: House of Erotic Pleasures	Not yet in operation	
<b>Mackay</b>	39 Enterprise St Paget	Club 7 on Enterprise	Not yet in operation	
<b>Townsville</b>	17 Hugh Ryan Dve Garbutt	Australian Maid	Not yet in operation	

## Future developments

- Review and assess ways to reduce the average time for processing brothel licence and manager's certificate applications.
- Establish a formal communication strategy for brothel licensees and managers.
- Establish a mechanism for publicising Independent Assessor appeal decisions.



## “Genevieve” aged 37 years

“I don’t think my son knows what I do for a living, but some people think he does. If he found out he’d be hurt, but he’d understand I think. We’ve got a close relationship, we sit down and discuss everything and anything. He’s a very straight kid, and he’s not really interested in girls yet. He’s just interested in school, he wants to get a good education.”

## 2. Brothel monitoring

### Recent achievements

- Interim Code of Practice for Licensed Brothels established.
- Standard brothel licence conditions reviewed and amended.
- Brothel audit instruments (checklists) developed.
- First brothel inspections conducted.

### Compliance with standards

The community expects that licensed brothels will operate to the highest standards of cleanliness and safety. With this in mind, the PAC and PLA compiled an Interim Code of Practice for Licensed Brothels to guide licensees and managers in the efficient and effective running of their business. The Interim Code of Practice, together with the brothel licence conditions attached to each licence issued by the PLA during the financial year 2001–02, has formed the basis for monitoring activities.

### Standard conditions of a brothel licence

The licensee of a brothel must:

- Maintain a register detailing:
  - ❖ the dates of sexual health checks for each sex worker and whether an Attendance Certificate for the sexual health check was sighted by brothel management
  - ❖ any instance where a client was suspected of having a sexually transmitted infection, type of suspected infection, and what action was taken
- Prominently display advice or information about sexually transmitted infections or diseases
- Comply with the Interim Code of Practice for Licensed Brothels and maintain appropriate records to demonstrate compliance
- Ensure that all policies and procedures required under the Interim Code of Practice for Licensed Brothels have been approved by the PLA within six months of the issue of the brothel licence
- Maintain records that identify all training provided to a) administrative, security and other staff and b) sex workers
- Maintain an up to date copy of the 'house rules' approved by the PLA
- Record the following particulars of all entries onto licensed brothel premises by police officers:
  - a) date and time of the entry, b) if an approved manager was at the brothel at the time of the entry – the name of the approved manager, c) whether the licensee was at the brothel at the time of the entry, d) the name, rank and station of each police officer who entered the brothel, e) purpose of the entry, f) if possession of a thing was taken during the entry – a description of the thing, g) if a police officer authorised the entry – the name and rank of the police officer

- Record details of any change in financial circumstances which may adversely affect the financial viability or operation of the licensed brothel business and advise the PLA in writing within seven days of becoming aware of the change
- Not enter into or be a party to any contract, agreement or arrangement, written or unwritten, with any other person to provide any thing or to furnish any service in return for any direct or indirect interest in or percentage or share of revenue, profits or earnings from or of the brothel (unless the person is licensed)
- Give upon request by the PLA any report, document or thing which relates to the operations of the licensed brothel
- Give the PLA a schedule of operating times indicating the days and hours on and during which the licensed brothel will operate
- Give the PLA details of any revised schedule of operating hours
- Not apply for a licence or permit under the Liquor Act
- Ensure that all brothel managers have a current manager's certificate
- Advise the PLA of all proposed variation or renovation to the approved brothel premises accompanied by plans or diagrams, at least 90 days prior to commencement of the proposed variation or renovation
- Notify the PLA if the licensee has used a telephone number or business name in relation to the brothel that was not used when the last annual licence fee was payable
- Allow the PLA to periodically inspect the brothel premises to ensure the business is being conducted in compliance with the conditions of the brothel licence.

The PLA has determined that, in the case of new brothels, compliance inspections will be undertaken as soon as possible after three months of operation of the brothel, and again just prior to the renewal of the brothel licence. During the 2001–02 financial year, two brothel inspections were conducted, one in response to a complaint.

With the increase in brothel licences issued during 2001–02, the State Government has approved the establishment of a formal compliance program which will be managed by two compliance officers to be engaged by the PLA. A series of brothel inspections are planned for 2002–03. Brothel inspections consist of an examination of all official records (including financial records and any policies and procedures in place), a visual inspection of working rooms, staff and kitchen areas, reception and waiting facilities, garage and outdoor areas and interviews with staff and sex workers.



## **Police entries**

The Prostitution Act establishes that all police entries must be either made or authorised by a police officer of at least the rank of inspector. A police officer may inspect, photograph, copy or take possession of an item at a licensed brothel, or require a licensee or manager to produce an item, only with the written authorisation of the PLA. As soon as practicable after a police entry to a licensed brothel, the police officer authorised to enter the brothel must give details about the entry to the PLA. This enables the PLA to monitor, to some extent, the level of police contact with licensed brothels.

During the 2001–02 financial year there were four police entries made to one licensed brothel.

## **Future developments**

- Establish the compliance program.
- Recruit and train two compliance officers.
- Establish liaison with relevant agencies.



"Jason"  
aged 30 years

"My hobbies out of work are all sport related – I play rugby, I used to play professional volleyball, I used to fence for Queensland. I've represented Queensland in six sports. I've been going to the gym all my life. I play sport every day of the week. I don't work to support a drug habit – I've never had a drug habit, I haven't had time to!"

Black  
Orchid

24  
HOURS

### 3. Advertising prostitution

#### Recent achievements

- Brothel advertising policy established.
- 205 advertisements lodged with the PLA for approval.

The Prostitution Act, as well as imposing certain prohibitions upon the advertisement of sexual services, vests in the PLA the final responsibility for advertising by sole operators and licensed brothels. It is an offence to advertise prostitution unless the form of advertisement is approved by the PLA. It needs to be borne in mind that the advertisement of sexual services by sole operators had, until the Prostitution Act was enacted, been prohibited by the *Prostitution Laws Amendment Act 1992*.

Under the Prostitution Act it is an offence to publish an advertisement which:

- Has not been approved by the PLA
- Describes the services offered
- Is published through radio or television, or by film or video recording
- States, directly or indirectly, that a person providing prostitution, provides or is connected with massage services, or
- Is intended or likely to induce a person to seek employment as a sex worker.

Therefore, when the Prostitution Act came into effect on 1 July 2000 the PLA had to deal with the immediate problem which confronted not only those sole operators who wished to advertise prostitution, but also those advertisers who had traditionally made a variety of print media available for the advertisement of adult services. Given the statutory limitations imposed upon the advertisement of prostitution, and given the expected flood and variety of advertisements for which approval might be sought and which were likely to consume the limited resources of the PLA, a policy was developed for advertisement by sole operators which would be consistent with the fact that prostitution was the subject matter of the advertisement and also the likely concern of newspaper proprietors that such advertisements not offend relevant standards of propriety. Accordingly the PLA, in consultation with SQWISI and those experienced in the sex industry, developed a list of terms that might meet the expectations of sex workers and newspaper executives. Further consultation with the Advertising Manager of the Courier Mail completed the process. In this way the PLA was able to approve a list of words and a form of advertisement which might be regarded as realistic yet acceptable to the wider community.

The issue assumed a new and different dimension with the more recent development of licensed brothels. The only advertising restriction imposed on licensees by local government was that contained in the Integrated Development Assessment System (IDAS) code which governs the approval of premises in an industrial area by a local government and which provides only that the advertisement on the exterior of the premises must not exceed one square metre. The PLA, however, has to be concerned with a much wider range and variety of advertising material which might be developed and for which approval must be sought from the PLA.

In approaching the question of approved advertising for licensed brothels, the PLA was intent on seeking a reasonable balance between, on the one hand, the establishment and conduct of a lawful

commercial business into which had been invested considerable capital and which should be entitled to advertise and, on the other, community sensitivities to prostitution, albeit at a licensed brothel. This troublesome dichotomy, which recognises the commercial legitimacy in advertising a lawful business and also the need to contain the prospect of offending community sensitivities which are often aroused by commercial advertisements, has proved to be a more difficult issue.

Consistent with the statutory requirement for PLA approval of brothel advertising, each individual item of advertising in respect of each licensed brothel has therefore had to be submitted to the PLA. Given the modern-day ingenuity of the advertising industry, the PLA has been challenged to meet the legitimate expectations of the business proprietor and at the same time to ensure compliance with the statutory prohibitions and the need to maintain acceptable standards and consistency. With increasing approvals of new brothel licences, it was not long before the PLA had to consider forms of advertising by licensed brothel proprietors for newspapers and magazines, tourist publications, adult magazines, Yellow Pages, brochures, flyers, business cards, drink coasters, cigarette lighters, various items of clothing such as T-shirts and caps, advertising on motor vehicles for private use and in sporting events, even on condoms and soft tampons, advertising on the internet, and the sponsorship of public and sporting events (Table 7 shows the number of requests for advertising approval made to the PLA during 2001–02). The most recent advertising innovation has been the use of gift vouchers issued by a licensed brothel.

To facilitate the approval process, and to avoid delay, the PLA has now developed a policy covering most, if not all, likely forms of advertisement.

**Table 7: Requests to the PLA for approval of advertising**

<b>Outcome</b>	<b>Brothel</b>	<b>Sole operator</b>	<b>TOTAL</b>
Approved	119	9	128
Conditionally approved	12	-	12
Refused	60	5	65
<b>TOTAL</b>	<b>191</b>	<b>14</b>	<b>205</b>

The advertisement of prostitution has raised specific issues in the Gold Coast area where the PLA has issued four brothel licences, each of which is currently in operation. Major commercial opposition to the Gold Coast licensed brothels is provided not only by the illegal industry but also by legal brothels at Tweed Heads which operate in accordance with NSW law. Particularly since the development of licensed brothels at the Gold Coast, NSW brothels now advertise regularly in publications such as the Gold Coast Bulletin. Advertisements by interstate operators have also advertised the availability of employment in NSW brothels. The Authority takes the view that the proper application of the Prostitution Act requires that those who operate a brothel business outside of Queensland, but who seek to advertise it in Queensland, are subject to compliance with Queensland law and appropriate steps have been taken to address this issue in association with the QPS.

It is fair to say that the regulation of prostitution advertising has become a significant and time-consuming issue for the PLA, particularly in the latter half of the year under review. It will be a perennial issue, but one which can be more effectively dealt with now that acceptable policies have been developed. The need for constant review is obvious.



## **Prostitution advertising policies**

The PLA has established two separate policies to govern advertising for prostitution.<sup>8</sup> Under both policies, advertisements may include approved line drawings, pencil renderings or photographs and may be in black and white or in colour.

### **Advertising policy for sole operators**

A list of approved words and phrases for sole operator advertisements has been 'pre-approved' by the PLA and can be obtained by contacting the PLA or by accessing the PLA website. Advertisements for sole operators are restricted to a size of 5 cm height by 7.2 cm wide and may include only:

- The name of the person or business, provided that the name does not describe the services offered
- The address from which the business operates
- The telephone or contact details of the business.

### **Brothel advertising policy**

Advertising is permitted in the following forms, subject to PLA approval:

- General print publications (restricted to a total area of 54 cm<sup>2</sup>)
- Publications classified by the Office of Film and Literature Classification (adult publications)
- Yellow Pages advertisements (restricted to a four unit advertisement)
- Business cards (restricted to 9 cm by 5.5 cm)
- Flyers, brochures, posters and coasters
- Internet advertising
- Merchandise, gift vouchers, corporate gifts and other promotional signage.

Brothels are prohibited from sponsoring sporting or other public events or activities as a means of advertising their business.

Under the Prostitution Act it is an offence to 'publish a statement intended or likely to induce a person to seek employment as a prostitute'. This means that licensed brothels are prevented from advertising vacancies for sex workers. If a brothel wishes to recruit sex workers, the licensee or manager will be most likely to approach SQWISI. Sex workers who are seeking employment at licensed brothels can telephone the PLA office or visit the PLA website for contact details of licensed brothels, or can contact SQWISI for information.

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<sup>8</sup> The definition of prostitution is contained in the Criminal Code. Under the definition, prostitution occurs if the person engages in, under an arrangement of a commercial nature, any of the following activities:

- Sexual intercourse
- Masturbation
- Oral sex
- Any activity that involves the use of one person by another for his or her sexual satisfaction involving physical contact.



## Future developments

- Establish a monitoring program for prostitution advertising.
- Establish a database to record all advertising requests, approvals and refusals.
- Review the advertising policies.
- Continued consultation with Yellow Pages with regard to appropriate placement of brothel advertisements.

Margaret Isaac, Registrar,  
Andrew Whittaker, Finance and  
Administration Officer and Jan  
Johns, Manager, Finance and  
Administration





"Cassie"  
aged 53 years

"I am happy being in the industry for the moment, I enjoy the freedom of working for myself, I don't have to rely on anyone else to support me financially. When I have saved enough money I would like to get into alternative medicine and have a business of my own. I enjoy exercise, keeping fit and reading self-help books."



## 4. Liaison and assistance

### Recent achievements

- Responded to 1,255 inquiries and 54 complaints.
- Held 205 meetings with key stakeholders.
- Client survey conducted of potential applicants.
- Fact sheet series developed and four fact sheets produced.
- Complaint pamphlet developed for brothel clients and stocked in brothel waiting areas.
- Information posters developed for staff rooms at brothels.

As required by the Prostitution Act, the PLA receives complaints about prostitution, liaises with the police service to help the service carry out its functions in relation to prostitution and inform relevant government departments and agencies about possible offences detected while carrying out its functions. The PLA continues to receive a high volume of inquiries and a smaller number of complaints.

### Inquiries

During the 2001–02 financial year, the PLA responded to inquiries from 1,255 individual callers. Inquiries were most often about the legal framework for prostitution and the licensing process (see figure 5), and were predominantly made by licence and certificate holders, applicants or potential applicants (see figure 6). These patterns were approximately the same as last financial year.

A fact sheet series has been developed by the PLA to provide information on various issues. This financial year the PLA produced four fact sheets:

1. Prostitution and the law in Queensland
2. Making a complaint about prostitution
3. Advertising sexual services
4. Lodging an appeal about local authority decisions on development applications for brothels.

It is envisaged that the fact sheets will be distributed to potential applicants, members of the general public and other inquirers.

Figure 4: Number of inquiries received by the PLA, 2001-02

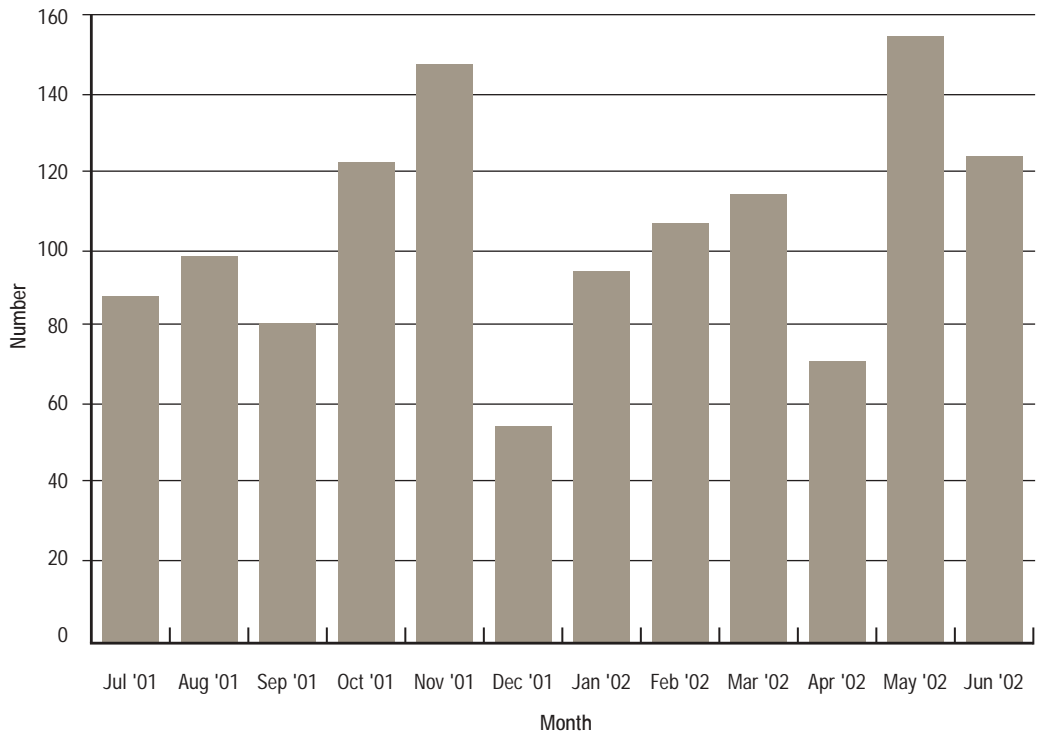


Figure 5: Nature of inquiries to the PLA, 2001-02

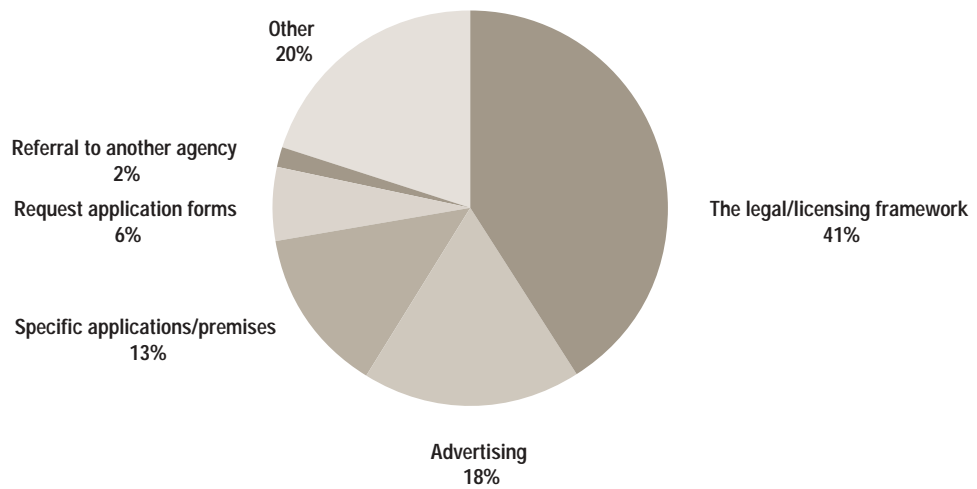
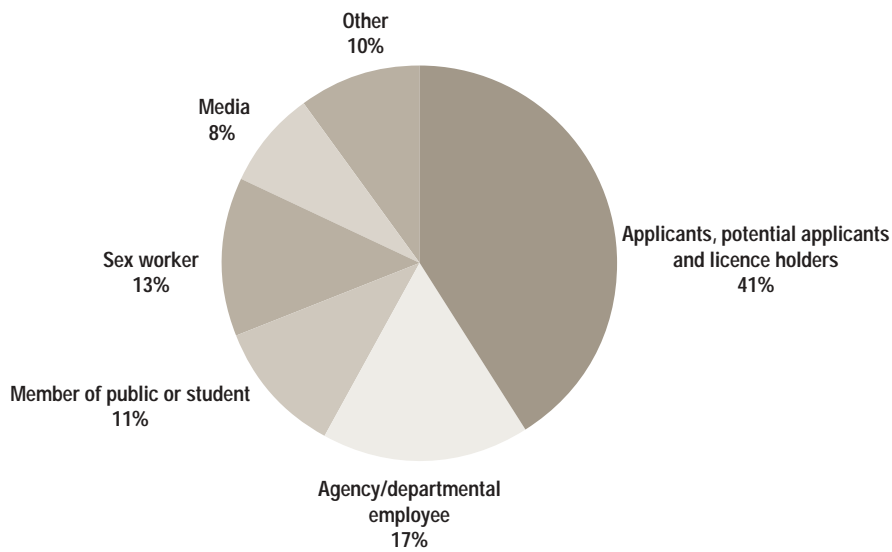


Figure 6: Person making inquiries to the PLA, 2001–02



## Complaints

The PLA is responsible for receiving complaints about prostitution. A complaint can be made about any aspect of prostitution, such as:

- Safety and health problems in a licensed brothel
- Unfair work practices
- People younger than 18 years working in a licensed brothel
- Illegal parlours
- Illegal advertising for prostitution services.

A complaint can be made by telephone to the PLA office (07 3109 4900) or in writing (post to GPO Box 3196 Brisbane 4001 or fax to 07 3876 3641).

During the 2001–02 financial year, the PLA received and responded to 54 complaints, which were largely about licensed brothels (see figure 7), and which had largely been lodged by sex workers (see figure 8). This differs from the pattern recorded last financial year where the majority of complaints had been received by members of the public and were generally related to advertising. In some respects, the increase in complaints from sex workers about licensed brothels reflects the nature of the new working environment for experienced sex workers who have often been accustomed to working illegally. For example, licensed brothels require sex workers to enter into a formal contract engaging their services at

the brothel, and to provide formal identification to show they are aged over 18 years. Many sex workers are new to these more formal arrangements relating to their work and require information about their rights and responsibilities.

Figure 9 shows that complaints made to the PLA were often referred to the QPS. Referred complaints most often related to advertising, issues arising at licensed brothels and complaints about illegal prostitution activity.

The PLA is committed to providing assistance and advice to sex workers working in licensed brothels. The pattern of complaints documented here shows that brothel-based sex workers have particular concerns that can be easily addressed by making contact with the PLA. An information poster has been developed by the PLA to convey to sex workers that the PLA is accessible to workers (see overleaf). Posters have been provided to all brothels for placement in staff amenities areas.

The PLA has also produced a pamphlet for brothel clients that describes what to do in the event that the client has a complaint about the brothel. Brothel licensees are required, as a condition of their licence, to place stocks of the pamphlet in client waiting areas for easy reference.

**Figure 7: Nature of complaints to the PLA, 2001–02**

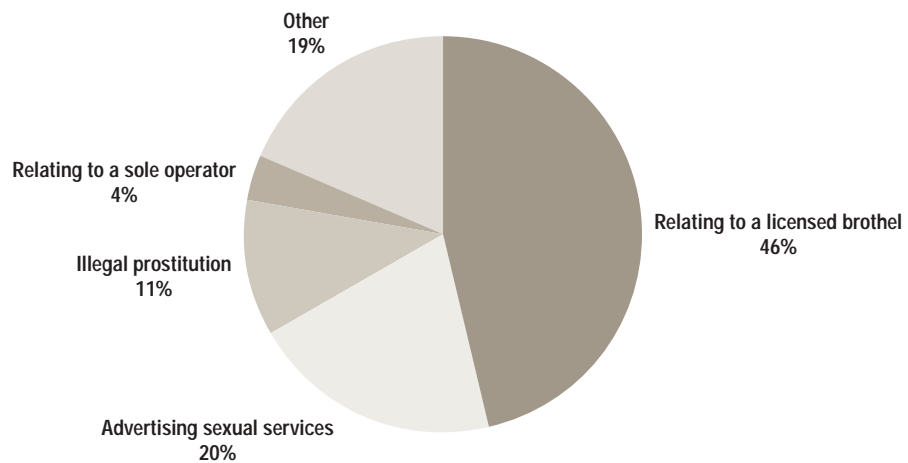


Figure 8: Person making complaints to the PLA, 2001–02

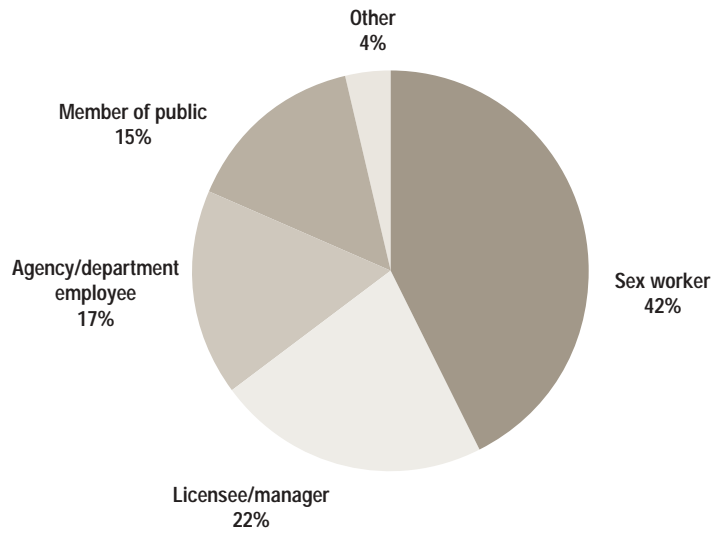
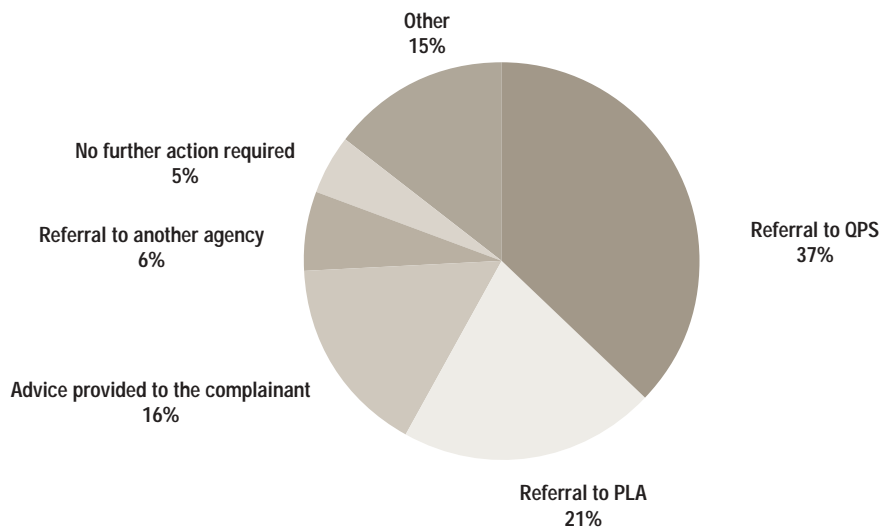


Figure 9: Resolution of complaints, 2001–02



# Information posters developed for staff rooms at brothels



## Meetings with stakeholders

The PLA continues to maintain a strong focus on liaison with key agencies and individuals. Table 8 shows that licence and certificate holders, applicants and potential applicants formed the largest group the PLA met with over the financial year.

Table 8: Meetings held by the PLA with external agencies and people, 2001–02

Group	Number of meetings
Licence and certificate holders, applicants and potential applicants	80
QPS	57
Members of the public	21
CMC	16
SQWISI	13
Government agencies	10
Ministerial	3
Sex workers	3
Local authorities	2
<b>TOTAL</b>	<b>205</b>

## **PLA presence at Sexpo**

During the 2001–02 financial year the PLA staffed a stall at the Four Seasons Condom Sexpo. A small PLA display was established in conjunction with the Queensland Health sexual health display. Approximately 700 packages were distributed to Sexpo attendees which contained information about the Prostitution Act, a copy of the PLA Annual Report for 2000–01, and a set of brothel licence application forms. PLA staff answered inquiries from attendees at Sexpo about the establishment of brothels in Queensland.

## **Potential applicants**

During the 2001–02 financial year the PLA surveyed a group of individuals who had requested and received application forms but who had not lodged an application for a brothel licence. The aim of the survey was to determine the reasons why applicants decided not to proceed with the application process.

A survey questionnaire was sent to 177 individuals on 15 January 2002, with the explanation that an anonymous survey was being undertaken by the PLA to assist in a review of current operations. About a third of these individuals (29%) responded to the questionnaire, with the following results:

- 100 per cent of respondents said that PLA staff were polite
- 92 per cent of respondents said that PLA staff were informative
- All but one respondent (98%) said they received the application forms promptly
- 90 per cent of respondents said the application forms were either very or relatively easy to read
- 79 per cent of respondents said the application forms were either very or relatively easy to understand.

While respondents generally found the application forms easy to read and understand, many applicants felt the amount of information required was excessive and invaded their privacy and the privacy of their family members (see table 9). Additional comments provided by respondents as to why they did not apply reflect that many potential applicants feel the legislation is too restrictive, and several respondents spoke about the difficulty of finding acceptable premises and the negative attitude of some local authorities. Just over a third of respondents (39%) said they still intended to apply for a brothel licence sometime in the future.

**Table 9: Reasons why potential applicants did not apply for a brothel licence**

<b>Response*</b>	<b>Percent of respondents</b>
There was too much information required	45
The fees were too expensive	41
The information required invaded my privacy	39
I wanted to wait and see how things went for other applicants	20
I had read some articles in the paper that discouraged me from applying	14
I decided to pursue a different business idea	12
I realised I was not eligible to apply	4
Other reason	55

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\* Multiple responses were permitted

### **Future developments**

- Review the complaint handling policy.
- Establish a complaint investigation policy.
- Assess alternatives for recording and tracking complaints.





"Jessica"  
aged 28 years

"My goal is to buy a house or a bit of land and to support my son. I wouldn't mind going back to school I guess. I'd like to finish my degree. But the main thing, I just want to get land and a house."

## 5. Corporate support

### Recent achievements

- The first Annual Report 2000–01 published by the PLA received a Merit Award in the 2001 Queensland Public Sector Annual Report Awards
- Security at the PLA has been upgraded to ensure adequate protection of staff
- Preparation, approval and implementation of the Finance and Administration Manual
- Implemented SAP functionality and processes
- Implemented the provisions of the new State Purchasing Policy and a procurement process for the PLA
- Improved internal reporting processes
- Established a process for whole-of-government reporting

The first Annual Report 2000-01 published by the PLA received a Merit Award in the 2001 Queensland Public Sector Annual Report Awards



- Developed and implemented a staff induction program
- Privacy Plan developed and established
- Service Level Agreement between the PLA and QPS for corporate services approved and signed.

The corporate services function supports the work of the operational area of the PLA, which delivers outputs directly to the Queensland community. The function is made up of Administration, Financial Services, Information Technology and Human Resources.

As the PLA operates with only six staff the following corporate support services have been outsourced to the QPS:

- Media liaison
- Assistance with recruitment and selection
- Payroll services
- Information technology support
- Workplace health and safety support
- Human resource management policies, including workplace health and safety and equal employment opportunity
- Library services
- Vehicle management
- Processing accounts payable
- Properties and facilities.

### **Administration**

The administration function is generally carried out by the six staff members of the PLA and systems include fleet management, records management, public register, secretarial and administrative support to the PLA, PAC and Independent Assessor, procurement, processing correspondence and mail register.

### **Financial services**

Implementation of SAP for the PLA has been initiated by the QPS and financial management is generally completed by the PLA. However, under the existing Service Level Agreement, data entry for accounts payable and maintenance of the SAP system is carried out by the QPS.

The Queensland Audit Office, once again, issued an unqualified audit report by certifying that the statements present a true and fair view of the PLA's transactions in accordance with prescribed accounting standards.

## Information management

Information technology support is administered through a Service Level Agreement between the PLA and Information Services Branch at QPS. During the financial year some significant achievements were made with regard to information management at the PLA. These were:

- Conversion from Macintosh to PC workstations
- Access to secure e-mail facility to the QPS
- Upgrading of the PLA website.

These changes have led to a need to review the Service Level Agreement to reflect the new environment.

## Human resources

The PLA recognises the valuable contribution that its staff make and fosters an environment that engenders initiative, innovation, team support and continuous learning.

The PLA's workforce comprises six staff who are located at the PLA office in Milton and are employed under the Public Service Act.

Table 10: PLA staff establishment

Staff category	Number (F-T)	
	Female	Male
AO7-SO	3	1
AO4-AO6	-	1
AO1-AO3	1	-
<b>TOTAL</b>	<b>4</b>	<b>2</b>

There are four women at the PLA and two men. Table 11 shows staff membership of the four equal employment opportunity (EEO) target groups.

Table 11: PLA staff membership of EEO target groups

EEO target group	Number of Staff (N=6)
Women	4
Non-English-speaking background	0
Aboriginal or Torres Strait Islanders	0
People with a disability	0

### **Staff training and development**

Valuing and developing staff are fundamental to facilitating the effective operations of the PLA. In recognition of the valuable contribution of staff, the PLA has invested \$24,288 on training and development activities this financial year. In total, 265 hours of training were undertaken by PLA staff.

Training included on-site and external programs focusing on the critical areas of people management skills, ethical decision-making, software training, financial management/accounting, procurement and industry-specific seminars.

All employees are encouraged to develop professionally through formal studies. Throughout the year one staff member has enrolled in the Public Service Training Package and another staff member is completing a Level 3 in Queensland Purchasing Certification.

### **Additional information**

#### **Consultancies**

The PLA had nil expenditure on consultancies for 2001–02.

#### **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 2001–02.

#### **Freedom of information**

Section 137 of the Prostitution Act states that the *Freedom of Information Act 1992* does not apply to any document given to or produced by the PLA under the Prostitution Act. This means that members of the public are not permitted access to any documents given to or produced by the PLA.

There were no applications made to the PLA under the Freedom of Information Act during the financial year 2001–02.

#### **Overseas travel**

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

## Future developments

- Develop a Workplace Health and Safety Policy.
- Revise and enhance the Risk Management Policy and the Protective Security Manual.
- Document practice statements for the Finance and Administration Manual.
- Implement training for SAP processes including management reporting.
- Review and finalise the Service Level Agreement between the PLA and the QPS.
- Develop a business-oriented solution to manage the processing of applications, inquiries, complaints, audits and inspections.
- Obtain desktop access to the Internet for staff members.
- Provide further training for staff in specialised software applications.
- Implement 'family-friendly' and 'people-friendly' initiatives where appropriate.
- Implement a management system for media reports from Media Monitors.

Stephen Norris, Jan Johns,  
Andrew Whittaker, Candice  
Zaviska, Margaret Isaac and  
Anne Edwards





financial statements

# prostitution licensing authority statement of financial performance

for year ended 30 June 2002

	Note	2002 \$	2001 \$
<b>Revenue from ordinary activities</b>			
User charges and fees	1	177,361	34,500
Government contributions		871,000	1,059,000
Other	2	44,845	24,551
<b>Total revenues from ordinary activities</b>		<b>1,093,206</b>	<b>1,118,051</b>
<b>Expenses from ordinary activities</b>			
Employee expenses	3	378,585	332,713
Supplies and services	4	269,439	174,412
Depreciation and amortisation	5	45,605	28,383
Other	6	189,523	112,380
<b>Total expenses from ordinary activities</b>		<b>883,152</b>	<b>647,888</b>
<b>Net surplus</b>		<b>210,054</b>	<b>470,163</b>

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



# prostitution licensing authority statement of financial position

at 30 June 2002

	Note	2002 \$	2001 \$
<b>Current assets</b>			
Cash assets	7	443,295	406,971
Receivables	8	22,575	28,027
Other	9	49,762	-
<b>Total current assets</b>		<b>515,632</b>	<b>434,998</b>
<b>Non-current assets</b>			
Intangibles	10	15,355	9,376
Property, plant and equipment	11	236,078	112,655
<b>Total non-current assets</b>		<b>251,433</b>	<b>122,031</b>
<b>Total assets</b>		<b>767,065</b>	<b>557,029</b>
<b>Current liabilities</b>			
Payables	12	36,324	63,836
Provisions		13	50,524
23,030			
<b>Total current liabilities</b>		<b>86,848</b>	<b>86,866</b>
<b>Total liabilities</b>		<b>86,848</b>	<b>86,866</b>
<b>Net assets</b>		<b>680,217</b>	<b>470,163</b>
<b>Equity</b>			
Retained surpluses	14	680,217	470,163
<b>Total equity</b>		<b>680,217</b>	<b>470,163</b>

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

# prostitution licensing authority statement of cash flows

for year ended 30 June 2002

	Note	2002	2001
		\$	\$
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Government contributions		871,000	1,059,000
User charges and fees		177,361	34,500
GST collected on sales		1,050	-
GST input tax credits received		47,172	36,849
Interest received		47,427	-
<i>Outflows:</i>			
Employee costs		380,960	263,697
Supplies and services		338,721	159,903
Insurance premiums		2,132	612
GST paid on purchases		59,422	39,802
GST remitted to ATO		-	-
Other		143,920	108,950
<b>Net cash provided by operating activities</b>	15	<b>218,855</b>	<b>557,385</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sale of property, plant and equipment		10,500	-
<i>Outflows:</i>			
Payments for property, plant and equipment		184,917	140,879
Payments for computer software		8,114	9,535
<b>Net cash used in investing activities</b>		<b>(182,531)</b>	<b>(150,414)</b>
<b>Net increase in cash held</b>		<b>36,324</b>	<b>406,971</b>
<b>Cash at beginning of financial year</b>		<b>406,971</b>	<b>-</b>
<b>Cash at end of financial year</b>	7	<b>443,295</b>	<b>406,971</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

for the year ended 30 June 2002

## **Objectives of the 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 2001-02, the Authority continued to be substantially funded through non-reciprocal government contributions. In future years, it is expected that the Authority will become increasingly self funding from revenues generated from licence fees and certificate fees.

## **Summary of Significant Accounting Policies**

### **(a) Basis of Accounting**

These financial statements are a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards, the *Treasurer's Minimum Reporting Requirements for 2001-02* as applicable to statutory authorities of the State and other authoritative pronouncements.

Except where stated, the financial statements have been prepared in accordance with the historical cost convention.

The accounting policies adopted are consistent with those for the previous year.

The accrual basis of accounting has been adopted.

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

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

### **(c) Trust Transactions and Balances**

The Authority administers transactions and balances in a trust or fiduciary capacity on behalf of applicants for licences and certificates. As the Authority performs only a custodial role in respect of these balances until, and unless, licences or certificates are granted, they are not recognised in the Statement of Financial Performance, Statement of Financial Position and the Statement of Cash Flows, but are identified separately in Note 18.

### **(d) 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.

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

for the year ended 30 June 2002

**(e) Cash Assets**

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

**(f) Receivables**

Receivables are recognised at the nominal amounts due at the time of sale or service delivery. Settlement on trade debtors is generally required within 30 days. The collectability of receivables is assessed periodically with provision being made for doubtful debts. All known bad debts have been written off as at 30 June.

**(g) Acquisition of Assets**

Actual cost is used for the initial recording of all acquisitions of assets owned by the Authority. Assets acquired at no cost, or for nominal consideration, are recognised at their fair value at the 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 architect's fees and engineering design fees.

**(h) Intangibles, Property, Plant and Equipment**

All intangible assets and all items of property, plant and equipment with a cost or other value greater than \$1,000, are recognised in the financial statements in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

**(i) Depreciation and Amortisation of Intangibles, Property, Plant and Equipment**

Depreciation and amortisation 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.

Work-in-progress is not depreciated until it reaches service delivery capacity.

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

for the year ended 30 June 2002

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

<b>Class</b>	<b>Amortisation/Depreciation Rate</b>
	<b>%</b>
Intangibles (internal use software)	20
Computer equipment (hardware)	20.0-50.0
Office equipment (photocopier)	20
Office equipment (telephone, facsimile, shredders, e/whiteboards)	10.0-14.3
Office equipment (safes)	2.5
Plant and equipment	10.0-14.3
Leasehold improvements	20.0-33.3
Motor vehicles	16.7

## **(j) Revaluations of Non-Current Physical Assets**

From 1 July 2001 land, buildings, infrastructure and heritage and cultural assets are measured at fair value in accordance with AASB1041 *Revaluation of Non-Current Assets*, and Queensland Treasury's *Non-Current Asset Accounting Guidelines for the Queensland Public Sector*. All other non-current assets are measured at cost.

All non-current physical assets of the Authority are valued at cost in accordance with these standards.

## **(k) Leases**

A distinction is made in the financial statements between finance leases, that effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership, and operating leases under which the lessor retains all the risks and benefits.

The Authority held no finance leases at 30 June.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

## **(l) Payables**

Creditors are recognised upon receipt of the goods and services ordered and are measured at the agreed purchase/contract price gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 days terms.

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

for the year ended 30 June 2002

## **(m) Employee Entitlements**

### **Wages, Salaries and Annual Leave**

Wages, salaries and annual leave due but unpaid at reporting date recognised in the Statement of Financial Position include related on-costs such as employer superannuation contributions and workcover premiums.

### **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**

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees at rates determined by the State Actuary.

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*.

## **(n) Taxation**

The Authority's activities are exempt from Commonwealth taxation except for Fringe Benefits Tax 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.

## **(o) Insurance**

In accordance with Government policy, assets, except motor vehicles, are not insured. In addition, the Authority pays premiums to Workcover Queensland in respect of its obligations for employee compensation.

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

for the year ended 30 June 2002

**(p) 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 has been restated where necessary to be consistent with disclosures in the current reporting period.

**(q) Services Received Free of Charge or for Nominal Value**

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.

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

for the year ended 30 June 2002

	2002	2001
	\$	\$
<b>1 User Charges and Fees</b>		
Fees for licences granted	135,000	15,000
Fees for licence applications	28,500	16,500
Fees for certificates granted	285	-
Fees for certificate applications	13,500	3,000
Other fees	76	-
	<b>177,361</b>	<b>34,500</b>
<b>2 Other Revenue</b>		
Interest	30,303	24,551
Refund of payroll tax	14,542	-
	<b>44,845</b>	<b>24,551</b>
<b>3 Employee Expenses</b>		
Wages and salaries	337,112	269,030
Employer superannuation contributions	31,825	32,686
Long service leave levy	3,991	3,970
Other related expenses	5,657	27,027
	<b>378,585</b>	<b>332,713</b>
<b>Number of Employees at 30 June</b>	<b>6</b>	<b>6</b>
The number of employees includes full-time employees only. The Authority has no part-time employees.		
<b>4 Supplies and Services</b>		
Consultants and contractors	68,314	50,121
Materials	64,070	34,568
Travel	18,986	20,921
Repairs and maintenance	24,062	20,444
Communications	15,057	14,577
Queensland Police Service corporate service charges	20,000	20,000
Public utilities	14,155	5,492
Professional development	24,288	945
Other	20,507	7,344
	<b>269,439</b>	<b>174,412</b>



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

for the year ended 30 June 2002

	2002	2001
	\$	\$
<b>5 Depreciation and Amortisation Expense</b>		
Depreciation and amortisation incurred in respect of:		
Computer equipment	15,198	13,937
Leasehold improvements	15,454	7,779
Motor vehicles	5,527	3,273
Office equipment	4,684	2,544
Plant and equipment	1,454	75
Furniture and fittings	1,152	616
Intangibles - own use software	2,136	159
	<b>45,605</b>	<b>28,383</b>
<b>6 Other Expenses</b>		
Insurance	2,132	612
External audit fees	6,400	1,200
Rental of premises	93,732	33,305
Prostitution Licensing Authority - chair and members' fees	49,271	50,653
Prostitution Advisory Council - chair and members' fees	30,446	26,534
Losses from disposal of non-current assets	6,189	-
Non-current assets written off	1,334	-
Other	19	76
	<b>189,523</b>	<b>112,380</b>
<b>7 Cash Assets</b>		
Imprest account	300	1,000
Cash at bank	442,995	405,971
	<b>443,295</b>	<b>406,971</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>8 Receivables</b>		
<i>Current</i>		
GST receivable	15,148	3,476
Interest receivable	7,427	24,551
	<b>22,575</b>	<b>28,027</b>

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

for the year ended 30 June 2002

	2002	2001
	\$	\$
<b>9 Other Assets</b>		
<i>Current</i>		
Prepayments	1,499	-
Unexpended advances	48,263	-
	<b>49,762</b>	<b>-</b>
<b>10 Intangibles</b>		
Internal use software		
At cost	17,649	9,535
Less: Accumulated amortisation	(2,294)	(159)
Carrying amount at 30 June	<b>15,355</b>	<b>9,376</b>
<b>11 Property, Plant and Equipment</b>		
Leasehold improvements		
At cost	71,425	38,893
Less: Accumulated amortisation	(23,233)	(7,779)
Carrying amount at 30 June	48,192	31,114
Office equipment		
At cost	54,943	17,308
Less: Accumulated depreciation	(6,765)	(2,544)
Carrying amount at 30 June	48,178	14,764
Plant and equipment		
At cost	21,717	9,000
Less: Accumulated depreciation	(1,529)	(75)
Carrying amount at 30 June	20,188	8,925
Motor vehicles		
At cost	67,144	19,639
Less: Accumulated depreciation	(8,801)	(3,273)
Carrying amount at 30 June	58,343	16,366
Computer equipment		
At cost	51,144	49,879
Less: Accumulated depreciation	(8,823)	(13,937)
Carrying amount at 30 June	42,321	35,942

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

for the year ended 30 June 2002

	2002	2001
	\$	\$
Fixtures and fittings		
At cost	13,445	6,160
Less: Accumulated depreciation	(1,915)	(616)
Carrying amount at 30 June	11,530	5,544
Capital works in progress		
Leasehold improvements at cost	7,326	-
Carrying amount at 30 June	7,326	-
<b>Total property, plant and equipment</b>	<b>236,078</b>	<b>112,655</b>

## 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	Computer Equipment	Motor Vehicles	Office Equipment	Plant & Equipment	Fixtures & Fittings	Works in Progress	Total
	<b>2002</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>	<b>2002</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at 1 July 2001		31,114	35,942	16,366	14,764	8,925	5,544	112,655
Acquisitions	32,532	38,268	47,504	43,897	12,717	2,673	7,326	184,917
Transfer between classes				(5,799)		5,799		0
Disposals		(16,691)						(16,691)
Write Offs						(1,334)		(1,334)
Depreciation/ amortisation	(15,454)	(15,198)	(5,527)	(4,684)	(1,454)	(1,152)		(43,469)
Carrying amount at 30 June 2002	48,192	42,321	58,343	48,178	20,188	11,530	7,326	236,078

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

for the year ended 30 June 2002

	2002	2001
	\$	\$
<b>12 Payables</b>		
<i>Current</i>		
Trade Creditors	14,955	51,716
Other	21,369	12,120
	<b>36,324</b>	<b>63,836</b>
<b>13 Provisions</b>		
<i>Current</i>		
Annual leave	50,524	23,030
	<b>50,524</b>	<b>23,030</b>
<b>14 Changes in Equity</b>		
Retained Surpluses		
Balance 1 July	470,163	-
Net surplus	210,054	470,163
Balance 30 June	<b>680,217</b>	<b>470,163</b>
<b>15 Reconciliation of Net Surplus to Net Cash provided by Operating Activities</b>		
Net surplus	210,054	470,163
Depreciation and amortisation expense	45,605	28,383
Loss on sale of property, plant and equipment	6,189	-
Property, Plant and equipment written off	1,334	-
Change in assets and liabilities:		
(Increase)/decrease in GST receivable	(12,250)	(2,951)
(Increase)/decrease in other receivables	(31,139)	(24,551)
(Increase)/decrease in prepayments	(1,499)	-
Increase/(decrease) in other payables	(37,232)	51,191
Increase/(decrease) in GST payable	1,050	-
Increase (decrease) in accruals	9,249	12,120
Increase (decrease) in employee provisions	27,494	23,030
Net cash provided by operating activities	<b>218,855</b>	<b>557,385</b>

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

for the year ended 30 June 2002

## 16 Commitments for Expenditure

### (a) Non-Cancellable Operating Lease Commitments

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

Not later than one year	127,403	80,368
Later than one year and not later than five years	247,477	236,481
<b>Total commitments</b>	<b>374,880</b>	<b>316,849</b>

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 expenditure Commitments

The Authority had no capital expenditure commitments at 30 June.

## 17 Contingency

### (a) Guarantees and Undertakings

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

### (b) Litigation in Progress

There are no known contingent assets or liabilities of a significant nature at 30 June.

## 18 Trust Transactions and Balances

As the Authority performs only a custodial role in respect of these transactions and balances, they are neither controlled nor administered by it and, accordingly, not recognised in the financial statements. They are, however, disclosed in these notes for the information of users.

The amount represents fees for applications awaiting Authority approval.

<b>Trust assets and liabilities</b>	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash	105,240	86,105
<b>Total current assets</b>	<b>105,240</b>	<b>86,105</b>

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

for the year ended 30 June 2002

## 19 Financial Instruments

### (a) Interest Rate Risk Exposure

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

	Maturity Date		Total	Weighted Average Rate
	1 year or Less	Non-Interest Bearing		
	\$	\$	\$	%
<b>Financial Assets</b>				
Cash	442,995	300	443,295	3.56
Receivables	-	22,575	22,575	
<b>Total</b>	<b>442,995</b>	<b>22,875</b>	<b>465,870</b>	
<b>Financial Liabilities</b>				
Payables	-	36,324	36,324	
<b>Total</b>	<b>-</b>	<b>36,324</b>	<b>36,324</b>	

### (b) Credit Risk Exposures

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.

### (c) Net Fair Values

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

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

for the year ended 30 June 2002

## **Certificate of the Prostitution Licensing Authority**

The general purpose financial statements have 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 2002 and of the financial position at the end of that year.

Margaret W Isaac  
Registrar  
3 September 2002

William J Carter QC  
Chairperson  
3 September 2002

## Independent Audit Report

### To the Board of the Prostitution Licensing Authority

#### Scope

I have audited the general purpose financial statements of the Prostitution Licensing Authority prepared by the Authority for the year ended 30 June 2002 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise 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 person responsible for financial administration.

The Authority is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements in Australia which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the authority's financial position, and the performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977*, I certify that I have received all the information and explanations that I have required and, in my opinion

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards and other mandatory professional reporting requirements in Australia, of the transactions of the Prostitution Licensing Authority for the financial year 1 July 2001 and 30 June 2002 and of the financial position as at the end of that year.

E A Muir, FCPA  
Assistant Auditor-General  
(Delegate of the Auditor-General)



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>A</b>	Cawarral	Emu Park	Helidon
Acland	Cecil Plains	Emu Vale	Hivesville
Allora	Childers	Esk	Horton
Antigua	Chillagoe		Hungerford
Appletree Creek	Chinchilla Shire	<b>F</b>	
Aramac	Clarendon	Fernvale	<b>I</b>
Aratula	Clermont	Flinton	Inglewood
Atherton	Clifton	Flying Fish Point	Innisfail
Atkinson Dam	Colinton	Forest Hill	
Aubigny	Conondale		<b>J</b>
	Coolabunia	<b>G</b>	Jondaryan
<b>B</b>	Coolana	Gatton	Joskeleigh
Bajool	Coominya	Glamorgan Vale	
Bauple	Cooya	Glass House Mountains	<b>K</b>
Bauple Estate	Cooyar	Glendale	Kabra
Beerburrum	Cordalba	Gleenlee	Kairi
Beerwah	Cotswold Hills	Glenmorgan	Kalbar
Biddeston	Crawford	Glenvale	Karara
Biggenden	Curra	Glenwood	Keppel Sands
Bingil Bay		Gogango	Killarney
Blackall	<b>D</b>	Goombungee	Kingaroy
Bollon	Daintree	Goondiwindi	Kingsthorpe
Boonah	Dalby	Gowrie Junction	Kinka Beach
Booyal	Dalveen	Gracemere	Kulpi
Bouldercombe	Dimbulah	Grantham	Kumbia
Bowenville	Dirranbandi	Great Keppel Is	Kuranda
Brightview	Doolbi	Gunalda	Kurrimine Beach
Bungunyah	Durong	Gundiah	
	<b>E</b>		<b>L</b>
<b>C</b>	El Arish	<b>H</b>	Laidley
Cambooya	Emerald	Harlin	Landsborough
Capella		Hebel	Leyburn

Linville	<b>N</b>	<b>T</b>	Westmar
Lowood	Nerimbera	Talwood	Westwood
<b>M</b>	Newell	Tannymorel	Windsor Park
Maclagan	Nobby	Tara	Withcott
Maleny	Noccundra	Tarampa	Witta
Mareeba	<b>O</b>	Texas	Wivenhoe Pocket
Marlborough	Oakey	Thallon	Wondai
Marmor	Ogmore	Thargomindah	Wonga Beach
Maryvale	<b>P</b>	The Causeway	Woodgate
Meandarra	Patricks Estate	The Caves	Wooroolin
Memerambi	Peachester	Theebine	Wyreema
Meringandan West	Peranga	Tinnanbar	<b>Y</b>
Millmerran	Pittsworth	Tiaro	Yangan
Minden	Port Douglas	Tieri	Yarraman
Mission Beach	Pratten	Tinaroo	Yelarbon
Mondure	Prenzlau	Tingooora	Yeppoon
Mooloolah	Proston	Tolga	<b>Z</b>
Moonie	<b>Q</b>	Toobeah	Zilzie
Moore	Quinalow	Toogoolawah	
Moranbah	<b>S</b>	Torrington	
Mossman	Silkwood	<b>V</b>	
Mount Chalmers	Somerset Dam	Vernor	
Mount Colliery	South Johnstone	<b>W</b>	
Mount Molloy	Southbrook	Walkamin	
Mount Tarampa	St George	Wallangarra	
Mount Tyson	Stanthorpe	Wangan	
Mourilyan	Stanwell	Wangetti	
Mungindi	Stanage Bay	Warril View	
Murgon		Warwick	
Murphys Creek		Westbrook	
Muttaburra			

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