

State Budget 2013-14

Service Delivery Statements

Queensland Police Service



2013–14 State Budget Papers

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- 2. Budget Strategy and Outlook**
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Appropriation Bills

Concessions Statement

The suite of Budget Papers is similar to that published in 2012-13.

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Service Delivery Statements

ISSN 1445-4890 (Print)
ISSN 1445-4904 (Online)



Queensland Police Service

Summary of portfolio budgets

| Page | Agency | 2012-13 Budget \$'000 | 2012-13 Est. Actual \$'000 | 2013-14 Estimate \$'000 |
|------|--|-----------------------------|----------------------------------|-------------------------------|
| 2 | Queensland Police Service – controlled | 1,979,059 | 1,957,482 | 2,000,725 |
| | Queensland Police Service – administered | 701 | 703 | 708 |
| 28 | Prostitution Licensing Authority | 1,466 | 1,393 | 1,502 |

Notes:

1. Explanations of variances are provided in the financial statements.

PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Police and Community Safety:

| |
|---|
| <p style="text-align: center;">Minister for Police and Community Safety The Honourable Jack Dempsey MP</p> |
|---|

| |
|--|
| <p style="text-align: center;">Queensland Police Service Commissioner: Ian Stewart</p> <p>Service Area 1: Crime and Public Order</p> <hr/> <p>Service Area 2: Road Safety</p> |
|--|

| |
|--|
| <p style="text-align: center;">Prostitution Licensing Authority Chairman: Manus Boyce</p> <p>Objective: To ensure that licensed brothels and prostitution advertising are regulated in accordance with legislative requirements and in the community interest.</p> |
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Additional information about these agencies can be sourced from www.police.qld.gov.au and from www.pla.qld.gov.au.

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

Under the *Police Service Administration Act 1990*, the Queensland Police Service (QPS) is responsible for:

- preserving peace and good order in all areas of Queensland
- protecting the Queensland community
- preventing and detecting crime
- upholding the law
- administering the law fairly and efficiently
- bringing offenders to justice.

The QPS fulfils its role throughout the State, 24 hours a day. It upholds the law and provides assistance to the community when necessary, including in times of emergency, disaster and crisis.

The QPS objectives are to stop crime, make the community safer (including stopping road trauma) and build relationships across the community.

The QPS seeks to achieve its objectives through a range of strategies that support the Government's objective of revitalising frontline services for families. These strategies include:

- deliver innovative, flexible and mobile policing services
- be more visible and accessible to the community
- emphasise place and case management approaches that focus on people, place or issues
- use intelligence, specialist support and taskforces to target crime and road safety
- foster relationships with our partners, stakeholders and the community, with a focus on enhancing client services
- better manage QPS resources and enhance staff training, development and equipment
- streamline business processes and enhance performance.

The key challenges and strategic risks that may impact on the QPS during 2013-14 are:

- any reduction in police professionalism will dilute community trust and confidence
- demand for service is growing rapidly in some areas of Queensland but is stable in others
- the Government and the QPS are committed to injecting new life into community policing and delivering frontline, client-focused services
- Queensland remains at risk of disasters such as bushfires, cyclones and flooding
- Queensland will host the 2014 G20 Leaders' Summit and Finance Ministers' Meeting as well as the 2018 Commonwealth Games
- youth are overrepresented as offenders
- alcohol remains a major contributor to road trauma, offences against the person and public nuisance.

In 2013-14, the Queensland Police Service will also progress implementation of accepted recommendations from the Keelty Review of Police and Emergency Services.

The 2013-14 Budget of \$2.001 billion in operating and \$110.6 million in capital provides funding to continue revitalising frontline policing services and tackling crime. Key measures are outlined below:

- \$63 million for an additional 300 police officers recruited in 2012-13 and a further 267 police officers in 2013-14, as part of a \$358.3 million commitment to provide an extra 1,100 police officers over four years
- \$3 million to continue providing police helicopter services to the Gold Coast and South East Queensland. This is part of the Government's commitment to provide \$18 million over four years from 2012-13 to establish a permanent Police Helicopter Wing to service the South East corner of the State
- \$1 million as part of the Government's commitment to provide \$4 million over four years to revitalise Neighbourhood Watch and Crime Stoppers
- \$0.03 million to continue strengthening the School Based Policing and Adopt-a-School programs, as part of a \$0.10 million total commitment to be provided by 30 June 2015
- the allocation of resources to continue planning to deliver security and public safety services for the 2014 G20 World Leaders' summit
- \$26.6 million in additional operating and \$2.9 million in additional capital funding to support the continued deployment of mobile and fixed speed and red light cameras throughout Queensland, to reduce road trauma and improve road safety
- \$22.3 million in capital funding for a range of information and communication technology initiatives including \$14.5 million as part of an ongoing technology refresh and improvement program
- \$8.2 million in capital funding to continue the \$12.7 million program to replace three Water Police patrol catamarans at Cairns, Townsville and Whitsunday by 30 June 2015. These vessels will provide an effective platform for long range patrols and search operations. Funding will also provide high-speed tender vessels that can be launched and retrieved from the parent vessel while it is underway
- \$0.2 million to complete the \$1 million upgrade of Broadbeach police station.

Achievements in 2012-13 include:

- an additional 300 police officers were appointed as the first phase of a four-year plan to provide 1,100 extra police officers to the frontline
- the Government has introduced tough new anti-hooning penalties that will see people committing two serious hooning offences having their car confiscated indefinitely
- an additional 15 School Based Police Officers commenced across Queensland, providing valuable education, support and early intervention to keep young people on the right side of the law
- the Adopt-a-School program was launched in March 2013, adding to the already successful Adopt-a-Cop program that has been running in schools for 28 years. Local police provide extra guidance, education and support for young people
- a Major and Organised Crime Squad, including the Firearms Investigation Team, has been established on the Gold Coast, to help tackle serious crime
- the Government is cracking down on the illegal use of firearms by:
 - introducing stronger penalties for possession and trafficking of illegal firearms; and
 - launching a firearms amnesty in February 2013, to allow those with unregistered firearms to surrender or register the weapons
- recent improvements mean legitimate firearms users can now enjoy longer licence periods, and pay for licence and permit applications safely and securely online
- a number of local MyPolice blogs were released around the State, to let police swap information with the public in a quick and easy way
- the State-wide Access to Seized Digital Evidence project was implemented, allowing police to analyse digital evidence faster

- police are working more directly with communities, with the Government revitalising Neighbourhood Watch and Crime Stoppers
- Queenslanders are able to report minor incidents to police at the touch of a button with new Policelink online reporting applications
- crime statistics are also now available online, as part of the Government's ongoing commitment to openness and accountability
- the Government announced Surf Life Saving Queensland as the successful tenderer to run the QPS chopper on the Gold Coast until June 2014, with a two-year extension option. This forms part of the Government's plan to roll out two permanent police helicopters for the Gold Coast and South East Queensland
- a new state-of-the-art police station, watchhouse and courthouse was opened at Lockhart River. The new facilities will support police in keeping the community safe. They are part of an upgrade program for stations across Cape York
- fixed speed cameras began operating in the Airport Link M7 tunnel, as part of the QPS' commitment to road safety. Speed-related crashes are one of the primary killers on Queensland roads.

Departmental Budget Summary

The table below shows the total resources available in 2013-14 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

| Queensland Police Service | 2012-13 Budget \$'000 | 2012-13 Est. Actual \$'000 | 2013-14 Estimate \$'000 |
|---|-----------------------------|----------------------------------|-------------------------------|
| CONTROLLED | | | |
| Income | | | |
| Appropriation for services ¹ | | | |
| Deferred from previous year/s | 29,479 | 16,979 | 37,625 |
| Balance of service appropriation | 1,872,873 | 1,862,837 | 1,885,979 |
| Other revenue | 76,707 | 77,666 | 77,121 |
| Total income | 1,979,059 | 1,957,482 | 2,000,725 |
| Expenses | | | |
| Crime and public order | 1,587,198 | 1,570,147 | 1,604,581 |
| Road safety | 391,861 | 387,335 | 396,144 |
| Total expenses | 1,979,059 | 1,957,482 | 2,000,725 |
| Operating surplus/deficit | .. | .. | .. |
| Net assets | 1,934,908 | 1,918,538 | 1,979,113 |
| ADMINISTERED | | | |
| Revenue | | | |
| Commonwealth revenue | .. | .. | .. |
| Appropriation of administered items | 701 | 703 | 708 |
| Other administered revenue | 8,695 | 8,734 | 9,009 |
| Total revenue | 9,396 | 9,437 | 9,717 |
| Expenses | | | |
| Transfers to government | 8,695 | 8,734 | 9,009 |
| Administered expenses | 701 | 703 | 708 |
| Total expenses | 9,396 | 9,437 | 9,717 |
| Net assets | .. | .. | .. |
| APPROPRIATIONS | | | |
| Controlled Items | | | |
| Departmental services ¹ | 1,918,782 | 1,896,246 | 1,923,604 |
| Equity adjustment | 4,029 | (2,471) | (3,369) |
| Administered items | 701 | 703 | 708 |
| VOTE TOTAL² | 1,923,512 | 1,894,478 | 1,920,943 |

Notes:

1. Appropriation for services does not match appropriation for departmental services in 2012-13 due to an appropriation receivable of \$16.430M.
2. As represented in the 2013-14 Appropriation Bills.

Budget Measures Summary

The table shows a summary of Budget measures relating to the Department since the 2012-13 Budget. Further details are contained in Budget Paper No. 4.

| Queensland Police Service | 2012-13 \$'000 | 2013-14 \$'000 | 2014-15 \$'000 | 2015-16 \$'000 | 2016-17 \$'000 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue measures¹ | | | | | |
| Administered | .. | .. | .. | .. | .. |
| Departmental | .. | .. | .. | .. | .. |
| Expense measures¹ | | | | | |
| Administered | .. | .. | .. | .. | .. |
| Departmental | .. | 14,679 | (11,900) | (11,900) | (11,900) |
| Capital measures¹ | | | | | |
| Administered | .. | .. | .. | .. | .. |
| Departmental | .. | 2,933 | .. | .. | .. |

Notes:

- Expense and capital measures do not reconcile with Budget Paper No. 4 (BP4) due to the Road Safety measures being reported wholly in the Department of Transport and Main Roads' section of BP4.

Staffing^{1,2}

| Service Areas | Notes | 2012-13 Budget | 2012-13 Est. Actual | 2013-14 Estimate |
|------------------------|-------|-------------------|------------------------|---------------------|
| Crime and Public Order | | 12,012 | 11,832 | 12,031 |
| Road Safety | | 2,966 | 2,921 | 2,970 |
| TOTAL | | 14,978 | 14,753 | 15,001 |

Notes:

1. Full-time equivalent positions (FTEs) as at 30 June.
2. The 2012-13 Estimated actual is less than the 2012-13 Budget as the outcome of the QPS restructure was not known at the time. The increase in FTEs in 2013-14 is mainly due to police growth.

SERVICE PERFORMANCE

The objectives of the Queensland Police Service (QPS) are to:

- stop crime
- make the community safer (including stopping road trauma)
- build relationships across the community.

The QPS seeks to achieve these objectives through a range of strategies that support the Government's objective to revitalise frontline services for families. Police Services are delivered to the community through Crime and Public Order and Road Safety services.

Police Services also include a range of service delivery support activities designed to promote ethical behaviour, discipline and professional practice, to ensure the residents and visitors have confidence in, and respect for, the QPS.

Our services are:

Crime and Public Order

Activities to:

- protect personal safety and prevent and detect related offences including homicide, assault, sexual assault and robbery
- protect property and prevent and detect related offences including unlawful entry, other property damage, motor vehicle theft, and other theft (excluding unlawful entry)
- maintain public order and safety during major events and natural disasters—from planning to recovery; address public space enjoyment, street and nuisance offences, and liquor licensing issues; and environmental design to reduce crime including alcohol fuelled violence.

Road Safety

Activities to enforce traffic law and reduce road trauma including through the prevention and detection of speeding, red light offences, driving under the influence of alcohol or drugs, driving while fatigued and not wearing seatbelts.

Red tape reduction

In 2012, the Queensland Police Commissioner called for suggestions from members of the QPS aimed at reducing red tape and increasing internal efficiencies. All suggestions were sent through the "Commissioner's Suggestion Box". Since August 2012 over 600 have been received, the majority of which relate to improving internal processes.

Red tape reduction initiatives which have been implemented in 2012-13 include:

- developing a new Weapons Licensing System that enables clients to submit and pay for applications for licences or permits using a safe and secure online facility
- making weapons licence photographs valid for 10 years not three years
- extending licence periods for legitimate gun owners
- allowing the public to withdraw a property crime complaint through Policelink, rather than attending a station
- providing direct access for members of the public to current crime statistics
- allowing people to register their parties with local police online.

Four significant red tape reduction initiatives that will be implemented in 2013-14 are:

- reducing the 'wide load permit' application from multiple forms to one
- amending police legislation to achieve efficiencies
- making police operational procedures available on the QPS Internet site
- continued installation of automated public enquiry devices (touch screens) at police shopfronts around Brisbane.

2013-14 Service Summary

| Service Areas | Sources of Revenue | | | | |
|------------------------|----------------------|---------------------------------|---------------------------|-------------------------------|----------------------------|
| | Total cost \$'000 | State Contribution \$'000 | User Charges \$'000 | C'wealth Revenue \$'000 | Other Revenue \$'000 |
| Crime and Public Order | 1,604,581 | 1,542,699 | 48,975 | 160 | 12,747 |
| Road Safety | 396,144 | 380,905 | 12,092 | .. | 3,147 |
| TOTAL | 2,000,725 | 1,923,604 | 61,067 | 160 | 15,894 |

Note:

1. User Charges, Commonwealth Revenue and Other Revenue in the above table equates to Other Revenue in the Performance Statement and the Departmental Budget Summary.

Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures relating to the efficiency or effectiveness of services delivered by government. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of the agency's services will be discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at www.budget.qld.gov.au.

| Queensland Police Service | Notes | 2012-13 Target/Est. | 2012-13 Est. Actual | 2013-14 Target/Est. |
|---|-------|------------------------|------------------------|------------------------|
| Service Area: Police Services | 1 | | | |
| Service standards | | | | |
| Rate of complaints against police per 100 sworn (operational) staff | 2 | ≤20.6 | 16.7 | ≤16.7 |
| Public perception of police professionalism and image: | 3,4 | | | |
| • Police perform their job professionally | | ≥85% | 88% | ≥85% |
| • Police treat people fairly and equally | | ≥75% | 77% | ≥75% |
| • Police are honest | | ≥75% | 75% | ≥75% |
| • I do have confidence in the police | | ≥85% | 87% | ≥85% |
| Satisfaction of members of the public who had contact with police in the last twelve months | 3,4 | ≥85% | 85% | ≥85% |
| Cost of policing services per person | 5 | ≤\$415 | \$423 | ≤\$443 |
| Service: Crime and Public Order | 1 | | | |
| Service standards | | | | |
| Rate (per 100,000 population) of personal safety offences reported: | 6,7 | | | |
| • Homicide | | 2-4 | 2 | 2-4 |
| • Assault | | 420-480 | 450 | 420-480 |
| • Sexual assault | | 100-150 | 108 | 100-150 |
| • Robbery | | 30-50 | 42 | 30-50 |
| • Total personal safety | | 660-770 | 687 | 660-770 |

| Queensland Police Service | Notes | 2012-13 Target/Est. | 2012-13 Est. Actual | 2013-14 Target/Est. |
|---|-------|------------------------|------------------------|------------------------|
| Percentage of personal safety offences cleared within 30 days: | 6,8 | New measure | | |
| • Homicide | | | 73 | 70-75 |
| • Assault | | | 58 | 55-60 |
| • Sexual assault | | | 53 | 55-60 |
| • Robbery | | | 48 | 45-50 |
| • Total personal safety | | | 55 | 55-60 |
| Rate (per 100,000 population) of property security offences reported: | 7,9 | | | |
| • Unlawful entry | | 900-1,150 | 1,002 | 900-1,150 |
| • Other property damage | | 900-1,100 | 924 | 900-1,100 |
| • Motor vehicle theft | 10 | 200-270 | 281 | 230-300 |
| • Other theft (excluding unlawful entry) | | 2,200-2,500 | 2,302 | 2,200-2,500 |
| • Total property security | | 4,400-5,400 | 5,048 | 4,400-5,400 |
| Percentage of property security offences cleared within 30 days: | 8,9 | New measure | | |
| • Unlawful entry | | | 15 | 10-15 |
| • Other property damage | | | 25 | 20-25 |
| • Motor vehicle theft | | | 28 | 20-25 |
| • Other theft (excluding unlawful entry) | | | 21 | 20-25 |
| • Total property security | | | 24 | 20-25 |
| Rate (per 100,000 population) of good order offences detected | 11 | 1,000-1,200 | 1,134 | 1,000-1,200 |
| Percentage of good order offences cleared within 30 days | 8,11 | New measure | 86 | 85-90 |
| Public satisfaction with police dealing with public order problems | 3,4 | ≥65% | 71% | ≥65% |
| Public satisfaction with police dealing with disasters and major events | 12 | ≥85% | 89% | ≥85% |
| State contribution (\$000) | | 1,525,656 | 1,507,582 | 1,542,699 |
| Other revenue (\$000) | | 61,542 | 62,565 | 61,882 |
| Total cost (\$000) | | 1,587,198 | 1,570,147 | 1,604,581 |
| Service: Road Safety | 1 | | | |
| Service standards | | | | |
| Rate (per 100,000 population) of road crash fatalities | 13 | 5.9 | 6.5 | 6.4 |

| Queensland Police Service | Notes | 2012-13 Target/Est. | 2012-13 Est. Actual | 2013-14 Target/Est. |
|---|-------|------------------------|------------------------|------------------------|
| Rate (per 100,000 population) of persons hospitalised following a crash | 14 | 130 | 137.34 | 135 |
| State contribution (\$000) | | 376,696 | 372,234 | 380,905 |
| Other revenue (\$000) | | 15,165 | 15,101 | 15,239 |
| Total cost (\$000) | | 391,861 | 387,335 | 396,144 |

Notes:

1. The QPS has replaced its previous six services with a single service area: Police Services, and two services: Crime and Public Order and Road Safety. Police Services consolidates service standards previously presented under the Professional Standards and Ethical Practice and Service Delivery Support services. Crime and Public Order includes service standards related to personal safety, property security and public order and safety. Road Safety includes service standards related to traffic policing.
2. The 2013-14 target estimate is less than the 2012-13 estimated actual figure. Complaint data for the period 1 July 2012 to 24 March 2013 was extracted from the *Client Service System* on 25 March 2013 and extrapolated to 30 June 2013 and should be viewed as preliminary. The 2012-13 actual year data will be reported in the *QPS Annual Report 2012-13*.
3. The QPS sets its performance targets based on a suite of factors including previous QPS and national average performance data where available. Data on national average performance is published annually in the Productivity Commission's 2013 *Report on Government Services* (ROGS).
4. The 2012-13 estimated actual is derived from the *National Survey of Community Satisfaction with Policing* for the period 1 July 2012 to 31 March 2013. The 2012-13 actual year data will be reported in the *QPS Annual Report 2012-13*.
5. The 2013-14 target is projected by increasing the 2011-12 national average (from 2013 ROGS) of \$421 by 2.75% in 2012-13 and 2.5% in 2013-14 in line with the Consumer Price Index (CPI).
6. The offence categories reported separately are those classified as 'violent' crimes and are the most significant personal safety offence categories in terms of their impact on the community. The 'total personal safety' offences figure also includes the offence categories of extortion, kidnapping, abduction and deprivation of liberty and other offences against the person. Homicide includes the offence categories of murder, attempted murder and conspiracy to murder.
7. The 2012-13 estimated actual is based on an extrapolation of July 2012 to March 2013 statistics. As such, these figures may vary from statistics calculated using actual financial year data published in the *QPS Annual Report 2012-13*.
8. This new service standard is preferable to the raw number of cleared offences because it is a measure of effectiveness and is comparable from year to year.
9. The offence categories reported separately are classified high volume property security offences. The total property security offences figure also includes arson, fraud and handling stolen goods.
10. Vehicle thefts also increased between 2011 and 2012 in Western Australia, Victoria, Northern Territory and the Australian Capital Territory.
11. Good order offences include offences relating to public nuisance, obstructing police and other offences against good order.
12. The QPS sets its performance targets based on a suite of factors including previous QPS performance.
13. Road crash casualty data was sourced from the Department of Transport and Main Roads (DTMR) on 2 April 2013 and should be viewed as preliminary and subject to change. The preliminary 2013-14 target estimate, developed in consultation with the DTMR, included consideration of recent trends, economic indicators and the potential effects of road safety initiatives. Rates per 100,000 population are only reported in 12 month periods. As such, the fatality rate for 2012-13 estimated actual represents April 2012 to March 2013. The 2012-13 actual year data will be reported in the *QPS Annual Report 2012-13*.
14. Hospitalised casualty data was sourced from DTMR on 2 April 2013 and is for the period 1 January 2012 to 31 December 2012. A three month time lag is necessary to process data. Data should be viewed as preliminary and subject to change. The preliminary 2013-14 target estimate, developed in consultation with DTMR, included consideration of recent trends, economic indicators and the potential effects of road safety initiatives.

Administered Items

Administered activities are those undertaken by departments on behalf of the Government.

In 2012-13, the Queensland Police Service administered funds of \$0.7 million on behalf of the State, for the continuing operating and legal costs of the Prostitution Licensing Authority.

Financial statements in relation to Administered Items appear in the Departmental Financial Statements.

CAPITAL

Capital program

Queensland Police Service (QPS) capital purchases for 2013-14 total \$110.6 million. This investment will fund capital works, information technology and other essential equipment to assist the QPS in revitalising frontline services and delivering safe communities.

Program highlights in 2013-14 include:

- \$17.7 million for capital works across the State including:
 - \$12 million as part of the ongoing program to refurbish police facilities including station upgrades at Chinchilla and Thursday Island, refurbishment of Laidley station, new modular watchhouses for Burketown and Richmond, and improved water police facilities at Brisbane and Redland Bay;
 - \$3 million for the provision of upgraded closed circuit cameras in police watchhouses including Beenleigh, Brisbane city and Bundaberg, as part of an ongoing program;
 - \$2.5 million to continue the Police Housing program, which includes the delivery of additional police accommodation in Doomadgee; and
 - \$0.2 million to complete the \$1 million upgrade of Broadbeach police station
- \$22.3 million for a range of information and communication technology (ICT) initiatives, including:
 - \$14.5 million as part of an ongoing technology refresh and improvement program that underpins frontline policing services across Queensland by maintaining critical ICT infrastructure; and
 - \$4.8 million to support the Public Safety Network, which delivers a secure fixed data network to the QPS, the Department of Justice and Attorney-General and the Department of Community Safety
- \$70.6 million for the purchase of new and upgraded operational equipment. This includes:
 - \$38 million for ongoing vehicle replacement;
 - \$14.4 million for new and replacement operational equipment;
 - \$8.2 million for ongoing vessel replacement including:
 - \$2.7 million of \$4.2 million over three years to replace the Water Police patrol catamaran in Cairns by 30 June 2015;
 - \$2.7 million of \$4.2 million over three years to replace the Water Police patrol catamaran in Whitsunday by 30 June 2015; and
 - \$2.8 million of \$4.3 million over three years to replace the Water Police patrol catamaran in Townsville by 30 June 2015
 - \$4 million for the replacement of road safety equipment;
 - \$3.1 million for air-conditioning replacements; and
 - \$2.9 million for a speed camera system at the Legacy Way road corridor to reduce road trauma and improve road safety.

Capital budget statement

| Queensland Police Service | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Actual \$'000 | 2013-14 Estimate \$'000 |
|---|-------|-----------------------------|----------------------------------|-------------------------------|
| Capital Purchases¹ | | | | |
| Total land, buildings and infrastructure ² | | 37,780 | 35,606 | 17,674 |
| Total plant and equipment ² | | 71,130 | 58,804 | 92,904 |
| Total other capital | | 9,800 | 9,800 | .. |
| Total Capital Purchases | | 118,710 | 104,210 | 110,578 |

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper No. 3.
2. The decrease from the 2012-13 Budget to the 2012-13 Estimated actual is mainly due to lower than expected motor vehicle sales in 2012-13 resulting in a reduction in purchases of replacement motor vehicles; the return of funding to the Consolidated Fund for the speed camera system at the Legacy Way road corridor (funding to be provided in 2013-14); and rescheduling of the technology refresh and improvement program, and police housing at Doomadgee.

BUDGETED FINANCIAL STATEMENTS

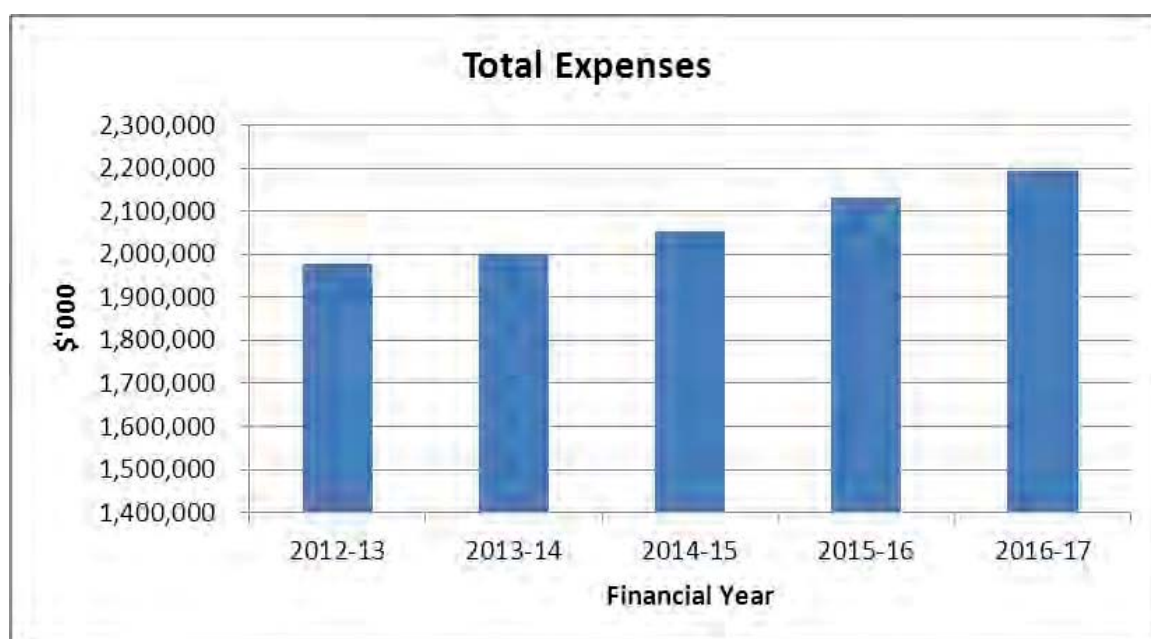
ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Department's budgeted financial statements, as reflected in the Department's financial statements, is provided below.

Departmental income statement

Total expenses are estimated to be \$2.001 billion in 2013-14, an increase of \$21.7 million from the 2012-13 financial year. The increase is mainly due to provision for the impact of enterprise bargaining arrangements and police growth.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The Department's major assets are in property, plant and equipment (\$1.920 billion) and intangibles (\$63.4 million). The Department's main liabilities relate to payables (\$54.4 million) and accrued employee benefits (\$52.7 million).

INCOME STATEMENT

| Queensland Police Service | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|-------|-----------------------------|--------------------------------|-------------------------------|
| Income | | | | |
| Service revenue | 1,5,7 | 1,902,352 | 1,879,816 | 1,923,604 |
| User charges | | 62,539 | 59,002 | 61,067 |
| Grants and other contributions | 2,8 | 8,901 | 13,397 | 10,787 |
| Other revenue | | 3,267 | 3,267 | 3,267 |
| Gains on sale/revaluation of property, plant and equipment and investments | | 2,000 | 2,000 | 2,000 |
| Total income | | 1,979,059 | 1,957,482 | 2,000,725 |
| Expenses | | | | |
| Employee expenses | 3,6,9 | 1,548,511 | 1,556,078 | 1,564,360 |
| Supplies and services | 4,10 | 322,901 | 293,757 | 329,452 |
| Grants and subsidies | | 5,682 | 5,682 | 5,682 |
| Depreciation and amortisation | | 89,889 | 89,889 | 89,155 |
| Finance/borrowing costs | | .. | .. | .. |
| Other expenses | | 10,076 | 10,076 | 10,076 |
| Losses on sale/revaluation of property, plant and equipment and investments | | 2,000 | 2,000 | 2,000 |
| Total expenses | | 1,979,059 | 1,957,482 | 2,000,725 |
| OPERATING SURPLUS/(DEFICIT) | | .. | .. | .. |

STATEMENT OF CHANGES IN EQUITY

| Queensland Police Service | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|-------|-----------------------------|--------------------------------|-------------------------------|
| Net effect of the changes in accounting policies and prior year adjustments | | .. | .. | .. |
| Increase/(decrease) in asset revaluation reserve | | 56,929 | 67,731 | 63,944 |
| Net amount of all revenue and expense adjustments direct to equity not disclosed above | | .. | .. | .. |
| Net income recognised directly in equity | | 56,929 | 67,731 | 63,944 |
| Surplus/(deficit) for the period | | .. | .. | .. |
| Total recognised income and expense for the period | | 56,929 | 67,731 | 63,944 |
| Equity injection/(withdrawal) | | 4,029 | (2,471) | (3,369) |
| Equity adjustments (MoG transfers) | | .. | .. | .. |
| Total movement in equity for period | | 60,958 | 65,260 | 60,575 |

BALANCE SHEET

| Queensland Police Service | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|----------|-----------------------------|--------------------------------|-------------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | | 24,749 | 25,550 | 25,550 |
| Receivables | | 58,803 | 60,886 | 60,886 |
| Other financial assets | | .. | .. | .. |
| Inventories | | 3,186 | 5,030 | 5,030 |
| Other | | 16,009 | 12,951 | 12,951 |
| Non-financial assets held for sale | | 2,319 | 2,338 | 2,338 |
| Total current assets | | 105,066 | 106,755 | 106,755 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | .. | .. | .. |
| Other financial assets | | .. | .. | .. |
| Property, plant and equipment | 11,16,21 | 1,909,920 | 1,850,654 | 1,919,533 |
| Intangibles | 12,17,22 | 50,044 | 71,703 | 63,399 |
| Other | | .. | .. | .. |
| Total non-current assets | | 1,959,964 | 1,922,357 | 1,982,932 |
| TOTAL ASSETS | | 2,065,030 | 2,029,112 | 2,089,687 |
| CURRENT LIABILITIES | | | | |
| Payables | | 60,767 | 54,415 | 54,415 |
| Accrued employee benefits | 13,18 | 67,631 | 52,749 | 52,749 |
| Interest-bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | 1,724 | 3,410 | 3,410 |
| Total current liabilities | | 130,122 | 110,574 | 110,574 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Accrued employee benefits | | .. | .. | .. |
| Interest-bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current liabilities | | .. | .. | .. |
| TOTAL LIABILITIES | | 130,122 | 110,574 | 110,574 |
| NET ASSETS/(LIABILITIES) | | 1,934,908 | 1,918,538 | 1,979,113 |
| EQUITY | | | | |
| Capital/contributed equity | 14,19,23 | 727,561 | 721,061 | 717,692 |
| Accumulated surplus/(accumulated deficit) | | 392,963 | 394,214 | 394,214 |
| Reserves: | | | | |
| - Asset revaluation surplus | 15,20,24 | 814,384 | 803,263 | 867,207 |
| - Other (specify) | | .. | .. | .. |
| TOTAL EQUITY | | 1,934,908 | 1,918,538 | 1,979,113 |

CASH FLOW STATEMENT

| Queensland Police Service | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|----------|-----------------------------|--------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| Service receipts | 25,32,36 | 1,918,782 | 1,896,246 | 1,923,604 |
| User charges | | 62,539 | 59,002 | 61,067 |
| Grants and other contributions | 26,37 | 1,901 | 6,397 | 3,787 |
| Other | | 3,267 | 3,267 | 3,267 |
| Outflows: | | | | |
| Employee costs | 27,33,38 | (1,548,511) | (1,556,078) | (1,564,360) |
| Supplies and services | 28,39 | (339,331) | (310,187) | (329,452) |
| Grants and subsidies | | (5,682) | (5,682) | (5,682) |
| Borrowing costs | | .. | .. | .. |
| Other | | (3,076) | (3,076) | (3,076) |
| Net cash provided by/(used in) operating activities | | 89,889 | 89,889 | 89,155 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of property, plant and equipment | 29,40 | 24,792 | 16,792 | 24,792 |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for property, plant and equipment and intangibles | 30,34,41 | (118,710) | (104,210) | (110,578) |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by/(used in) investing activities | | (93,918) | (87,418) | (85,786) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | 31,35,42 | 63,204 | 56,704 | 51,532 |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | .. |
| Equity withdrawals | | (59,175) | (59,175) | (54,901) |
| Net cash provided by/(used in) financing activities | | 4,029 | (2,471) | (3,369) |
| Net increase/(decrease) in cash held | | .. | .. | .. |
| Cash at the beginning of financial year | | 24,749 | 25,550 | 25,550 |
| Cash transfers from restructure | | .. | .. | .. |
| Cash at the end of financial year | | 24,749 | 25,550 | 25,550 |

ADMINISTERED INCOME STATEMENT

| Queensland Police Service | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|----------|-----------------------------|--------------------------------|-------------------------------|
| Revenues | | | | |
| Commonwealth grants | | .. | .. | .. |
| Taxes, fees and fines | 43,44,45 | 8,445 | 8,484 | 8,759 |
| Royalties, property income and other territorial revenue | | .. | .. | .. |
| Interest | | .. | .. | .. |
| Administered revenue | | 701 | 703 | 708 |
| Other | | 250 | 250 | 250 |
| Total revenues | | 9,396 | 9,437 | 9,717 |
| Expenses | | | | |
| Supplies and services | | .. | .. | .. |
| Depreciation and amortisation | | .. | .. | .. |
| Grants and subsidies | | 701 | 703 | 708 |
| Benefit payments | | .. | .. | .. |
| Borrowing costs | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total expenses | | 701 | 703 | 708 |
| Net surplus or deficit before transfers to Government | | 8,695 | 8,734 | 9,009 |
| Transfers of administered revenue to Government | | 8,695 | 8,734 | 9,009 |
| OPERATING SURPLUS/(DEFICIT) | | .. | .. | .. |

ADMINISTERED BALANCE SHEET

| Queensland Police Service | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|-------|-----------------------------|--------------------------------|-------------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | | 871 | 1,397 | 1,397 |
| Receivables | | (4) | (8) | (8) |
| Inventories | | .. | .. | .. |
| Other | | .. | .. | .. |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 867 | 1,389 | 1,389 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | .. | .. | .. |
| Other financial assets | | .. | .. | .. |
| Property, plant and equipment | | .. | .. | .. |
| Intangibles | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current assets | | .. | .. | .. |
| TOTAL ADMINISTERED ASSETS | | 867 | 1,389 | 1,389 |
| CURRENT LIABILITIES | | | | |
| Payables | | 839 | 599 | 599 |
| Transfers to Government payable | | 308 | 776 | 776 |
| Interest-bearing liabilities | | .. | .. | .. |
| Other | | (280) | 14 | 14 |
| Total current liabilities | | 867 | 1,389 | 1,389 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Interest-bearing liabilities | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current liabilities | | .. | .. | .. |
| TOTAL ADMINISTERED LIABILITIES | | 867 | 1,389 | 1,389 |
| ADMINISTERED NET ASSETS/(LIABILITIES) | | .. | .. | .. |
| EQUITY | | | | |
| Capital/Contributed equity | | .. | .. | .. |
| Accumulated surplus/(Accumulated deficit) | | .. | .. | .. |
| Reserves: | | | | |
| - Asset revaluation surplus | | .. | .. | .. |
| - Other (specify) | | .. | .. | .. |
| TOTAL ADMINISTERED EQUITY | | .. | .. | .. |

ADMINISTERED CASH FLOW STATEMENT

| Queensland Police Service | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|-------|-----------------------------|--------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| Administered item receipts | | 701 | 703 | 708 |
| Grants and other contributions | | .. | .. | .. |
| Taxes, fees and fines | | 8,445 | 8,484 | 8,759 |
| Royalties, property income and other territorial revenues | | .. | .. | .. |
| Other | | 250 | 250 | 250 |
| Outflows: | | | | |
| Transfers to Government | | (8,695) | (8,734) | (9,009) |
| Grants and subsidies | | (701) | (703) | (708) |
| Supplies and services | | .. | .. | .. |
| Borrowing costs | | .. | .. | .. |
| Other | | .. | .. | .. |
| Net cash provided by/(used in) operating activities | | .. | .. | .. |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of property, plant and equipment | | .. | .. | .. |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for property, plant and equipment and intangibles | | .. | .. | .. |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by/(used in) investing activities | | .. | .. | .. |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | | .. | .. | .. |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | .. |
| Equity withdrawals | | .. | .. | .. |
| Net cash provided by/(used in) financing activities | | .. | .. | .. |
| Net increase/(decrease) in cash held | | .. | .. | .. |
| Administered cash at beginning of financial year | | 871 | 1,397 | 1,397 |
| Cash transfers from restructure | | .. | .. | .. |
| Administered cash at end of financial year | | 871 | 1,397 | 1,397 |

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. Service revenue decrease is mainly due to reduced funding for delays in the Core enterprise bargaining arrangements, efficiency savings from the Camera Detected Offence Program, and rescheduling of the technology refresh and improvement program.
2. Grants and other contributions increase is mainly due to the recognition of an estimated one-off grant in 2012-13 from the Queensland Reconstruction Authority relating to Tropical Cyclone Oswald and Associated Rainfall and Flooding.
3. Employee expenses increase is mainly due to voluntary redundancy payments for Commissioned Officers and the Employees Requiring Placement program. This increase is partially offset by delays in the Core enterprise bargaining arrangements.
4. Supplies and services decrease is mainly due to a budget realignment to employee expenses to fund voluntary redundancy payments for Commissioned Officers, efficiency savings from the Camera Detected Offence Program, and rescheduling of the technology refresh and improvement program.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

5. Service revenue increase is mainly due to additional funding for police growth and the provision for enterprise bargaining arrangements.
6. Employee expenses increase is mainly due to additional funding for police growth and the provision for enterprise bargaining arrangements.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

7. Service revenue increase is mainly due to additional funding for police growth and the provision for enterprise bargaining arrangements, and rescheduling of the technology refresh and improvement program.
8. Grants and other contributions decrease is mainly due to the recognition of an estimated one-off grant in 2012-13 from the Queensland Reconstruction Authority relating to Tropical Cyclone Oswald and Associated Rainfall and Flooding, and the conclusion of the Queensland Early Intervention Pilot Program grant arrangement in 2012-13.
9. Employee expenses increase is mainly due to additional funding for police growth and the provision for enterprise bargaining arrangements.
10. Supplies and services increase is mainly due to rescheduling of the technology refresh and improvement program.

Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

11. Property, plant and equipment decrease is mainly due to lower than expected motor vehicle sales in 2012-13 resulting in a reduction in purchases of replacement motor vehicles, the return of funding to the Consolidated Fund for the speed camera system at the Legacy Way road corridor (funding to be provided in 2013-14), rescheduling of the technology refresh and improvement program and police housing at Doomadgee, a technical correction of depreciation, and forecast revaluation outcomes.
12. Intangibles increase is mainly due to a technical correction of amortisation.
13. Accrued employee benefits decrease is mainly due to reduced salary related payables such as annual leave and long service leave as a result of voluntary redundancies.
14. Capital/contributed equity decrease is due to the return of funding to the Consolidated Fund for the speed camera system at the Legacy Way road corridor (funding to be provided in 2013-14), and rescheduling of the technology refresh and improvement program and police housing at Doomadgee.
15. Asset revaluation reserve decrease is a result of forecast revaluation outcomes.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

16. Property, plant and equipment increase is mainly due to a technical correction of depreciation and forecast revaluation outcomes. This increase is partially offset by the reduction in the QPS capital program to reflect the Government's commitment to fiscal repair.
17. Intangibles increase is mainly due to a technical correction of amortisation.
18. Accrued employee benefits decrease is mainly due to reduced salary related payables such as annual leave and long service leave as a result of voluntary redundancies.

19. Capital/contributed equity decrease is mainly due to the reduction in the QPS capital program to reflect the Government's commitment to fiscal repair.
20. Asset revaluation reserve increase is a result of forecast revaluation outcomes.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

21. Property, plant and equipment increase is mainly due to rescheduling of the technology refresh and improvement program and police housing at Doomadgee, a technical correction of depreciation, and forecast revaluation outcomes. This increase is partially offset by the reduction in the QPS capital program to reflect the Government's commitment to fiscal repair.
22. Intangibles decrease is mainly due to a technical correction of amortisation.
23. Capital/contributed equity decrease is mainly due to a the reduction in the QPS capital program to reflect the Government's commitment to fiscal repair. This decrease has been partially offset by rescheduling of the technology refresh and improvement program and police housing at Doomadgee.
24. Asset revaluation reserve increase is a result of forecast revaluation outcomes.

Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

25. Service receipts decrease is mainly due to reduced funding for delays in the Core enterprise bargaining arrangements, efficiency savings from the Camera Detected Offence Program, and rescheduling of the technology refresh and improvement program.
26. Grants and other contributions increase is mainly due to the recognition of an estimated one-off grant in 2012-13 from the Queensland Reconstruction Authority relating to Tropical Cyclone Oswald and Associated Rainfall and Flooding.
27. Employee costs increase is mainly due to voluntary redundancy payments for Commissioned Officers and the Employees Requiring Placement program. This increase is partially offset by delays in the Core enterprise bargaining arrangements.
28. Supplies and services decrease is mainly due to a budget realignment to employee expenses to fund voluntary redundancy payments for Commissioned Officers, efficiency savings from the Camera Detected Offence Program, and rescheduling of the technology refresh and improvement program.
29. Sales of property, plant and equipment decrease is mainly due to lower than expected motor vehicle sales in 2012-13.
30. Payments for property, plant and equipment and intangibles decrease is mainly due to lower than expected motor vehicle sales in 2012-13 resulting in a reduction in purchases of replacement motor vehicles, the return of funding to the Consolidated Fund for the speed camera system at the Legacy Way road corridor (funding to be provided in 2013-14), and rescheduling of the technology refresh and improvement program and police housing at Doomadgee.
31. Equity injections decrease is mainly due to the return of funding to the Consolidated Fund for the speed camera system at the Legacy Way road corridor (funding to be provided in 2013-14), and rescheduling of the technology refresh and improvement program and police housing at Doomadgee.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

32. Service receipts increase is mainly due to additional funding for police growth and the provision for enterprise bargaining arrangements.
33. Employee costs increase is mainly due to additional funding for police growth and the provision for enterprise bargaining arrangements.
34. Payments for property, plant and equipment and intangibles decrease is mainly due to the reduction in the QPS capital program to reflect the Government's commitment to fiscal repair.
35. Equity injections decrease is mainly due to the reduction in the QPS capital program to reflect the Government's commitment to fiscal repair.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

36. Service receipts increase is mainly due to additional funding for police growth and the provision for enterprise bargaining arrangements, and rescheduling of the technology refresh and improvement program.
37. Grants and other contributions decrease is mainly due to the recognition of an estimated one-off grant in 2012-13 from the Queensland Reconstruction Authority relating to Tropical Cyclone Oswald and Associated Rainfall and Flooding, and the conclusion of the Queensland Early Intervention Pilot Program grant arrangement in 2012-13.

38. Employee costs increase is mainly due to additional funding for police growth and the provision for enterprise bargaining arrangements.
39. Supplies and services increase is mainly due to rescheduling of the technology refresh and improvement program.
40. Sales of property, plant and equipment increase is mainly due to lower than expected motor vehicle sales in 2012-13.
41. Payments for property, plant and equipment and intangibles increase is mainly due to the rescheduling of the technology refresh and improvement program and police housing at Doomadgee. This increase is partially offset by the reduction in the QPS capital program to reflect the Government's commitment to fiscal repair.
42. Equity injections decrease is mainly due to the reduction in the QPS capital program to reflect the Government's commitment to fiscal repair. This decrease has been partially offset by rescheduling of the technology refresh and improvement program and police housing at Doomadgee.

Administered income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

43. Taxes, fees and fines increase is mainly due to indexation applied to licenses and permits revenue.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

44. Taxes, fees and fines increase is mainly due to indexation applied to licenses and permits revenue.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

45. Taxes, fees and fines increase is mainly due to indexation applied to licenses and permits revenue.

STATUTORY BODY

PROSTITUTION LICENSING AUTHORITY

AGENCY OVERVIEW

Strategic direction

The Prostitution Licensing Authority (PLA) was established under the *Prostitution Act 1999* (the Prostitution Act) and commenced operation on 1 July 2000. The functions of the PLA are established by the Prostitution Act and include deciding brothel licence and approved manager's certificate applications and monitoring the provision of prostitution through licensed brothels. The PLA contributes to the Government's objectives for the community, particularly restoring accountability in government. The PLA contributes to these objectives by: ensuring an effective and efficient brothel licensing regime that operates in accordance with community expectations and statutory requirements; promoting the health and safety of sex workers and clients; limiting the impact of prostitution on the community; and preventing the infiltration of organised crime and corruption in licensed brothels. The PLA's probity, compliance and educative functions are important to achieving these objectives.

There was a slight contraction of the licensed brothel sector of the sex industry in 2012-13, reducing by one to bring the total number of licensed brothels in Queensland to 23. The number of brothels in the State peaked at 26 in 2009-10. The PLA is considering two new brothel licence applications for sites on which brothels were previously located. This means that the sector may experience some growth but the survival of all currently operating brothels cannot be assumed. For the foreseeable future, the PLA expects the sector to continue to hover around the mid-twenties mark. A range of factors are responsible for the size of the sector including the prevailing economic conditions, the business acumen of licensees, competition with illegal operators, and the regulatory regime. Over fifty percent of the PLA's funding is generated from own-source revenue, in the form of brothel licence and approved manager's certificate fees. Given this, the size of the licensed brothel sector directly impacts on the PLA's revenues.

RESOURCES AND PERFORMANCE

On 29 June 2011, the Crime and Misconduct Commission (CMC) tabled its report, *Regulating Prostitution: A follow-up review of the Prostitution Act*. The CMC acknowledged the successful record of the PLA in regulating the licensed sector of Queensland's sex industry. The CMC found that the PLA is achieving the underlying principles of the Prostitution Act, and presides over a sector that provides a safe and healthy environment for sex workers and clients, which has a minimal impact on the community, and is free of corruption and organised crime. The PLA has continued to build on its successful record of regulation in 2012-13. During the year, there were no complaints about police or official corruption at licensed brothels. There was no evidence of police or official corruption, or the involvement of organised crime, or of people trafficking for the purpose of sexual exploitation at any licensed brothel. Significantly, there has not been a single complaint about the impact on community amenity of any licensed brothel during the almost 13-year history of the PLA.

Throughout the year, the PLA engaged with the Minister for Police and Community Safety, as well as the CMC, on proposed refinements to the regulation of the state's sex industry, designed to combat the illegal sector. This engagement will continue during 2013-14.

STATEMENTS

Staffing

| Prostitution Licensing Authority | Notes | 2012-13 Budget | 2012-13 Est. Actual | 2013-14 Estimate |
|----------------------------------|-------|-------------------|------------------------|---------------------|
| | 1 | 10 | 9 | 10 |

Note:

1. Full-time equivalents (FTEs) as at 30 June. Variance is due to capacity planning in the staffing of brothel audit and inspection functions of the PLA.

Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services have been discontinued. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at www.budget.qld.gov.au.

| Prostitution Licensing Authority | Notes | 2012-13 Target/Est. | 2012-13 Est. Actual | 2013-14 Target/Est. |
|--|-------|------------------------|------------------------|------------------------|
| Service standards | | | | |
| Percentage of complaints resolved | 1 | 95% | 95% | 95% |
| Percentage of licensed brothels implementing best practice standards | | 100% | 100% | 100% |
| Satisfaction of applicants with PLA client service | | 95% | 95% | 95% |

Note:

1. This standard refers to the proportion of complaints received in the reporting year that are resolved within the reporting year.

INCOME STATEMENT

| Prostitution Licensing Authority | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|---|-------|-----------------------------|--------------------------------|-------------------------------|
| Income | | | | |
| User charges | | .. | .. | .. |
| Grants and other contributions | | 701 | 703 | 708 |
| Other revenue | 3,6 | 765 | 763 | 794 |
| Gains on sale/revaluation of property, plant and equipment and investments | | .. | .. | .. |
| Total income | | 1,466 | 1,466 | 1,502 |
| Expenses | | | | |
| Employee expenses | 4,7 | 932 | 925 | 974 |
| Supplies and services | 1,8 | 498 | 439 | 500 |
| Grants and subsidies | | .. | .. | .. |
| Depreciation and amortisation | | 2 | 3 | 2 |
| Finance/borrowing costs | | .. | .. | .. |
| Other expenses | | 17 | 17 | 17 |
| Losses on sale/revaluation of property, plant and equipment and investments | 2,5 | 17 | 9 | 9 |
| Total expenses | | 1,466 | 1,393 | 1,502 |
| OPERATING SURPLUS/(DEFICIT) | | .. | 73 | .. |

STATEMENT OF CHANGES IN EQUITY

| Prostitution Licensing Authority | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|-------|-----------------------------|--------------------------------|-------------------------------|
| Net effect of the changes in accounting policies and prior year adjustments | | .. | .. | .. |
| Increase/(decrease) in asset revaluation reserve | | .. | .. | .. |
| Net amount of all revenue and expense adjustments direct to equity not disclosed above | | .. | .. | .. |
| Net income recognised directly in equity | | .. | .. | .. |
| Surplus/(deficit) for the period | | .. | 73 | .. |
| Total recognised income and expense for the period | | .. | 73 | .. |
| Equity injection/(withdrawal) | | .. | .. | .. |
| Equity adjustments (MoG transfers) | | .. | .. | .. |
| Total movement in equity for period | | .. | 73 | .. |

BALANCE SHEET

| Prostitution Licensing Authority | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|---------|-----------------------------|--------------------------------|-------------------------------|
| CURRENT ASSETS | | | | |
| Cash assets | 9,11,14 | 742 | 819 | 695 |
| Receivables | | 10 | 10 | 10 |
| Other financial assets | | .. | .. | .. |
| Inventories | | .. | .. | .. |
| Other | 12 | 7 | 7 | 14 |
| Non-financial assets held for sale | | .. | .. | .. |
| Total current assets | | 759 | 836 | 719 |
| NON-CURRENT ASSETS | | | | |
| Receivables | | .. | .. | .. |
| Other financial assets | | .. | .. | .. |
| Property, plant and equipment | 10 | 92 | 86 | 85 |
| Intangibles | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current assets | | 92 | 86 | 85 |
| TOTAL ASSETS | | 851 | 922 | 804 |
| CURRENT LIABILITIES | | | | |
| Payables | | 43 | 43 | 43 |
| Accrued employee benefits | | 61 | 59 | 61 |
| Interest-bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | 13,15 | 185 | 185 | 74 |
| Total current liabilities | | 289 | 287 | 178 |
| NON-CURRENT LIABILITIES | | | | |
| Payables | | .. | .. | .. |
| Accrued employee benefits | 16 | 89 | 89 | 80 |
| Interest-bearing liabilities and derivatives | | .. | .. | .. |
| Provisions | | .. | .. | .. |
| Other | | .. | .. | .. |
| Total non-current liabilities | | 89 | 89 | 80 |
| TOTAL LIABILITIES | | 378 | 376 | 258 |
| NET ASSETS/(LIABILITIES) | | 473 | 546 | 546 |
| EQUITY | | | | |
| Capital/contributed equity | | .. | .. | .. |
| Accumulated surplus/(accumulated deficit) | | 473 | 546 | 546 |
| Reserves: | | | | |
| - Asset revaluation surplus | | .. | .. | .. |
| - Other (specify) | | .. | .. | .. |
| TOTAL EQUITY | | 473 | 546 | 546 |

CASH FLOW STATEMENT

| Prostitution Licensing Authority | Notes | 2012-13 Budget \$'000 | 2012-13 Est. Act. \$'000 | 2013-14 Estimate \$'000 |
|--|----------|-----------------------------|--------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Inflows: | | | | |
| User charges | | .. | .. | .. |
| Grants and other contributions | | 701 | 703 | 708 |
| Other | 19,23 | 757 | 755 | 723 |
| Outflows: | | | | |
| Employee costs | 20,24 | (922) | (918) | (981) |
| Supplies and services | 17,21,25 | (486) | (426) | (507) |
| Grants and subsidies | | .. | .. | .. |
| Borrowing costs | | .. | .. | .. |
| Other | 22 | (130) | (130) | (57) |
| Net cash provided by/(used in) operating activities | | (80) | (16) | (114) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Inflows: | | | | |
| Sales of property, plant and equipment | | 66 | 105 | 66 |
| Investments redeemed | | .. | .. | .. |
| Loans and advances redeemed | | .. | .. | .. |
| Outflows: | | | | |
| Payments for property, plant and equipment and intangibles | | (91) | (117) | (76) |
| Payments for investments | | .. | .. | .. |
| Loans and advances made | | .. | .. | .. |
| Net cash provided by/(used in) investing activities | 18 | (25) | (12) | (10) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Inflows: | | | | |
| Borrowings | | .. | .. | .. |
| Equity injections | | .. | .. | .. |
| Outflows: | | | | |
| Borrowing redemptions | | .. | .. | .. |
| Finance lease payments | | .. | .. | .. |
| Equity withdrawals | | .. | .. | .. |
| Net cash provided by/(used in) financing activities | | .. | .. | .. |
| Net increase/(decrease) in cash held | | (105) | (28) | (124) |
| Cash at the beginning of financial year | | 847 | 847 | 819 |
| Cash transfers from restructure | | .. | .. | .. |
| Cash at the end of financial year | | 742 | 819 | 695 |

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. The decrease is due to settlement of court awarded costs being less than expected and savings made in the PLA's printing program.
2. The decrease is due to the timing of implementation of the asset replacement program and the higher resale value of the assets.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

3. The increase is due to the timing of the lodgement of brothel applications.
4. This increase is due to provision for Enterprise Bargaining salary increases and capacity planning in the staffing of brothel audit and inspection functions of the PLA.
5. The decrease is due to the timing of implementation of the asset replacement program and the higher resale value of the assets.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

6. The increase is due to the timing of the lodgement of brothel applications.
7. This increase is due to provision for Enterprise Bargaining salary increases and capacity planning in the staffing of brothel audit and inspection functions of the PLA.
8. The increase is due to savings in the finalisation of court awarded costs and the yearly operating expense regime that includes legal fees, printing expenditure and probity searches.

Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

9. The increase is due to the timing of payments of liabilities and the lodgement of brothel applications.
10. The decrease is due to the decline in asset values.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

11. The decrease is due to the timing of payments of liabilities and the lodgement of brothel applications.
12. The increase is due to an increase in prepaid supply and services in 2013-14.
13. The decrease is due to the timing of lodgement of brothel license applications.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

14. The decrease is due to the timing of payments of liabilities and the lodgement of brothel applications.
15. The decrease is due to the timing of lodgement of brothel license applications.
16. The decrease is due to staff expected to utilise their accrued employee benefits.

Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

17. The decrease is due to savings in legal costs and printing expenses.
18. The decrease is due to the timing of implementation of the asset replacement program.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

19. The decrease is due to the timing of lodgement of brothel applications.
20. The increase is due to provision for Enterprise Bargaining salary increases and capacity planning in the staffing of brothel audit and inspection functions of the PLA.
21. The increase is due to yearly expected increases in the cost of operating expense including legal fees, printing expenditure and probity searches.
22. The decrease is due to the payments of liabilities and the settlement of court awarded costs.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

23. The decrease is due to the timing of lodgement of brothel applications.
24. The increase is due to due to provision for Enterprise Bargaining salary increase and capacity planning in the staffing of brothel audit and inspection functions of the PLA.
25. The increase is due to yearly operating expense regime that includes legal fees, printing expenditure and probity searches.

GLOSSARY OF TERMS

Accrual Accounting — Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.

Administered Items — Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.

Agency/Entity — Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.

Appropriation — Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for:

- delivery of agreed services
- administered items
- adjustment of the Government’s equity in agencies, including acquiring of capital.

Balance Sheet — A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.

Capital — A term used to refer to an entity’s stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.

Cash Flow Statement — A financial statement reporting the cash inflows and outflows for an entity’s operating, investing and financing activities in a particular period.

Controlled Items — Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.

Depreciation — The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.

Equity — Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity’s accumulated surpluses/losses, capital injections and any reserves.

| | |
|-----------------------------|--|
| Equity Injection | — An increase in the investment of the Government in a public sector agency. |
| Financial Statements | — Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities. |
| Income Statement | — A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation. |
| Outcomes | — Whole-of-government outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context. |
| Own-Source Revenue | — Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding. |
| Priorities | — Key policy areas that will be the focus of Government activity. |
| Services | — The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives. |

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at www.budget.qld.gov.au.

