

Prostitution Licensing Authority

Final Report

Communication Objectives of this Report

The Prostitution Licensing Authority (PLA) Final Report has been prepared to provide readers with a concise summary of the Authority's activities and performance during the period 1 July 2023 to 1 August 2024. Our Final Report serves as the primary mechanism through which we meet our accountability and statutory reporting obligations.

The Final Report provides an overview of who we were and what we did at strategic and operational levels. Our report aims to build awareness of our operations and confidence in our organisation. It will interest members of federal, state, and local governments, industry groups, clients, academia, and community groups.

The communication objectives of this report are to:

- create an awareness of the activities that drove the PLA's performance
- demonstrate how the PLA contributed to the Queensland Government's objectives for the community
- inform readers of the PLA's strategic initiatives
- explain how the PLA worked and the mechanisms by which the Authority ensured continual improvement
- account for the way in which the PLA managed our finances
- explain how the PLA complied with legislation and government policies, and
- inform readers of the ways that the PLA connected with the sex industry.

Public availability and further information

This Final Report can be requested from the Department of Justice and Attorney-General:

- telephone (07) 3738 9212
- email governance@justice.qld.gov.au
- write to the Office of the Director-General, Department of Justice and Attorney-General, GPO Box 149, Brisbane Qld 4001

You can also provide feedback on the report to the Department of Justice and Attorney-General.

Interpreter service

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



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Table of contents

Table of contents	3
Letter of compliance	4
Message from the Former Chair	5
Message from the Executive Director	7
About us.....	10
Role of the Prostitution Licensing Authority	11
Our performance	12
The 2023-24 operating environment	16
Our Stakeholders	18
Our Governance	20
Our Corporate Governance Framework	25
Our People	29
Final Financial Statements	32
Appendix 1 - Glossary	56
Appendix 2 - Annual report requirements	57
Appendix 3 – Compliance checklist	59

Letter of compliance

5 September 2024

The Honourable Yvette D'Ath MP
Attorney-General and Minister for Justice and
Minister for the Prevention of Domestic and Family Violence
1 William Street
Brisbane Qld 4000

Dear Attorney-General

I am pleased to submit for presentation to the Parliament the Final Report and final financial statements for the Prostitution Licensing Authority.

I certify that this Final Report complies with:

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

On commencement of the *Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Act 2024* on 2 August 2024 the Prostitution Licensing Authority was abolished, and all assets and liabilities were assumed by the Department of Justice and Attorney-General.

The Final Report outlines the activities and achievements of the former Prostitution Licensing Authority during the final period from 1 July 2023 to 1 August 2024.

A checklist outlining the annual reporting requirements is provided at page 59 of this report.

Yours sincerely



The Hon Colin Forrest SC

Former Chair
Prostitution Licensing Authority

Message from the Former Chair

The Prostitution Licensing Authority (PLA) was a licensing and regulatory authority which administered the *Prostitution Act 1999* (the Prostitution Act) and the Prostitution Regulation 2014 for the operation of licensed brothels in Queensland.

Whilst the PLA focused on its core functions of deciding brothel licence applications and approved managers' certificates and monitoring regulatory compliance of licensed brothels during the final period, parliament passed the *Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Act 2024*. When it commenced on 2 August 2024, Queensland's sex work industry was fully decriminalised and the PLA was abolished, its' regulatory function repealed in favour of laws of general application.

The PLA continued to actively engage with the industry and other stakeholders to support the transition to a decriminalised framework and worked with the former licensed sector to give effect to the changes and promote community confidence in the industry transition.

Work of the PLA

Throughout its final 13 months, the PLA considered 92 applications for a brothel licence or an approved manager's certificate and continued to undertake its compliance monitoring audits. Inspections of brothels continued to show that the operators of licensed brothels were generally highly compliant with their obligations and remained committed to achieving a safe and healthy industry. During the final period, PLA compliance officers conducted 44 inspections and audits of brothels, resulting in 32 corrective actions. A total of 63 complaints were received, including 21 about the operations of licensed brothels.

In response to continued concerns about the regulatory compliance of one Brisbane brothel, the PLA implemented disciplinary proceedings against the licensee. The disciplinary process was finalised during the year once the operational standards at the brothel were remedied.

Brothel numbers

Licensed brothel numbers fell by 20 percent in 2023-24. No new brothels commenced operation so the number of licenced brothels operating in Queensland at the end of the final period was 16, down from 20 at the end of the previous reporting period. No brothels changed hands during the year. A brothel licence application received for a site in Brisbane, which had previously accommodated a brothel, was refused.

Key initiatives during the year

Key initiatives to support the licensed sector of the sex work industry during the year included:

- consultation on sex work industry reforms necessary to achieve a decriminalised sex work industry in Queensland, including providing a written submission and appearing before the Housing, Big Build and Manufacturing Committee to support its consideration of the *Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Act 2024*
- delivery of a compliance training program for brothel licensees and approved managers
- work on measures to support the mental health of licensees and managers

- process changes that improved approved manager’s certificate application processing times
- simplification of brothel licence conditions and removal of conditions that were outdated or no longer relevant.

Thank you

My thanks go to the past and present members of the PLA and staff of the Office of the PLA for so ably supporting the work of the PLA over the past 24 years. I am also indebted to our industry stakeholders for their collaboration and support throughout recent years and I publicly extend the thanks of the PLA to them.

A handwritten signature in black ink, appearing to read 'Colin Forrest', written in a cursive style.

The Hon Colin Forrest SC

Former Chair — Prostitution Licensing Authority

Message from the Executive Director

Staff of the office are key to the success of the PLA in carrying out its functions. I thank the staff for their ongoing support and dedication to the implementation of a decriminalised sex work industry in Queensland while concurrently maintaining a safe and healthy licensed sector during my tenure as Executive Director.

Application processing

Staff of the office continued to perform the routine probity work which ensures licensees and managers are both eligible and suitable to operate the licensed sector.

The office processed 20 applications for a brothel licence and 83 applications for an approved manager's certificate.

Brothels must be personally supervised by a licensee or manager at all times when open for business. The time taken to process approved manager's certificate applications and the impact on brothel operations had often been the subject of industry concern. The office reformed licence and certificate applications by reducing the nonessential information sought from applicants, simplifying application forms, and improving probity processes.

This streamlining of processes improved processing times for:

- licence applications to an average of 34 business days during 1 July 2023 to 1 August 2024, down from an average of 56 business days during 2022-23; and
- certificate applications to an average of 14 business days during 1 July 2023 to 1 August 2024, down from an average of 26 business days during 2022-23.

Compliance

Staff of the office continued to perform routine compliance work to promote safe and healthy operation of the licensed sector throughout the final reporting period.

Compliance staff conducted 44 inspections and audits of licensed brothels, issuing 32 corrective action notifications. They also dealt with 63 complaints related to sex work.

As part of its commitment to building client capability by equipping licensees and managers with the knowledge needed to achieve regulatory compliance, the PLA compliance unit delivered an annual training program for brothel licensees and approved managers. During the final reporting period, the compliance unit delivered workshops about:

- dealing with difficult and aggressive clients
- sex worker autonomy
- sexual health
- incident reporting.

New approved managers were also provided induction training designed to complement the in-house induction licensees must provide managers. The training outlined the responsibilities of an approved manager in personally supervising the brothel and significant brothel licence conditions and legislative requirements.

Sex work law reform

The Office of the PLA actively supported the legislative amendment process to extend decriminalisation of sex work in Queensland. We kept the licensed sector updated about the

progress of law reform and regularly met with stakeholders to discuss the *Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Act 2024*. We provided information both in writing and in person to assist the Housing, Big Build and Manufacturing Committee inquiry into the proposed legislation.

The *Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Act 2024* received assent on 9 May 2024 and commenced on 2 August 2024, marking the end to the PLA and licensing system which had operated in Queensland since 1 July 2000.

Thank you

Commencement of *Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Act 2024* saw the disestablishment of the Office of the PLA. On behalf of the Office of the PLA, I would like to extend our thanks to all our stakeholders for contributing to the work of the office during the year and over its 24 years of operation, without which the licensing system would not have contributed to delivery of a safe and healthy licensed sector.



Andrew Ross
Former Executive Director — Office of the Prostitution Licensing Authority

Table 1: Final period at a Glance

1 July 2023 – 1 August 2024

Licensed brothels – 16	
Brisbane – 8 Moreton Bay – 1 Gold Coast – 4	Sunshine Coast – 1 Townsville – 1 Logan – 1
Applications – 92	
Brothel licence – 20 New applications – 1 Annual returns – 11 Renewals – 7 Refused – 1	Approved manager’s certificate – 83 New applications – 28 Annual returns – 43 Renewals – 12 Refused – Nil
Compliance	
Inspections and audits – 44 Corrective actions – 32 Complaints – 63 Operation of licensed brothel – 21 Prostitution advertising – 4 Illegal prostitution activity – 33 Other – 5	Penalty infringement notices – 7 QPS issued – 3 PLA issued – 4
Our Finances	
User charges and fees – \$741,180 Grants and contributions – \$1,029,250 Interest – \$78,895	Expenses from operations – \$2,362,638 Operating result from operations – Deficit of \$513,223

About us

Our vision

A well-regulated sexual service industry which meets the expectations of clients, service providers and the community.

Our purpose

The purpose of the PLA is to administer the prostitution licensing and advertising framework in compliance with the *Prostitution Act 1999* and the Prostitution Regulation 2014.

Our values

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

- Competence
- Honesty
- Reliability

Work health and safety

The PLA will:

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

Contribution to Government objectives for the community

The agency supports the Government's objectives for the community:

- Good jobs: Good, secure jobs in our traditional and emerging industries
- Better services: Deliver even better services right across Queensland
- Great lifestyle: Protect and enhance our Queensland lifestyle as we grow.

Table 2: The service area within the PLA aligns with the following agency objectives:

Agency's service area	Agency's objectives
<p>Prostitution Licensing Authority</p> <p>To ensure that the operations of licensed brothels and advertising of prostitution services are regulated in accordance with statutory requirements and in the community interest.</p>	<p>Make the community safer.</p> <p>Strengthen stakeholder relationships.</p>

Role of the Prostitution Licensing Authority

The PLA was responsible for:

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

Strategic risks for the PLA

- Economic uncertainty for the previously licensed sector associated with the transition to a decriminalised sex work industry.
- Infiltration of the sex work industry by organised crime and official corruption compromising the integrity of the transition to a laws of general application framework.
- Disruptive innovation challenging the traditional business model of brothels.

Opportunities for the PLA

- Contribution to the implementation of the *Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Act 2024*.
- Promotion of stakeholder engagement in transition to a fully decriminalised sex work industry to ensure the perspectives, needs and interests of the previously licensed sector were considered.
- Education of the community and our stakeholders by challenging persistent industry mythologies and stereotypes and addressing persistent stigma.

Our performance

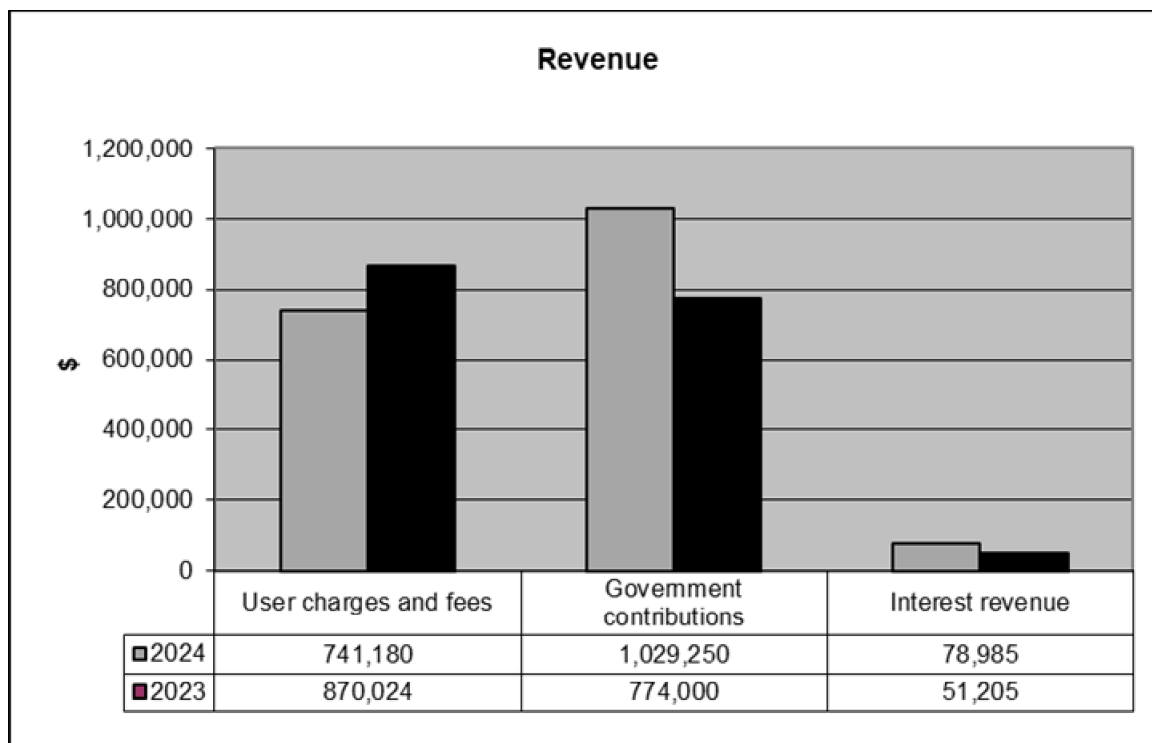
Financial performance summary

Statement of Comprehensive Income

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

Revenues of the Authority are sourced primarily from fees for brothel licences and approved manager certificates. The other major source of funds includes a government grant received through an administered appropriation from the Department of Justice and Attorney-General. The decline in revenue from fees was primarily attributed to the reduction in the number of brothel licence applications. The growth in interest revenue was because of higher interest rates.

Figure 1: Revenue

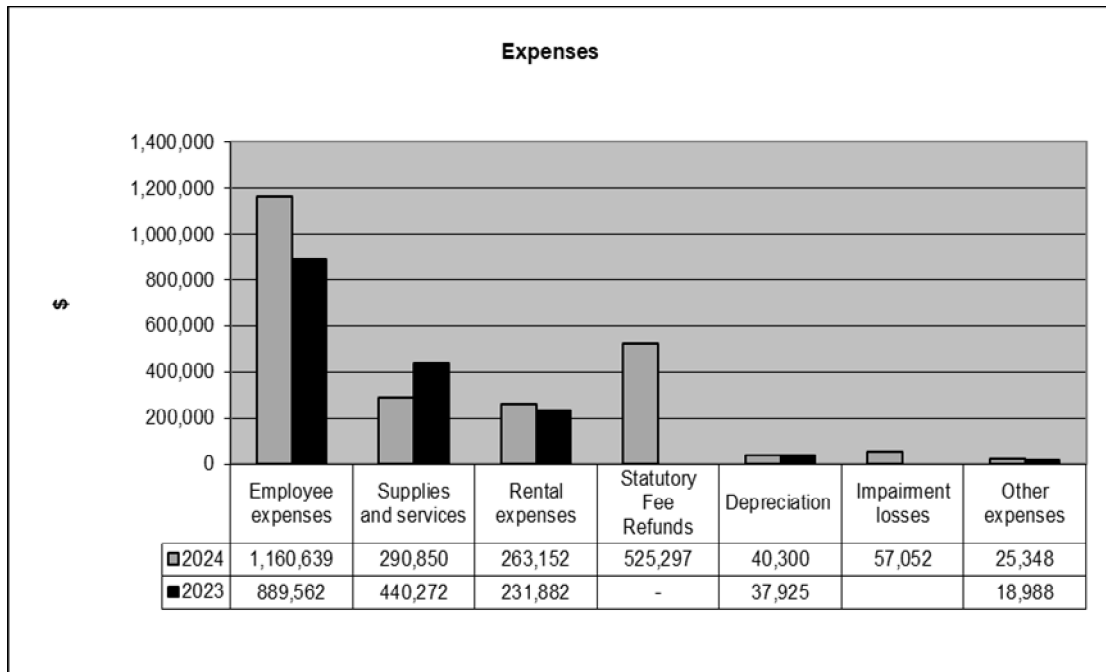


The higher employee expenses relate to staff returned from secondments and the effect of the Enterprise Bargaining Agreement.

The decrease in supply and services was mainly related to a reduction in contractors used in support of office operations.

The refund of statutory fees were approved by the Attorney-General and Minister for Justice and Minister for the Prevention of Domestic and Family Violence. Impairment losses were recognised because of the discontinuation of the use of the assets.

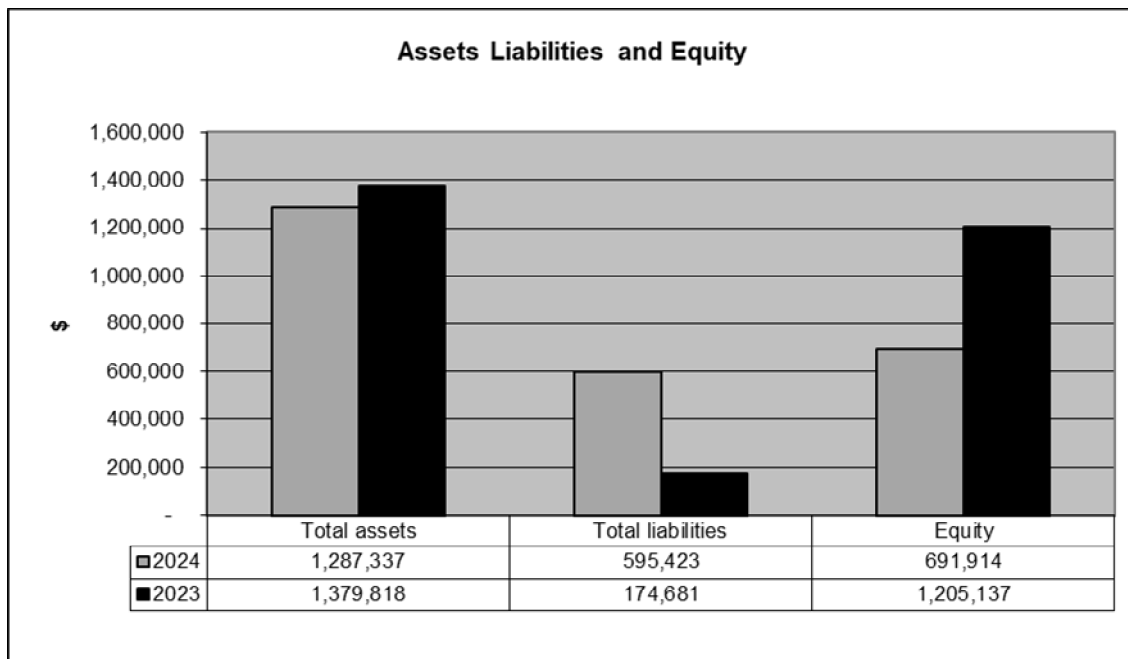
Figure 2: Expenses



Statement of Financial Position

The Statement of Financial Position measures the value of assets, liabilities and equity of the Authority as at 1 August 2024. The decrease in total asset value is mainly attributed to the timing of payments for costs, the effect of depreciation on the value of assets, and the reduction in the number of brothel licence applications. The increase in liabilities is mainly due to the refund of statutory fees.

Figure 3: Assets, liabilities, and equity



Statement of Cash Flows

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

Cash Flow in the Authority is generated primarily from operating activities, where the significant in-flows include revenue from fees for brothel licences and approved manager certificates and revenue from a government grant. Significant outflows are employee expenses, supplies and services for operational requirements, subsidies and payments for rent commitments. The period ended with a decrease in cash from \$1,223,079 at 30 June 2023 to \$1,221,133 at 1 August 2024.

Performance statement

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

Table 3: Service standards 2023-24

Prostitution Licensing Authority	Notes	2023–2024 Target/Est.	2023–24 Actual
Effectiveness measures			
Percentage of licensed brothels implementing best practice compliance standards established by the PLA		100%	100%
Overall satisfaction of applicants with PLA client service	1	80%	73%
Efficiency measure			
Fees income as a percentage of total revenue	2	54%	40%

Note:

1. The variance between the 2023–24 Target/Estimate and the 2023–24 Estimated Actual is attributable to business uncertainty arising from changes to the licensing system and dissatisfaction with a perceived increase in prostitution activity outside the regulated regime. Both issues are outside the mandate of the PLA.

2. The variance between the 2023–24 Target/Estimate and the 2023–24 Estimated Actual is due to a 20% reduction in the number of licensed brothels operating in Queensland and corresponding reduction in fee revenue. The reduction in the number of licensed brothels is the result of business decisions made in anticipation of the impending changes to the regulated sex-work industry environment.

Staffing

Table 4: Full Time Equivalents (FTEs) as at 1 August

Service area	2023–24 Budget	2023–24 Actual	2024–25 Budget
Prostitution Licensing Authority	9	6	9
Total FTEs	9	6	9

The 2023-24 operating environment

The location of licensed brothels in Queensland

After a long period of stability in brothel numbers in Queensland, the period 1 July 2023 to 1 August 2024 saw a 20 per cent downturn as brothel numbers fell from 20 to 16. There were no new brothel openings.

Table 5: Licensed brothels at year end

Brisbane	Gold Coast	Other
88 on Logan Asian Star Cleo's on Nile Miso Honey Platinum 175 Sky Angel The Viper Room Yimi476	Desire Gold Coast Luvasian Pentagon Grand Rose Castle	Onyx (Townsville) Angels 26 (Logan) Scarlet Harem (Sunshine Coast) Intimate Encounters (Moreton Bay)

Licence and certificate fees

Licensing fees applicable to new applications, renewals and annual returns were a substantial business impost. The unlawful sector did not pay these fees. Approved managers paid substantial fees to work within a licensed brothel. Most licensed brothels required several approved managers, increasing overall running costs.

Table 6: New licences and renewals

Number of rooms	1	2	3	4	5
23-24 fee	\$24,390	\$28,890	\$33,390	\$37,890	\$42,390
24-25 fee (to 1 August 2024)	\$24,390	\$28,890	\$33,390	\$37,890	\$42,390

Table 7: Licence annual returns

Number of rooms	1	2	3	4	5
23-24 fee	\$21,260	\$25,760	\$30,260	\$34,760	\$39,260
24-25 fee (to 1 August 2024)	\$21,260	\$25,760	\$30,260	\$34,760	\$39,260

Table 8: Certificate fees

	New certificates and renewals	Annual return
23-24 fee	\$1,248	\$935
24-25 fee (to 1 August 2024)	\$1,248	\$935

Transitioning to a reformed industry framework

Commencement of *Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Act 2024* concluded a period of uncertainty for the sex work industry extending back to 27 August 2021, when the Queensland Law Reform Commission commenced its review to recommend a framework for a fully decriminalised sex work industry.

The changes to the legislative environment mean regulation of the sex work industry now occurs through laws of general application administered in the same way as apply to other businesses. There is no new form of licensing for sex work business operators. There is no sex work-specific advertising regulation. Instead, sex work advertising would be regulated by the same general laws, standards and codes that apply to all advertising.

The functions of the PLA remained unchanged until decriminalisation commenced on 2 August 2024. The brothel licensing system remained in place and the PLA continued to regulate and oversee the sector and was responsible for the regulation of sex work advertisements.

To support the transition from the licensing system to laws of general application, the Queensland Government determined to refund fees paid by brothel licensees and approved managers prescribed in Schedule 2 (Fees) of the Prostitution Regulation 2014 on a pro-rata basis calculated from 9 May 2024 (the date *Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Act 2024* received assent), with fees paid after that date refunded in full. In accordance with this determination, \$525,296.97 was allocated from the PLA Fund for the refund of fees to licensees and approved managers.

Our Stakeholders

The community	The sex work industry	Government and industry stakeholders
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Client feedback identified opportunities

The PLA commitment to stakeholder engagement and client service underpinned improvements to our operations. This reflects the implementation of the PLA stakeholder engagement strategy, guiding principles for customer experience, and a commitment to service excellence.

Guiding principles for client experience

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

Commitment to service excellence

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

Key stakeholders and activity

The PLA worked closely with the Queensland Adult Business Association (QABA), which is the professional body representing brothel licensees. Our ongoing collaboration included discussion across legislative, compliance and engagement activities.

The Queensland Police Service (QPS) remained a key stakeholder throughout the application of the licensing system – retaining a PLA Board membership. Our compliance unit collaborated with the QPS Prostitution Enforcement Taskforce regarding unlawful operators and criminal complaints. The QPS also reported to the PLA on the suitability of applicants for a brothel licence or manager certificate. We continued to engage with the QPS throughout the decriminalisation of the sex work industry.

Communicating with the community

The PLA office was the primary point of contact for members of the public, licensees, managers, sex workers, and the media. Officers of the PLA were committed to providing excellent customer service.

The PLA website

The PLA website was relaunched in 2020-21 to provide for a more seamless and informative user experience. We focused on keeping the website updated and relevant, including with

information about sex work industry law reform. The PLA website was decommissioned on 2 August 2024.

Communicating with the sex work industry

Queensland Adult Business Association

Our engagement with QABA ensured enhanced communication and liaison with the licensed sector of the sex work industry and more cohesive policy input and feedback.

The PLA had regular meetings with QABA to engage on a range of issues. Discussion was predominantly about the decriminalisation of the sex work industry, the laws of general application, and implications for the licensed sector.

Respect Inc

The PLA met regularly with Queensland sex worker organisation, Respect Inc. The organisation has been a long-time advocate for decriminalisation, and we heard about their perspectives and insights into sex work and their priorities for law reform.

Support for brothel licensees and approved managers

The Office of the PLA remained committed to providing brothel licensees and approved managers with the necessary support they require. The Office of the PLA continued its partnership with the University of Queensland, facilitating discussions between the University and licenced brothels, to conduct needs analysis surveys in order to develop psychological first aid workshops and crisis care support manuals. These resources are in the final stage of development and are expected to be delivered by August 2024.

The Office of the PLA promoted R U OK? Day in licensed brothels and visited 5 brothels to encourage conversation about mental health among licensees, managers, and sex workers.

Training was conducted when the need was identified by Office of the PLA compliance staff or at the request of the licensee. The Compliance Team facilitated numerous manager induction training sessions designed to support the inhouse training conducted by the licensee.

Newsletter and email communication

The PLA continued to produce an industry newsletter, distributed in online and mobile-friendly format. The newsletter focused on relevant licensing information, industry developments, education, and approved manager opportunities within the sector. The newsletter included information on progress toward a decriminalised sex work industry, updates on aspects of the licensing system, and details of PLA activities and initiatives. Our email communication with licensees and managers updated them on routine and emergent matters.

Our Governance

The Prostitution Licensing Authority

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

- the Chair – an independent and appropriately qualified member of the community nominated by the Premier
- the Commissioner of Police, or a police officer of at least the rank of Superintendent nominated by the Commissioner
- the Chairperson of the Crime and Corruption Commission (CCC), or the Senior Executive Officer (Crime) of the (CCC)
- a health practitioner, with at least 5 years' experience in the profession
- a lawyer who has been admitted for at least five years and has knowledge of or experience in administrative law, company law or criminal law
- a person who represents local government
- two persons who represent community interests.

Appointment of PLA members

PLA members were appointed by the Governor in Council, pursuant to s 102(1) of the Prostitution Act. Under s 103 of the Prostitution Act, the maximum term of appointment for a member is five years. Under s 105 of the Prostitution Act, a person is disqualified from being or continuing as a member of the PLA if the person:

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

Additionally, under s 108B of the Prostitution Act, the Attorney-General may have regard to a person's extended criminal history or a change to their extended criminal history in deciding that the person should not be recommended for appointment or continue as a member of the Authority.

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

Final membership

The members of the PLA during the period 1 July 2023 to 1 August 2024 were appointed by the Governor in Council in accordance with s 102(1) of the Prostitution Act. All members of the PLA went out of office on commencement of the *Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Act 2024*.

The Hon Colin Forrest SC – Chair

The Honourable Colin Forrest SC was appointed as Chair of the PLA from 5 August 2022, pursuant to s.102(1)(a) of the Prostitution Act.

Mr Forrest has been a family lawyer for over 35 years.

He completed his Bachelor of Laws and Bachelor of Arts degrees at the University of New South Wales in 1986. After graduating, he was Legal Associate to Justice Michael Kirby, President of the New South Wales Court of Appeal. He was admitted as a Barrister of the New South Wales Supreme Court whilst he was an Associate.

In 1988, Mr Forrest moved to Queensland and worked for 2 years as a solicitor for the city firm, Goss Downy Carne, where he practiced in family law, criminal law, and personal injuries litigation.

In 1990, Mr Forrest was called to the Queensland Bar where he quickly established a specialist practice in family law and succession law. In the 1990s, he served for 4 years as a part-time member of the Commonwealth Social Security Appeals Tribunal. In 2000, he was appointed as a part-time member of the Queensland Anti-Discrimination Tribunal and served on that until it was merged into the Queensland Civil and Administrative Tribunal in 2010.

Whilst maintaining his family law practice, Mr Forrest was a Deputy Public Interest Monitor in Queensland for several years before being appointed Public Interest Monitor pursuant to Queensland Police laws and Commonwealth anti-terrorism laws, responding to police applications to the Courts for covert surveillance warrants.

Mr Forrest was the Queensland Bar's appointed representative on the Queensland Law Society's Family Law Specialist Accreditation Committee for several years. He was an elected board member of the Queensland Family Law Practitioners' Association and was serving as its President when appointed as a Judge of the Trial Division of the Family Court of Australia in February 2011.

Mr Forrest took silk in 2010.

As a Trial Judge of the Family Court of Australia assigned to the Brisbane Registry, Mr Forrest served the Court as a member of Chief Justice Diana Bryant's Court Policy Advisory Committee, as Brisbane Registry Case Management Judge, as Brisbane Registry Magellan Judge and Brisbane Registry Hague Judge. Mr Forrest was also the Family Court's nominated representative on the Joint Court's Children's Committee and the Brisbane Registry's nominee on the Queensland Court's Indigenous Policy Committee as well as the Family Court's Indigenous Policy Committee.

Mr Forrest resigned his Judicial Commission in early 2021 after having written more than 500 judgments and has returned to practice at the Bar as a barrister, a mediator, and an arbitrator. He is an accredited specialist arbitrator and an accredited mediator as well as being a Director of the Australian Institute of Family Law Arbitrators and Mediators

Mr Forrest is also currently studying on a part-time basis towards a Master's degree in International Relations at the University of Queensland and he is a member of the Council of the Australian Institute of International Affairs, Queensland Chapter.

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

The Chief Superintendent (Crime), Crime and Intelligence Command, was appointed to the PLA from 2 October 2020. During the final reporting period, various individuals acted in the role and attended PLA meetings.

Ms Sharon Loder

Ms Sharon Loder is the Senior Executive Officer (Crime) of the CCC. Ms Loder has been appointed to the PLA by virtue of this position, pursuant to s 102(1)(c) of the Prostitution Act. She was appointed for five years from 28 July 2017 to 27 July 2022 and was reappointed from 11 November 2022.

Ms Loder has a Bachelor of Laws (QUT), a Bachelor of Business (HRM), a Master of Laws (UQ) and a Graduate Certificate in Emerging Technology and Law (RMIT). She is an Australian legal practitioner, admitted to the legal profession in 1992, and is a graduate member of the Australian Institute of Company Directors.

Ms Loder has over 20 years-experience in senior and executive roles, delivering effective regulatory, prevention or law enforcement functions in Queensland and New South Wales agencies, including the NSW ICAC, the former Crime and Misconduct Commission and the QPS. In her current role, Ms Loder is responsible for the CCC's crime functions, ensuring its investigation, intelligence and criminal confiscation capabilities are effective in combating and reducing the incidence of serious and organised crime affecting Queensland.

Ms Narelle Dickinson

Ms Narelle Dickinson has been appointed to the PLA as a health practitioner, pursuant to s 102(1)(d) of the Prostitution Act. She was initially appointed from 18 December 2020 to 28 February 2021 and was reappointed from 1 March 2021.

Narelle Dickinson is a Clinical and Health Psychologist and fertility counsellor. She is Director of Lotus Health and Psychology, an allied health practice in Brisbane. She was the recipient of a 2015 Winston Churchill Memorial Trust Fellowship and holds governance positions with a number of organisations within the health industry.

Ms Kara Thomson

Ms Kara Thomson has been appointed to the PLA as a lawyer, pursuant to s 102(1)(e) of the Prostitution Act. Her term of appointment was from 10 March 2023.

Ms Thomson is a solicitor, practising in insurance - personal injuries, based in Brisbane. She has been admitted to the High Court and Queensland Courts since 2006 and enjoys working on complex and major claims. She has experience working in-house for a large insurer, as well as having worked for both plaintiff and defendant clients. She holds specialist accreditation in personal injury law through the Queensland Law Society.

For the last few years, Ms Thomson has been involved in the Queensland Law Society as a Councillor, assisting to protect and enhance the legal profession. She has participated in a number of committees in that role and been actively involved in the shaping of the future of the profession. In 2020 she took up the role of Vice President, supporting the President in 2020 and 2021. On 1 January 2022 she took on the role of President of the Queensland Law Society and is currently the Immediate Past President.

Mr Greg Chemello

Mr Greg Chemello has been appointed to the PLA as local government representative, pursuant to s 102(1)(f) of the Prostitution Act. He was initially appointed from 18 December 2020 to 28 February 2021 and was reappointed from 1 March 2021.

Until recently, Mr Chemello was the Chief Executive Officer of Moreton Bay Regional Council, having been appointed in January 2020 following a major review of the organisation's culture and practices. He has since resigned from this role, leaving in April 2023. His other most recent roles were General Manager of Economic Development Queensland, and from August 2018 to

January 2020, Interim Administrator of Ipswich City Council following dissolution of the Council by the Queensland Parliament.

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

In March 2023, Mr Chemello was appointed as a Director of the Peak Services Group of companies owned by the Local Government Association of Queensland. Since leaving full-time employment in April 2023, Mr Chemello has pursued a mix of directorships of a select number of companies and statutory agencies. He has also established strateGC to provide strategic advisory services to public and private sector clients.

Ms Summer Gwynne

Ms Summer Gwynne has been appointed to the PLA as a community representative, pursuant to s 102(1)(g) of the Prostitution Act. Her term of appointment was from 10 March 2023.

Ms Gwynne has been a registered nurse for 22 years, working predominantly in paediatrics. She has had a variety of nursing roles in hospitals and community settings. She currently works as a practice nurse in a Brisbane health centre. Ms Gwynne has been active in community and health organisations. She is a member of the National Rural Women's Coalition, an advisory member to Your Fertility, and volunteers at a homeless shelter. She is a current member of the ABC Advisory Council, established to provide advice to the Board on matters relating to the ABC's broadcasting programs. Ms Gwynne is also the founder, owner, and manager of Summer Breeze Consultancy, supporting parents in the early stages of parenting.

Ms Bianca Stringer

Ms Bianca Stringer has been appointed to the PLA as a community representative, pursuant to s 102(1)(g) of the Prostitution Act. Her term of appointment was from 10 March 2023.

Ms Stringer holds a Bachelor of Laws (Honours) and Graduate Diploma of Legal Practice from Queensland University of Technology and a Bachelor of Business from Griffith University. She was admitted as a legal practitioner in the Supreme Court of Queensland in August 2019 and called to the private Bar in October 2022. Her areas of interest cover personal injuries including medical negligence and institutional abuse claims, disciplinary proceedings and regulatory tribunals, inquiries and inquests, and statutory tribunals, investigations, and all other aspects of health law. She also practises in administrative and public law, criminal law, and employment law. Before being called to the Bar she was an associate at Corrs Chambers Westgarth, Acting District Solicitor for a rural Hospital and Health Service, and an Associate in the General Division of the Administrative Appeals Tribunal.

Ms Stringer also has a background in the public sector. She spent almost 10 years working in health regulation with the Australian Health Practitioner Regulation Agency, where she developed an interest in disciplinary matters and held leadership positions in both the registrations and compliance teams.

Meetings

The PLA held 12 meetings from 1 July 2023 to 1 August 2024. Details of individual member attendance at these meetings is at Appendix 2.

Remuneration

The Chair and members of the PLA were collectively paid \$92,315, during the period 1 July 2023 to 1 August 2024. This payment represents the total remuneration to the Chair and members and includes employer superannuation contributions. Ex-officio members (members who hold a paid government position) do not receive additional remuneration for being a member of the PLA.

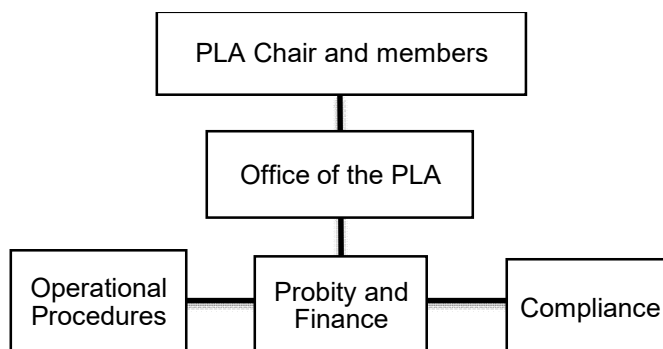
Reporting structure and organisation

The Prostitution Act established the Prostitution Licensing Authority, consisting of 8 members. Section 109 of the Prostitution Act also established the Office of the Prostitution Licensing Authority, consisting of the Executive Director and the staff of the office. It was the role of the office to assist the PLA in the performance of its functions. The office consisted of compliance; probity and finance; and operational policy and procedures.

The Executive Director was appointed by the Governor in Council under s 110B of the Prostitution Act. Mr Andrew Ross has served as Executive Director of the Office of the PLA since 19 December 2022.

In addition to the Executive Director, there were eight full-time equivalent staff employed under the *Public Sector Act 2022*. Staff of the office were managed by the Executive Director, who in turn reported to the PLA. The PLA reported to the Attorney-General and Minister for Justice and Minister for the Prevention of Domestic and Family Violence, the Honourable Yvette D’Ath MP, and to the Parliament of Queensland.

Figure 4: PLA organisational chart



Our Corporate Governance Framework

The strategic planning cycle

Section 8 of the *Financial and Performance Management Standard 2019* requires each statutory body to develop a strategic plan for a four-year period. The PLA's Strategic Plan and Operational Plan were reviewed and updated annually.

Our strategic objectives

The Strategic Plan 2023-27 identified the following strategic objectives.

Table 9: Strategic objectives

Objectives	Strategies	Performance measures	Achievements
Make the community safer	Support implementation of a decriminalised sex work industry for Queensland	Implementation of sex work reform	The PLA made a written submission and give evidence to the Housing, Big Build and Manufacturing Committee to support its inquiry into the <i>Criminal Code (Decriminalising Sex Work) and Other Legislation Amendment Bill 2024</i> .
	Collaborate with the licensed sector to reduce risk of crime, including trafficking, coercion and money laundering	Rates of reported crime and complaints	During the year the PLA actioned 60 complaints, an increase of 50% on the previous year and above the five-year average of 47 complaints. More than half the complaints received (n=32) relate to unregulated prostitution, almost double the previous year (n=17).
	Promote health and safety standards at licensed brothels	Compliance with regulations and best practice standards.	100% of licensed brothels implement best practice standards (achieving an audit rating of at least 80%).
Strengthen stakeholder relationships	Deliver consultative and supportive regulation compliance regime		An anonymous client satisfaction survey was conducted for the fourth year, with an overall client satisfaction rating of 73% in 2024. Although this is down below our target of 80%, it is higher than the 71% rating in 2023.

Objectives	Strategies	Performance measures	Achievements
			Satisfaction with PLA staff interactions, compliance inspections, and the PLA website was consistent with the previous year.
	Improve administrative processes to deliver more responsive client services	Application processing time.	<p>The performance target for license application processing times is a maximum of 60 business days. The average licence application processing time for 2023-2024 to date was 28 business days.</p> <p>The performance target for manager certificate application processing times is a maximum of 20 days. The average manager certificate application processing time for 2023-2024 to date was 16 business days.</p>

Ethical and professional conduct

All staff of the Office of the PLA were subject to the Code of Conduct for the Queensland Public Service (the Code). The administrative procedures and management practices of the PLA had proper regard to the ethics principles and values in addition to the Code. Staff were provided with a copy of the Code, given information on public sector ethics at induction, and completed an online workshop in ethics and ethical decision-making.

The Prostitution Act permitted the obtaining of a person's extended criminal history to determine if they should be considered for appointment to the Office of the PLA or continue as a staff member. Staff were obliged to provide notice of a change in their extended criminal history. No changes were notified in the period 1 July 2023 to 1 August 2024.

To manage potential conflict of interest when considering brothel licence and approved manager certificate applications, the PLA complied with guidelines established in our Probity Investigation Manual (PIM). The PIM identifies procedures for notifying PLA members of the names of individuals associated with applications to ensure a transparent decision-making process.

Public interest disclosures

The PLA did not receive any matters involving public interest disclosures under the *Public Interest Disclosure Act 2010* in 2023-24.

Human rights

The *Human Rights Act 2019* requires public entities to be compatible with human rights and give proper consideration to human rights when making decisions. Under the Authority's

complaints policy, a person was entitled to make a complaint to the PLA if that person believes the PLA has breached their human rights. No complaints were received in 2023-24.

In developing policy and legislation to decriminalise Queensland's sex work industry, compatibility with human rights must be considered at all stages of the process.

Risk management

Division 12 of the *Finance and Administration Manual* (FAM) requires the PLA to have effective policies, procedures, and systems in place for managing identified risks that may have affected our operations.

After a comprehensive risk assessment and systems appraisal in 2020-21, the PLA continued to identify and manage organisational risks focused on:

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

Since commencing operations on 1 July 2000, the PLA identified and addressed risk through the iterative development of successive policies and procedures. Risk control measures were implemented across the agency for all business areas, and there was a well-established process of ongoing review of existing policies and procedures.

Staff were encouraged to raise and discuss any further risks that they identify throughout the year, so they may be assessed and remedied by the institution of new control measures or the modification of existing policies and procedures. The final risk assessment concluded existing controls and mitigating factors were adequate to address the identified risks to agency operations.

The small size and limited budget of the PLA did not warrant an audit committee. Existing policies and procedures were effective in addressing and mitigating risks, and members of the PLA provided oversight of the activities of the Office of the PLA.

External audit

The PLA used the Queensland Audit Office as our external auditor.

Internal audit

As a statutory body, the PLA was not required to establish an internal audit function. With limited budget and resources, we relied on a robust governance framework in place with clear accountabilities and arrangements to minimise financial risks and oversight.

We continued to implement system and process improvements based on previous year's triennial systems appraisal. Focused on identifying and evaluating risks of systems, processes and controls, ongoing systems improvement across:

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

Records management

All staff of the PLA were responsible for records management. Records are retained and disposed of in accordance with the *General Retention and Disposal Schedule (GRDS)* and the PLA's own Retention and Disposal Schedule, as approved by the Queensland State Archivist. On disestablishment of the PLA, records were transferred to the Department of Justice and Attorney-General as the responsible agency.

Our People

The Office of the PLA had a small staff that supported the PLA across finance, administration, policy development, research, forensic accounting, probity investigation, and audit and compliance processes.

Office of the PLA structure and staffing

The PLA organisational structure provided for 9 staff in total, including the Executive Director (Table 10).

No early retirement, redundancy or retrenchment packages were paid during the final period, and no overseas travel was undertaken by either members of the PLA or staff of the Office of the PLA from 1 July 2023 to 1 August 2024.

Table 10: Total staffing by full-time equivalent (FTE) and headcount

Full-time equivalent staff	Total staff (headcount)
6	6

Table 11: Staff category and gender

Staff category	Woman	Man	Non-binary
SES	0	1	0
AO7–AO8	1	2	0
AO4–AO6	1	1	0
AO2–AO3		0	0
Total	2	4	0

Conditions and working arrangements

The Office of the PLA had flexible workplace arrangements to attract and retain staff and promote work-life balance — including time-off-in-lieu, flexible working hours, opportunities to work from home, and carer’s leave. All staff had access to employee assistance services.

The PLA implemented a domestic and family violence policy, consistent with the relevant Public Service Commission directive, allowing access to additional leave.

As part of a commitment to a healthy work-life balance, staff were not permitted to accrue more than 40 days leave unless authorised at the discretion of the Authority.

Workforce training and development

Enhancing the capabilities and skills of staff of the Office of the PLA was a priority. The PLA's success relied on the capability of our workforce and all staff were encouraged to undertake relevant professional development to support individual and PLA capability. During the final reporting period, staff received training on a range of areas:

- Capability development
 - strategic thinking
 - accounting professional development
 - client complaint management
- Ethics and professional conduct
- Public interest disclosure
- Information privacy
- Right to information
- Human rights
- Finance
- Work Health and Safety (WHS)
 - building emergency procedures
 - domestic violence and the workplace
 - workplace gender equality
 - disability and inclusion.

The Office of the PLA also participated in Leading Women Network. It consists of public safety and integrity agencies seeking to promote a diverse and inclusive work environment through the representation of women in all levels of workplaces by providing:

- professional development and networking opportunities targeting women
- a forum to raise common issues to the senior executive members of partner agencies.

Inclusion in the Leading Women Network provided access for Office of the PLA staff of any gender to professional development and networking events delivered through monthly 'lunchbox' and quarterly full or half-day workshops, and an interagency mentoring program.

Finance

The finance and probity section of the Office of the PLA has a key role in effective resource management, financial management, and budgetary and reporting processes.

The section processes brothel licence and approved manager certificate applications, including conducting financial probity. This year, the team has contributed to refreshing the PLA's information technology hardware and streamlining the application process.

The Authority did not incur any expenditure on consultancies from 1 July 2023 to 1 August 2024.

Policy

Policy outputs and responsibilities include:

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

As the Government progressed decriminalisation of the sex work industry, the PLA remained committed to ensuring that the voices of the licensed sector are heard and considered. We actively assisted in transitioning to a framework that promotes health, safety, and human rights in the industry.

Information management

Given the small size of the Office of the PLA, it relied on Information and Communications Technology (ICT) services and support from the Department of Justice and Attorney-General.

The PLA maintains a secure internal licensing database to record and track:

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

Open data

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



Prostitution Licensing Authority

FINAL FINANCIAL STATEMENTS

for the period from 1 July 2023 to 1 August 2024

**Prostitution Licensing Authority Financial Statements
for the period from 1 July 2023 to 1 August 2024**

Contents

	Page No.
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes To and Forming Part of the Financial Statements	6 - 19
Management Certificate	20
Independent Audit Report	

General Information

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

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

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

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

Level 20
50 Ann Street
BRISBANE QLD 4000

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

For information in relation to the PLA's financial report please call 3858 9500, email PLAAdmin@justice.qld.gov.au or visit the PLA's Internet site www.pla.qld.gov.au.

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

PROSTITUTION LICENSING AUTHORITY
Statement of Comprehensive Income
for the period ended 1 August 2024

	Notes	2024 \$	2023 \$
Income from Operations			
Revenue			
User charges and fees	2(a)	741,180	870,024
Grants and contributions	2(b)	1,029,250	774,000
Interest		78,985	51,205
Total Income from Operations		1,849,415	1,695,229
Expenses from Operations			
Employee expenses	3	1,160,639	889,562
Supplies and services	6	290,850	440,272
Rental expenses	7	263,152	231,882
Statutory Fee Refunds	8	525,297	-
Depreciation and Amortisation		40,300	37,925
Impairment and losses on non-financial assets	9	57,052	-
Other expenses	10	25,348	18,988
Total Expenses from Operations		2,362,638	1,618,629
Operating Result from Operations		(513,223)	76,600
Other Comprehensive Income		-	-
Total Comprehensive Income		(513,223)	76,600

The accompanying notes form part of these statements.

PROSTITUTION LICENSING AUTHORITY
Statement of Financial Position
as at 1 August 2024

	Notes	2024 \$	2023 \$
Current Assets			
Cash and cash equivalents	11	1,221,133	1,223,079
Receivables	14	52,844	46,027
Total Current Assets		<u>1,273,977</u>	<u>1,269,106</u>
Non-Current Assets			
Plant and equipment	15	13,360	20,220
Intangible assets	15	-	90,492
Total Non-Current Assets		<u>13,360</u>	<u>110,712</u>
Total Assets		<u>1,287,337</u>	<u>1,379,818</u>
Current Liabilities			
Payables	16	25,807	31,070
Accrued employee benefits	17	44,319	32,144
Other Liabilities	18	525,297	111,467
Total Current Liabilities		<u>595,423</u>	<u>174,681</u>
Total Liabilities		<u>595,423</u>	<u>174,681</u>
Net Assets		<u>691,914</u>	<u>1,205,137</u>
Equity			
Accumulated surpluses		691,914	1,205,137
Total Equity		<u>691,914</u>	<u>1,205,137</u>

The accompanying notes form part of these statements.

PROSTITUTION LICENSING AUTHORITY
Statement of Changes in Equity
for the period ended 1 August 2024

	Accumulated Surplus
	\$
Balance as at 1 July 2022	1,128,537
Operating Result from Operations	76,600
Balance as at 30 June 2023	<u><u>1,205,137</u></u>
	\$
Balance as at 1 July 2023	1,205,137
Operating Result from Operations	(513,223)
Balance as at 1 August 2024	<u><u>691,914</u></u>

The accompanying notes form part of these statements.

PROSTITUTION LICENSING AUTHORITY
Statement of Cash Flows
for the period ended 1 August 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
<i>Inflows:</i>			
User charges and fees	2	629,713	847,266
Grants and contributions		1,029,250	774,000
GST input tax credits from ATO		47,406	63,571
Interest receipts		83,514	47,878
<i>Outflows:</i>			
Employee expenses		(1,160,554)	(879,383)
Supplies and services		(302,613)	(460,462)
Rental expenses		(263,152)	(231,882)
GST paid to suppliers		(47,407)	(63,571)
GST remitted to ATO		745	783
Other		(18,848)	(11,628)
Net cash provided by (used in) operating activities	12	<u>(1,946)</u>	<u>86,572</u>
Cash flows from investing activities			
Payments for plant and equipment		-	-
Payments for Intangible assets		-	(5,463)
Net cash provided by (used in) investing activities		<u>-</u>	<u>(5,463)</u>
Cash flows from financing activities			
<i>Outflows:</i>			
Equity withdrawals		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		(1,946)	81,109
Cash at beginning of financial year		1,223,079	1,141,970
Cash and cash equivalents at end of financial year		<u>1,221,133</u>	<u>1,223,079</u>

The accompanying notes form part of these statements.

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

	Objectives and Principal Activities of the Prostitution Licensing Authority
Note 1	Summary of Significant Accounting Policies
Note 2	Revenue
Note 3	Employee Expenses
Note 4	Key Management Personnel (KMP)
Note 5	Disclosure of related parties
Note 6	Supplies and Services
Note 7	Rental Expenses
Note 8	Statutory Fee Refunds
Note 9	Impairment and losses on non-financial assets
Note 10	Other Expenses
Note 11	Cash and Cash Equivalents
Note 12	Reconciliation of Operating Surplus to Net Cash from Operating Activities
Note 13	Financial Instruments
Note 14	Receivables
Note 15	Non-Current Assets
Note 16	Payables
Note 17	Accrued Employee Benefits
Note 18	Other Liabilities
Note 19	Contingencies
Note 20	Amounts transferred to the Department of Justice and Attorney-General on 2 August 2024
Note 21	New and Revised Accounting Standards
Note 22	Future Accounting Standards
Note 23	Schedule of Administered Transactions
Note 24	Budget vs Actual Comparison

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

Objectives and Principal Activities of the Prostitution Licensing Authority

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

During 2023-24, the PLA was funded through a non-reciprocal government contribution and through providing the following on a fee for service basis:

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

According to section 36(4) of the Financial and Performance Management Standard 2019, the board had determined the final financial period was from 1 July 2023 to 1 August 2024.

As a result of the *Criminal Code (Decriminalisation of sex work) and Other Legislation Amendment Act 2024*, the former Prostitution Licensing Authority was abolished on 2 August 2024. All assets and liabilities of the former statutory body as at the date of the abolishment became assets and liabilities of the State held in the Department of Justice and Attorney General (refer to note 20 for details).

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Prostitution Licensing Authority has prepared these financial statements in compliance with section 45 of the *Financial and Performance Management Standard 2019*.

These final financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury Minimum Reporting Requirements for reporting periods beginning or after 1 July 2023, and other authoritative pronouncements.

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

Except where stated, the historical cost convention is used.

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

(b) The Reporting Entity

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

(c) Insurance

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

(d) Taxation

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

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

(e) Accounting Estimates and Judgements

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

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

**PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24**

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

(f) Issuance of Final Financial Statements

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

(g) Other Presentation Matters

Rounding

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

Comparatives

Comparative information reflects the audited 2022-2023 financial statements.

Current/Non-Current Classification

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

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

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

(h) Going Concern

As a result of the abolishment of PLA, it is no longer considered as going concern. While it is not a going concern, these financial statements have been prepared consistent with the going concern basis reflecting that the assets and liabilities are to be taken over by the Department of Justice and Attorney-General, at the values recorded in the books of PLA immediately before transfer.

2. Revenue

(a) User Charges and Fees

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

	2024	2023
	\$	\$
User charges and fees		
Fees for licences	524,579	644,266
Fees for licence applications	129,180	145,720
Fees for certificates	4,863	4,310
Fees for certificate applications	82,197	73,770
Other fees	361	1,958
Total	741,180	870,024

Part of the user charges and fees were refunded in accordance with the written direction from the Attorney-General, Minister for Justice, and Minister for the Prevention of Domestic and Family Violence, and relate to the abolishment of the PLA (refer to note 8 and note 18).

(b) Grants and Contributions

The PLA receives government grants, donations and gifts that are non-reciprocal in nature. The PLA received \$774,000 in 2022-23, \$1,029,250 in 2023-24 from Department of Justice and Attorney-General (DJAG).

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

3. Employee Expenses

	2024	2023
Employee Benefits	\$	\$
Wages and salaries	895,694	699,422
Annual leave levy	93,360	70,406
Employer superannuation contributions	142,511	93,530
Long service leave levy	15,731	14,261
Other employee benefits	5,828	3,647
Total	1,153,124	881,266
Employee Related Expenses		
Staff related expenses	4,635	3,325
Workers' compensation premium	2,880	4,971
Total Employee Expenses	1,160,639	889,562

The number of employees as at 1 August, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

Number of Employees:	6	9
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(a) Employee Benefits

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

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

Wages, Salaries and Sick Leave

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

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

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

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

Annual Leave and Long Service Leave

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

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

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

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the PLA at the specified rate following completion of the employee's service each pay period. The PLA's obligations are limited to those contributions paid.

**PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24**

4. Key Management Personnel (KMP)

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

The PLA's responsible Ministers are identified as part of the PLA's KMP. That Minister was the Attorney-General and Minister for Justice and Minister for the Prevention of Domestic and Family Violence.

The following details for Ministerial and non-Ministerial KMP reflect those Authority positions that had authority and responsibility for planning, directing and controlling the activities of the Authority during 2023-2024 and 2022-2023. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management and Remuneration of Board Members:

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

KMP Remuneration Policies

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

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

Remuneration policy for the PLA's other KMP is equivalent to the remuneration, allowances and entitlements of a senior executive employed under the Public Sector Act 2022.

Remuneration expenses for KMP comprises the following components:

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

Remuneration Expenses

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

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

4. Key Management Personnel (cont'd)

1 July 2023– 1 August 2024

Position	Short Term Employee		Long Term Employee Benefits \$	Post Employment Benefits \$	Total Remuneration \$
	Monetary Benefits \$	Non-Monetary Benefits \$			
Andrew Ross - Executive Director	242,849	8,610	9,309	35,676	296,445
Mary Shortland - Retired Executive Director	-	-	-	1,564	1,564
Colin Forrest - Chairperson*	44,200	-	-	4,760	48,960
Ms Narelle Dickinson*	7,808	-	-	863	8,671
Ms Kara Thomson*	7,808	-	-	863	8,671
Ms Bianca Stringer*	7,808	-	-	863	8,671
Ms Summer Gwynne*	7,808	-	-	863	8,671
Mr Gregory Chemello *	7,808	-	-	863	8,671
	-	-	-	-	-
Total Remuneration	326,088	8,610	9,309	46,315	390,322

* Paid Board members

1 July 2022– 30 June 2023

Position	Short Term Employee		Long Term Employee Benefits \$	Post Employment Benefits \$	Total Remuneration \$
	Monetary Benefits \$	Non-Monetary Benefits \$			
Andrew Ross - Acting Executive Director	114,575	4,600	3,953	11,014	134,142
Mary Shortland - Retired Executive Director	96,639	4,010	3,414	9,914	113,977
Colin Forrest - Chairperson*	37,332	-	-	3,920	41,252
Paul Tully - Acting Chairperson*	3,324	-	-	496	3,820
Paul Tully*	1,466	-	-	113	1,579
Ms Frances de la Cuesta Hunt*	1,885	-	-	198	2,083
Ms L Palmen*	1,885	-	-	198	2,083
Ms Narelle Dickinson*	7,000	-	-	735	7,735
Ms Kara Thomson*	2,208	-	-	232	2,440
Ms Bianca Stringer*	2,208	-	-	232	2,440
Ms Summer Gwynne*	2,208	-	-	232	2,440
Mr Gregory Chemello *	882	-	-	88	970
	-	-	-	-	-
Total Remuneration	271,611	8,610	7,367	27,371	314,960

* Paid Board member

Remuneration of Board Members

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

Appointed dates

Andrew Ross was appointed as Acting Executive Director from 18 December 2022 to 17 September 2023, and then as Executive Director on 18 September 2023.

Colin Forrest was appointed on 4 August 2022

Ms Kara Thomson was appointed on 9 March 2023

Ms Bianca Stringer was appointed on 9 March 2023

Ms Summer Gwynne was appointed on 9 March 2023

Retired dates

Andrew Ross retired on 1 August 2024

Colin Forrest retired on 1 August 2024

Ms Narelle Dickinson retired on 1 August 2024

Ms Kara Thomson retired on 1 August 2024

Ms Bianca Stringer retired on 1 August 2024

Ms Summer Gwynne retired on 1 August 2024

Mr Gregory Chemello retired on 1 August 2024

Mary Shortland retired on 17 December 2022

Paul Tully retired on 12 October 2022

Ms Frances de la Cuesta Hunt retired on 12 October 2022

Ms L Palmen retired on 12 October 2022

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

5. Disclosure of related parties

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

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

Transactions with other Queensland Government-controlled entities

The PLA received a non-reciprocal government grant from Department of Justice and Attorney-General (DJAG) (Note 2.(b)).

The PLA has a service level agreement in place with Department of Justice and Attorney-General (DJAG) to enable the PLA to receive the required essential services.

	2024	2023
	\$	\$
Service Level Agreement		
Corporate service charges	34,287	33,498

	2024	2023
	\$	\$
6. Supplies and Services		
Contractors	76,954	211,965
Supplies and consumables	9,566	39,839
Travel	3,378	7,199
Repairs and maintenance	27,908	30,174
Communications	26,477	27,786
Chairman and Members' fees	91,718	66,841
Corporate service charges	34,287	33,498
Public utilities	2,663	3,107
Investigations and Searches	13,094	16,640
Other Services	4,805	3,223
Total	290,850	440,272

7. Rental Expenses

The office rental agreement for PLA's office accommodation was established in 2019-20 between the former Department of Housing and Public Works and Queensland Police Service, through the Queensland Government Accommodation Office (QGAO) program. As at 1 August 2024, the PLA has rental commitments totalling \$101,306, and made rent payments totalling \$263,152.

Under QGAO, Department of Housing, Local Government, Planning and Public Works holds substantive substitution rights over non-specialised commercial office accommodation, making the PLA's rental arrangement exempt from on-balance sheet lease accounting and the costs for these services will be expensed as rent expense when incurred.

8 Statutory Fee Refunds

Fee Refunds	525,297	-
Total	525,297	-

The statutory fee refunds are in accordance to written direction from the Attorney-General and Minister for Justice and Minister for the Prevention of Domestic and Family Violence and relate to the abolishment of the PLA

9 Impairment and losses on non-financial assets

Lease hold improvements written off	1,000	-
Intangibles impairment losses	56,052	-
Total	57,052	-

Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting policies and events giving rise to impairment losses are disclosed in note 15 for the non-current assets.

10 Other Expenses

Insurance premiums	2,438	2,835
Auditor's remuneration - external audit services*	22,000	15,500
Other expenses	910	653
Total	25,348	18,988

*Total external audit fees relating to the 2023-24 financial year are estimated to be \$22,000 (2023: \$15,500). There are no non-audit services included in this amount.

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

11. Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 1 August 2024 as well as deposits at call with financial institutions.

Cash at bank	1,221,133	1,223,079
Total	<u>1,221,133</u>	<u>1,223,079</u>

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

	2024	2023
	\$	\$
Operating surplus/(deficit)	(513,223)	76,600
Depreciation and amortisation expense	40,300	37,925
Impairment losses	57,052	-
Change in assets and liabilities:		
(Increase)/decrease in GST input tax credits receivable	742	783
(Increase)/decrease in LSL receivable	5,196	4,125
(Increase)/decrease in other receivables	4,529	(3,327)
(Increase)/decrease in prepayments	-	3,467
Increase/(decrease) in other liabilities	413,830	(22,758)
Increase/(decrease) in payables and accruals	(5,263)	(15,876)
Increase/(decrease) in accrued employee benefits	(5,109)	5,633
Net cash from operating activities	<u>(1,946)</u>	<u>86,572</u>

13. Financial Instruments

(a) Categorisation of Financial Instruments

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

<u>Category</u>	<u>Note</u>		
Financial Assets			
Cash and cash equivalents	11	1,221,133	1,223,079
Receivables	14	52,844	46,027
Total		<u>1,273,977</u>	<u>1,269,106</u>
Financial Liabilities			
Payables	16	25,807	31,070
Other Liabilities	18	525,297	-
Total		<u>551,104</u>	<u>142,537</u>

Recognition

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

Classification

Financial instruments are classified and measured as follows:

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

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

(b) Financial Risk Management

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

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

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

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

14. Receivables

	2024	2023
Current	\$	\$
GST receivable	3,551	4,294
Interest receivable	-	4,529
LSL claim receivable	-	5,196
Annual leave claim receivable	49,293	32,008
Total	52,844	46,027

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

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

15. Non-Current Assets

Plant and equipment		
At cost	44,558	49,558
Less: Accumulated depreciation	(30,198)	(29,338)
Less: Written off	(1,000)	-
Carry amount at 1 August	13,360	20,220

Intangible assets		
At cost	158,954	158,954
Less: Accumulated amortisation	(102,902)	(68,462)
Less: Impairment	(56,052)	-
Total	-	90,492

Net carry amount at 1 August	13,360	110,712
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Plant and Equipment Reconciliation

Carrying amount at 1 July	20,220	26,355
Depreciation	(5,860)	(6,134)
Written off	(1,000)	-
Carrying amount at 1 August	13,360	20,220

Intangible Asset Reconciliation

Carrying amount at 1 July	90,492	116,820
Acquisitions	-	5,463
Amortisation	(34,440)	(31,791)
Impairment	(56,052)	-
Carrying amount at 1 August	-	90,492

Intangible assets and plant and equipment are valued at historical cost in accordance with Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector. The intangible asset is one single asset and was capitalised in phases.

(a) Non-Current Assets

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

Intangible assets with a cost or other value equal to or in excess of \$100,000 are recognised for financial reporting purposes in the year of acquisition.

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

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

15. Non-Current Assets (cont'd)

(b) Depreciation of Non-Current Assets

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

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

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

Class	Rate %
Plant and equipment	10-33.3%
Intangible Assets	20%

(c) Impairment

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the PLA, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

During 2020, the PLA developed and later implemented the PLA's official website and online forms software system. Due to the PLA's abolishment, an impairment loss of \$57,052 was recognised in the statement of comprehensive income (refer Note 9) equal to the written down values of the assets.

16. Payables	2024	2023
Current	\$	\$
Trade creditors and accruals	3,807	15,570
Auditor's remuneration payables	22,000	15,500
Total	25,807	31,070

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

17. Accrued Employee Benefits

Current

Wages outstanding	27,394	970
Paid Parental Leave	-	1,787
Superannuation	2,919	-
Long service leave levy	2,440	5,304
Annual leave levy	10,815	24,094
Fringe Benefits Tax	751	(12)
Total	44,319	32,144

18. Other Liabilities

Fees received in advance and refunded provision

Fees for licences received in advance*	-	109,544
Fees for certificates received in advance*	-	1,923
Fees refunded due to abolishment**	525,297	-
Total	525,297	111,467

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

**Fees to be refunded, authorised by ministerial approval.

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

19. Contingencies

(a) Litigation in progress

The PLA has no litigation in progress at 1 August 2024.

20. Amounts transferred to the Department of Justice and Attorney-General on 2 August 2024

The Queensland Law Reform Commission handed its report on 'A decriminalised sex-work industry for Queensland' to the Attorney-General on Friday, 31 March 2023. In line with this report, on 02 May 2024, the Government introduced and passed legislation to decriminalise the sex-work industry and to abolish the PLA. The legislation came into effect on 2 August 2024.

In accordance with the *Criminal Code (Decriminalisation of sex work) and Other Legislation Amendment Act 2024*, the former Prostitution Licensing Authority was abolished on 2 August 2024 and all assets and liabilities of the PLA as at the date of the abolition became assets and liabilities of the State held in the Department of Justice and Attorney-General. The following amounts were transferred from PLA to Department of Justice and Attorney-General on 2 August 2024.

	2024
	\$
Current Assets	
Cash and cash equivalents	1,221,133
Receivables	52,844
Total Current Assets	<u><u>1,273,977</u></u>
Non-Current Assets	
Plant and equipment	13,360
Total Non-Current Assets	<u><u>13,360</u></u>
Total Assets	<u><u>1,287,337</u></u>
Current Liabilities	
Payables	25,807
Accrued employee benefits	44,319
Other Liabilities	525,297
Total Current Liabilities	<u><u>595,423</u></u>
Total Liabilities	<u><u>595,423</u></u>
Net Assets	<u><u>691,914</u></u>

21. New and Revised Accounting Standards

The PLA did not voluntarily change any of its accounting policies during 2023-2024. Australian Accounting Standards changes applicable for the first time in the 2023-2024 financial year have had minimal impact on the PLA's final financial statements.

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

22. Future Accounting Standards

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

23. Schedule of Administered Transactions

	2024	2023
	\$	\$
Administered collections		
Infringement Notice Revenue	2,322	5,481
Total Administered Collections	<u><u>2,322</u></u>	<u><u>5,481</u></u>
Transfers to Government		
Administered Collection Transferred to Treasury	2,322	5,481
Total Administered Expenses	<u><u>2,322</u></u>	<u><u>5,481</u></u>
Operating Surplus/(Deficit)	<u><u>-</u></u>	<u><u>-</u></u>

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

24. Budget vs Actual Comparison

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

Statement of Comprehensive Income

	Note	Original Budget 2024*	Actual 2024**	Variance \$	Variance % of budget
		\$	\$	\$	
Income from Continuing Operations					
Revenue					
User charges and fees	1	899,000	741,180	(157,820)	-18%
Grants and contributions	2	805,000	1,029,250	224,250	28%
Interest	3	46,000	78,985	32,985	72%
Infringement notice revenue *		2,000	2,322	322	16%
Total Income from Continuing Operations		1,752,000	1,851,737	99,737	6%
Expenses from Continuing Operations					
Employee expenses	4	1,223,000	1,160,639	(62,361)	-5%
Supplies and services	5	229,000	290,850	61,850	27%
Rental expenses	6	241,000	263,152	22,152	9%
Statutory Fee Refunds	7	-	525,297	525,297	100%
Depreciation and Amortisation		38,000	40,300	2,300	6%
Impairment	8	-	57,052	57,052	100%
Other expenses	6	19,000	25,348	6,348	33%
Administered Collection Transferred to Treasury ***		2,000	2,322	322	16%
Total Expenses from Continuing Operations		1,752,000	2,364,960	612,960	35%
Operating Result from Continuing Operations		-	(513,223)	(513,223)	100%
Total Comprehensive Income		-	(513,223)	(513,223)	100%

*Reporting period is based on a 12 Month period

**Reporting period is based on a 13 Month period

*** See note 24 - Schedule of Administered Transactions

Explanations of Major Variances

- 1 This variance mainly relates to a reduction in the number of brothels and licensees of \$155,285, and budgeted applications not realised.
- 2 This variance is primarily due to the additional grants received to support the PLA operations in July 2024. The PLA received a grant of \$210,250 in July 2024.
- 3 This variance is due to the higher than budgeted interest rates received on bank balances. The PLA budgeted for an average interest rate of 3%, but received an average rate of 4.5%.
- 4 This variance is mainly due to budgeted positions not filled.
- 5 This variance mainly relates to cost increases in contractors of \$68,956. This increase was largely offset by a decrease in software licence fees of \$6,442. Contractors were employed to support office operations due to unfilled budgeted staffing positions.
- 6 This variance is mainly related to the increase in costs due to the 13-month reporting period, while the budget is based on a 12-month
- 7 This variance is related to the unbudgeted fee refund due to the abolishment of the PLA.
- 8 This variance is related to the change in the useful life of the assets due to the abolishment of the PLA.

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

24. Budget vs Actual Comparison (cont'd)

Statement of Financial Position

	Note	Original Budget 2024* \$	Actual 2024** \$	Variance \$	Variance % of budget
Current Assets					
Cash and cash equivalents	9	1,211,000	1,221,133	10,133	1%
Receivables		49,000	52,844	3,844	8%
Other Assets		3,000	-	(3,000)	-100%
Total Current Assets		1,263,000	1,273,977	10,977	1%
Non-Current Assets					
Other Assets-NC		-	-	-	0%
Plant and equipment		15,000	13,360	(1,640)	-11%
Intangible assets	10	58,000	-	(58,000)	-100%
Total Non-Current Assets		73,000	13,360	(59,640)	-82%
Total Assets		1,336,000	1,287,337	(48,663)	-4%
Current Liabilities					
Payables	11	42,000	25,807	(16,193)	-39%
Accrued employee benefits	12	31,000	44,319	13,319	43%
Other liabilities	13	135,000	525,297	390,297	289%
Total Current Liabilities		208,000	595,423	387,423	186%
Total Liabilities		208,000	595,423	387,423	186%
Net Assets		1,128,000	691,914	(436,086)	-39%
Equity					
Accumulated surpluses.		1,128,000	691,914	(436,086)	-39%
Total Equity		1,128,000	691,914	(436,086)	-39%

*Reporting period is based on a 12 Month period

**Reporting period is based on a 13 Month period

Explanations of Major Variances

9 As per note 2 and 6, this variance is primarily due to the supplemental and additional grants. This increase was largely offset with the reduction of brothel applications and the increase of costs due to the 13 month reporting period.

10 As per note 8, this variance is due to the impairment of assets due to the abolishment of the PLA.

11 This variance is due to the timing of invoices received.

12 This variance is due to the timing of the employee expense payments.

13 As per Note 7, this variance is mainly due to the timing of the refunds. The refunds were partially offset by a budgeted provision made for unrecognised income that relates to application.

PROSTITUTION LICENSING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2023-24

24. Budget vs Actual Comparison (cont'd)

Statement of Cash Flows

	Note	Original Budget 2024* \$	Actual 2024** \$	Variance \$	Variance % of budget
Cash flows from operating activities					
<i>Inflows:</i>					
User charges and fees	14	946,000	629,713	(316,287)	-33%
Grants and contributions	15	805,000	1,029,250	224,250	28%
GST input tax credits from ATO		-	47,406	47,406	100%
Interest receipts	16	46,000	83,514	37,514	82%
<i>Outflows:</i>					
Employee expenses	17	(1,221,000)	(1,160,554)	60,446	-5%
Supplies and services	18	(239,000)	(302,613)	(63,613)	27%
Rental expenses	19	(241,000)	(263,152)	(22,152)	9%
GST paid to suppliers		-	(47,407)	(47,407)	100%
GST remitted to ATO		(40,000)	745	40,745	-102%
Other		(21,000)	(18,848)	2,152	-10%
Net cash provided by (used in) operating activities		35,000	(1,946)	(36,946)	-106%
Cash flows from investing activities					
Net cash provided by (used in) investing activities		-	-	-	0%
Net increase (decrease) in cash held		35,000	(1,946)	(36,946)	-106%
Cash at beginning of financial year		1,176,000	1,223,079	47,079	4%
Cash and cash equivalents at end of financial year		1,211,000	1,221,133	10,133	1%

*Reporting period is based on a 12 Month period

**Reporting period is based on a 13 Month period

Explanations of Major Variances

14 As per note 1, this variance is mainly due to the reduction of applications.

15 As per note 2, this variance is primarily due to the additional grants received to support the PLA operations in July 2024.

16 As per note 3, this variance is due to the higher than budget interest rates received on bank balances and the extra month of income.

17 As per note 4, this variance is mainly due to budgeted positions not filled.

18 As per note 5, this variance mainly relates to cost increases in contractors of \$68,956. This increase was largely offset by a decrease in software licence fees of \$6,442. Contractors were employed to support office operations due to unfilled budgeted staffing positions.

19 As per note 7, this variance mainly relates to an increase extra month of trading.

MANAGEMENT CERTIFICATE OF THE PROSTITUTION LICENSING AUTHORITY

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 45 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Prostitution Licensing Authority for the financial period ended 1 August 2024 and of the financial position of the PLA at the end of that period.

We, acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Andrew Ross
Former Executive Director
Date: 5/09/2024



Hon. Colin Forrest
Former Chairperson
Date: 5/09/2024

INDEPENDENT AUDITOR'S REPORT

To the former Board of the Prostitution Licensing Authority

Report on the audit of the financial report

Opinion

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

The final financial report comprises the statement of financial position as at 1 August 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes to the financial statements including material accounting policy information, and the management certificate.

In my opinion, the final financial report:

- a) gives a true and fair view of the entity's financial position as at 1 August 2024, and its financial performance and cash flows for the period then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

Basis for opinion

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

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

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

Emphasis of matter – Abolishment of the Prostitution Licensing Authority

I draw attention to the Objectives and Principal Activities of the Prostitution Licensing Authority note to the final financial report, which discloses that the Prostitution Licensing Authority was abolished on 2 August 2024 and all assets and liabilities of the statutory body as at the date of abolition were transferred to the Department of Justice and Attorney General. The transfer of assets and liabilities occurred at the values stated in this report. Because of this, financial report is prepared on a basis that is consistent with a going concern basis. My opinion is not modified in respect of this matter.

Other information

Those charged with governance is responsible for the other information.

The other information comprises the information included in the entity's final annual report for the period ended 1 August 2024, but does not include the final financial report and our auditor's report thereon.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the period ended 1 August 2024:

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

Prescribed requirements scope

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



David Adams
as delegate of the Auditor-General

5 September 2024
Queensland Audit Office
Brisbane

Appendix 1 - Glossary

Acronym	Meaning
PLA	Prostitution Licensing Authority
the Prostitution Act	<i>Prostitution Act 1999</i> (unless otherwise indicated)
CCC	Crime and Corruption Commission
FAM	Finance and Administration Manual
FTE	full-time equivalent
PLA	Prostitution Licensing Authority
PIM	Probity Investigation Manual
QABA	Queensland Adult Business Association
QLRC	Queensland Law Reform Commission
QPS	Queensland Police Service

Appendix 2 - Annual report requirements

	Prostitution Licensing Authority				
Act or instrument	<i>Prostitution Act 1999</i>				
Functions	The Prostitution Licensing Authority (PLA) regulates prostitution in Queensland by administering the Prostitution Act and the Prostitution Regulation 2014. The functions of the PLA are established by statute and include determining applications for brothel licences and approved manager certificates, monitoring the provision of prostitution through licensed brothels, conducting disciplinary inquiries to determine whether there are grounds for disciplinary action against brothel licensees and approved managers, and regulating prostitution advertising.				
Achievements	<p>The PLA has maintained its high standard of regulation by careful vetting of applicants for brothel licences and approved manager certificates to ensure that only suitable persons may influence the operations of brothels. No licences or certificates were refused during the year.</p> <p>Since commencement of the licensing system, there has been no substantiated instance of official corruption or organised crime or of the instance of human trafficking and associated crimes at any of the state's brothels. Licensed brothels provide a relatively safe and healthy environment for the conduct of prostitution, with the PLA promoting high standards of health and safety and prioritising the autonomy and freedom of choice of sex workers at brothels.</p> <p>Results of audits and inspections throughout the year demonstrate that licensees are overwhelmingly committed to achieving a safe and healthy industry, and promptly rectify any identified non-conformances. One instance of a licensee paying insufficient attention to regulatory compliance resulted in the PLA commencing a disciplinary inquiry.</p> <p>Key initiatives to support the licensed sector of the sex work industry during the year included:</p> <ul style="list-style-type: none"> • consultation on sex work industry reforms to achieve a decriminalised sex work industry in Queensland • rollout of a compliance training program for brothel licensees and approved managers • work on measures to support the mental health of licensees and managers • process changes that have improved approved manager's certificate application processing times • simplification of brothel licence conditions and removal of conditions that were outdated or no longer relevant. 				
Financial reporting	Not exempted from audit by the Auditor-General. Transactions of the entity are accounted for in the financial statements.				
	Remuneration				
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Colin Forrest SC	11	\$650 per day (plus superannuation)	N/A	\$44,200

QPS representative	Craig Morrow	2	N/A	N/A	N/A
QPS representative	Denzell Clarke	4	N/A	N/A	N/A
QPS representative	Craig McGrath	3	N/A	N/A	N/A
QPS representative	Colin Briggs	1	N/A	N/A	N/A
CCC representative	Sharon Loder	10	N/A	N/A	N/A
Health practitioner	Narelle Dickinson	11	\$7,000 pa (plus superannuation)	\$7,808	N/A
Legal representative	Kara Thomson	11	\$7,000 pa (plus superannuation)	\$7,808	N/A
Local government representative	Greg Chemello	11	\$7,000 pa (plus superannuation)	\$7,808	N/A
Community representative	Summer Gwynne	9	\$7,000 pa (plus superannuation)	\$7,808	N/A
Community representative	Bianca Stringer	12	\$7,000 pa (plus superannuation)	\$7,808	N/A
No. scheduled meetings/sessions		12			
Total out of pocket expenses		Nil			

Appendix 3 – Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	Page 4
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Page 3 Page 32
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	Page 2
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page 2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Page 2
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page 2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	Page 5
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	Page 10
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	Page 10
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	Page 14
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	Page 12
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	Page 23
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	Page 19
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	Page 33
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 25
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 25
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	Page 25
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	Page 26
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	Page 26
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	Page 26
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	Page 26
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	Page 27
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6	Page 30

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	Page 29
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 29
Open Data	• Statement advising publication of information	ARRs – section 16	Page 2
	• Consultancies	ARRs – section 31.1	Page 29
	• Overseas travel	ARRs – section 31.2	Page 28
	• Queensland Language Services Policy	ARRs – section 31.3	Page 2
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 52
	• Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 53

FAA

Financial Accountability Act 2009

FPMS

Financial and Performance Management Standard 2019

ARRs

Annual report requirements for Queensland Government agencies