



State Budget 2012-13

Service Delivery Statements

Queensland Police Service



2012–13 State Budget Papers

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- 3. Capital Statement**
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Appropriation Bills

The suite of Budget Papers is similar to that published in 2011-12.

In April 2012, machinery-of-Government changes saw the creation of 20 departments with each department reporting directly to one Minister.

These new arrangements have required minor changes to how information is presented in some Budget Papers. The 2012-13 Budget Papers provide continuity of information between the previous departmental structure and the new arrangements.

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Service Delivery Statements

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Queensland Police Service

Summary of portfolio budgets

Page	Agency	2011-12 Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
3	Queensland Police Service – controlled	1,888,501	1,912,660	1,979,059
	Queensland Police Service – administered	701	701	701
28	Prostitution Licensing Authority	1,470	1,359	1,466

Note:

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

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PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The Minister for Police and Community Safety is responsible for the Queensland Police Service (QPS) and the Prostitution Licensing Authority (PLA).

Queensland Police Service:

The QPS is the primary law enforcement agency for the State of Queensland. More information in relation to the QPS and its activities can be found at www.police.qld.gov.au. The QPS benefits Queenslanders by providing the following services:

- *Professional standards and ethical practice:* activities to promote ethical behaviour, discipline and professional practice to ensure the community and visitors to the community have confidence in, and respect for, the QPS
- *Personal safety:* activities to protect personal safety and prevent and detect related offences including homicide, assault, sexual assault, robbery and total personal safety
- *Property security:* activities to protect property and prevent and detect related offences including unlawful entry, other property damage, motor vehicle theft, other theft (excluding unlawful entry) and total property security
- *Traffic policing:* 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
- *Public order and safety:* activities directed at maintaining public order and safety during major events and natural disasters—from planning to recovery. Public order issues include those related to public space enjoyment, street and nuisance offences, liquor licensing issues; and environmental design to reduce crime including alcohol fuelled violence
- *Service delivery support:* activities to support the provision of core policing functions.

Prostitution Licensing Authority:

The functions of the PLA are established by the *Prostitution Act 1999* 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 to restore 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. Further information about the PLA and its work can be found at: www.pla.qld.gov.au.

Portfolio Structure and Services

Minister for Police and Community Safety The Honourable Jack Dempsey MP

Queensland Police Service Commissioner: Robert Atkinson

Service Area 1: Professional standards and ethical practice
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Service Area 2: Personal safety
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Service Area 3: Property security
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Service Area 4: Traffic policing

Service Area 5: Public order and safety
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Service Area 6: Service delivery support

Prostitution Licensing Authority Chairman: Manus Boyce
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Objective: To ensure that licensed brothels and prostitution advertising are regulated in accordance with legislative requirements and in the community interest.
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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, upholding the law and providing assistance to the community when necessary and in times of emergency, disaster and crisis.

The QPS objectives are to enhance community safety and security and increase the community's confidence and satisfaction with police.

The QPS seeks to achieve its objectives through a range of strategies that support the Government's objective for the community to revitalise frontline services for families including:

- prevent, respond to, investigate and solve crimes
- strengthen Queensland's capacity to manage disasters, major events and other incidents, using an 'all hazards' approach
- develop partnerships to address public order and safety issues
- conduct intelligence-led traffic enforcement and road safety initiatives
- promote community understanding of police actions and activity
- enhance professionalism through excellence in training and strong performance management.

The following are the key challenges and strategic risks that may impact on the QPS during 2012-2013:

- Demand for policing services is growing, particularly in Queensland's south-east, and around major resource and infrastructure projects. However, the supply of policing resources is limited. Increasing productivity can help balance demand and supply.
- While Queensland crime rates have trended downwards over the last decade, vulnerable people remain over-represented as victims, offenders, and repeat offenders.
- Maintaining and enhancing professionalism and client service requires a continued focus on QPS culture, performance, policy and procedures.
- Queensland is attracting and supporting a growing number of major events.
- There are rising community expectations and technological capabilities, for online service delivery, information sharing, engagement and consultation.
- There has been an increase in risky drinking by young people, which may be contributing to public nuisance offences and assaults.
- Major and organised crime particularly in relation to drugs, remains a significant challenge for Queensland police.
- Some categories of road users are increasingly involved in fatal traffic crashes, despite recent falls in Queensland's overall rate of traffic fatalities.

The 2012-13 Budget of \$1.979 billion provides funding to revitalise core frontline policing services and tackle crime under the Government's *Safer Streets Crime Action Plan*. The key highlights include:

- *More frontline police on our streets* through:
 - \$34.7 million to deliver 300 extra police as part of a total funding commitment of \$358.3 million over four years to provide 1,100 new police. This is in addition to 200 existing police officers being redeployed to the frontline over the next four years
 - provide additional crime fighting resources in Cairns, Townsville and on the Gold Coast to focus on juvenile crime and alcohol management
 - \$1.1 million to establish the Major and Organised Crime Squad on the Gold Coast, incorporating an Illegal Firearms Team. This initiative is funded as part of the commitment to deliver an additional 1,100 frontline police over the next four years.
- *Delivering safe communities* through:
 - \$3 million as part of an \$18 million commitment over four years to deliver police helicopter services for the Gold Coast and South East Queensland
 - \$2.5 million, as part of a three year \$12.7 million program to replace three Water Police patrol catamarans based at Cairns, Townsville and Whitsunday. These vessels provide an effective platform for long range patrols and search operations with the added flexibility provided by high speed tender vessels which can be launched and retrieved from the parent vessel while it is underway
 - \$1 million (\$4 million over four years) to revitalise frontline community crime prevention services through Neighbourhood Watch and Crime Stoppers
 - \$0.025 million (\$0.1 million over four years) to strengthen the School Based Policing and Adopt-A-School programs
 - \$30 million in additional funding to support the continued deployment of mobile and fixed speed and red light cameras throughout Queensland aimed at reducing road trauma
 - funding community policing services in the Torres Strait
 - amending the *Weapons Act 1990* to introduce tougher sentences for the possession and trafficking of illegal firearms
 - drafting tough new anti-hooning laws and continuing to support a hotline for local residents to report hoons
 - implementing new legislation to tackle criminals who refuse to stop and try to evade police, including a new minimum \$5,000 fine and automatic two-year loss of licence.
- \$27.1 million in capital funding for a range of information and communication technology (ICT) initiatives including:
 - \$3.6 million to complete the rollout of the Queensland Computer Aided Dispatch (QCAD) system
 - \$10.8 million as part of an ongoing technology refresh and improvement program underpinning frontline policing services by maintaining critical ICT infrastructure.
- \$38 million for new and replacement QPS vehicles
- \$37.8 million for capital works across the State including:
 - \$27.1 million to complete internal infrastructure at the new Queensland Police Academy site at Wacol which will underpin future construction
 - \$6.6 million to refurbish and upgrade existing police facilities
 - \$2 million for closed circuit cameras in police watchhouses as part of an ongoing program
 - \$0.8 million, as part of \$1 million upgrade of Broadbeach Police Station.
- \$1.5 million for the trial of Drink Safe Precincts in Townsville, Surfers Paradise and Fortitude Valley.

The Government has identified an opportunity to gain efficiencies in the delivery of services by ceasing or reducing funding for some projects and services to contribute to the fiscal repair. The Government has also identified an opportunity to redesign the organisational arrangements of the department to prioritise and focus on direct service delivery and improve value for money.

QPS achievements under the Government's *First 100 Days Action Plan* include:

- Extending the existing police helicopter service for the Gold Coast for two years as part of the plan to roll out two permanent police helicopters for the Gold Coast and South East Queensland.
- Introducing legislation for tougher sentences for evading police, repeat child sex offenders, murder and serious assault on police officers in Queensland.
- Working to deliver on the police recruiting surge and the transition of around 50 police from behind office desks, in conjunction with the Queensland Police Union of Employees.

In addition in 2011-12:

- Funding of \$51.1 million was provided for a range of information and communication technology initiatives. This included further development of QCAD, the QPS Computer Aided Dispatch. QCAD was successfully implemented in Maroochydore, Beenleigh and the Brisbane Communications Centre.
- \$77.5 million in funding was provided for new and upgraded operational equipment including vehicles, traffic cameras and marine vessels.
- \$21.7 million was provided for the continued operation of mobile and fixed speed camera operations throughout Queensland aimed at reducing road trauma.
- Funding of \$3.1 million continued the second year of the Drink Safe Precinct trial project in Townsville, Surfers Paradise and Fortitude Valley.
- QPS Taskforce Argos continued to be internationally recognised for its success in combating organised paedophilia, institutionalised abuse, child exploitation and computer facilitated child exploitation. During 2011-12, detectives from the Child Safety and Sexual Crimes Group prosecuted 185 offenders on 918 charges and seized over 199,204 child exploitation images and 479 hours of child exploitation video.

Departmental Budget Summary

The table below shows the total resources available in 2012-13 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Queensland Police Service	2011-12 Budget \$'000	2011-12 Est Actual \$'000	2012-13 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services			
Deferred from previous year/s	30,602	35,902	29,479
Balance of service appropriation	1,777,007	1,789,239	1,872,873
Other revenue	80,892	87,519	76,707
Total income	1,888,501	1,912,660	1,979,059
Expenses			
Professional standards and ethical practice	290,413	278,171	285,562
Personal safety	423,419	459,678	476,295
Property security	398,179	410,878	425,731
Traffic policing	362,314	367,978	381,202
Public order and safety	414,176	395,955	410,269
Total expenses	1,888,501	1,912,660	1,979,059
Operating surplus/deficit	..	..	..
Net assets	2,130,405	1,873,950	1,934,908
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation of administered items	701	702	701
Other administered revenue	8,690	8,468	8,695
Total revenue	9,391	9,170	9,396
Expenses			
Transfers to government	8,690	8469	8,695
Administered expenses	701	701	701
Total expenses	9,391	9,170	9,396
Net assets	..	..	..
APPROPRIATIONS			
Controlled Items			
Departmental services	1,807,609	1,816,411	1,918,782
Equity adjustment	122,763	25,141	4,029
Administered items	701	(1,337)	701
VOTE TOTAL¹	1,931,073	1,840,215	1,923,512

Note:

- As represented in the 2012-13 Appropriation Bills.

Budget Measures Summary

The table shows a summary of Budget measures relating to the Department since the 2011-12 Budget. Further details are contained in Budget Paper No. 4.

Queensland Police Service	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Revenue measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Total revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	25,564	25,281	25,690	25,690	25,690
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	20,189	(31,849)	(11,202)	2,569
Total expense measures					
Administered	..	..	..	..	..
Departmental	25,564	45,470	(6,159)	14,488	28,259
Capital measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	(164,900)	(176,500)	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	(1,300)	(28,032)	(79,079)	(77,730)	(42,509)
Total capital measures					
Administered	..	..	..	..	..
Departmental	(1,300)	(192,932)	(255,579)	(77,730)	(42,509)

Staffing¹

	Notes	2011-12 Budget	2011-12 Est. Actual	2012-13 Estimate
TOTAL		15,015	14,690	14,978

Notes:

1. Full-time equivalents (FTEs) as at 30 June.

SERVICE PERFORMANCE

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

- Enhance community safety and security
- Increase community confidence and satisfaction with police.

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

These objectives and strategies are progressed through the QPS service areas:

Professional standards and ethical practice

This service area promotes ethical behaviour, discipline and professional practice to ensure the community and visitors to the community have confidence in, and respect for, the QPS.

Personal safety

Activities to protect personal safety and prevent and detect related offences including homicide, assault, sexual assault, robbery and total personal safety.

Property security

Activities to protect property and prevent and detect related offences including unlawful entry, other property damage, motor vehicle theft, other theft (excluding unlawful entry) and total property security.

Traffic policing

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.

Public order and safety

Activities directed at maintaining public order and safety during major events and natural disasters—from planning to recovery. Public order issues include those related to public space enjoyment, street and nuisance offences, liquor licensing issues; and environmental design to reduce crime including alcohol fuelled violence.

Service delivery support

Activities to support the provision of core policing functions.

2012-13 Service Summary

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Professional standards and ethical practice	285,562	278,876	5,127	19	1,540
Personal safety	476,295	456,421	16,268	27	3,579
Property security	425,731	407,968	14,539	25	3,199
Traffic policing	381,202	365,938	12,591	23	2,650
Public order and safety	410,269	393,149	14,014	26	3,080
Total	1,979,059	1,902,352	62,539	120	14,048

Notes:

1. Explanations of variances are provided in the financial statements.
2. User Charges, Australian Government Revenue and Other Revenue in the above table equates to Other Revenue in the Performance Statement and the Departmental Budget Summary.

Performance Statement

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Area: Professional Standards and Ethical Practice				
Service standards				
Rate of complaints against police per 100 sworn (operational) staff	1	<20.3	20.6	≤20.6
Public perception of police professionalism and image:	2,3			
• Police perform their job professionally		≥85%	86.1%	≥85%
• Police treat people fairly and equally		≥75%	76.8%	≥75%
• Police are honest		≥75%	74.9%	≥75%
• I do have confidence in the police		≥85%	86.3%	≥85%
Satisfaction of members of the public who had contact with police in the last twelve months	2,3	≥85%	85.1%	≥85%
State contribution (\$000)		281,333	270,511	278,876
Other revenue (\$000)		9,080	7,660	6,686
Total cost (\$000)		290,413	278,171	285,562
Service Area: Personal Safety				
Service standards				
Rate (per 100,000 population) of personal safety offences reported:	4,5			
• Homicide		2-4	2	2-4
• Assault		420-460	450	420-480
• Sexual assault		110-160	106	100-150
• Robbery		30-50	37	30-50
• Total personal safety		720-820	677	660-770
Client satisfaction with the police response to personal safety offences	6	≥70%	69.3%	≥70%
Other measures				
Number of personal safety offences reported:	4,5			
• Homicide		110-170	100	100-170
• Assault		19,000-22,000	20,936	19,000-22,000
• Sexual assault		5,000-6,500	4,924	4,900-6,400
• Robbery		1,700-2,000	1,740	1,700-2,000
• Total personal safety		30,000-34,000	31,532	30,000-34,000

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Number of personal safety offences cleared:	4,5,7			
• Homicide	8	>116	105	>105
• Assault		>16,935	18,419	>18,419
• Sexual assault	8	>4,784	4,561	>4,561
• Robbery		>1,055	1,171	>1,171
• Total personal safety		>25,459	27,155	>27,155
State contribution (\$000)		404,044	436,986	456,421
Other revenue (\$000)		19,375	22,692	19,874
Total cost (\$000)		423,419	459,678	476,295

Service Area: Property Security

Service standards

Rate (per 100,000 population) of property security offences reported:

	5,9			
• Unlawful entry		900-1,150	975	900-1,150
• Other property damage		900-1,100	932	900-1,100
• Motor vehicle theft	12	200-240	249	200-270
• Other theft (excluding unlawful entry)	10	1,950-2,250	2,324	2,200-2,500
• Total property security		4,600-5,600	4,948	4,400-5,400

Client satisfaction with the police response to property security offences

11	≥75%	74.9%	≥75%
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Other measures

Number of property security offences reported:

	5,9			
• Unlawful entry		40,000-50,000	45,381	40,000-50,000
• Other property damage		40,000-50,000	43,384	40,000-50,000
• Motor vehicle theft	12	8,000-11,000	11,581	9,000-12,000
• Other theft (excluding unlawful entry)	10	90,000-100,000	108,208	100,000-110,000
• Total property security		190,000-230,000	230,351	200,000-240,000

Number of property security offences cleared:

	5,7,9			
• Unlawful entry		>9,139	10,843	>10,843
• Other property damage		>13,276	15,293	>15,293
• Motor vehicle theft		>3,359	4,469	>4,469
• Other theft (excluding unlawful entry)		>28,397	32,473	>32,473
• Total property security		>73,173	79,795	>79,795

State contribution (\$000)		379,961	390,595	407,968
Other revenue (\$000)		18,218	20,283	17,763
Total cost (\$000)		398,179	410,878	425,731

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Area: Traffic Policing				
Service standards				
Rate (per 100,000 population) of road crash fatalities	13	≤6.25	6.18	5.90
Rate (per 100,000 population) of persons hospitalised following a crash	14	150	137.89	130
Other measures				
Number of vehicles monitored per offence by:				
• Speed cameras	15	80-120:1 1,900-	254:1	200-300:1 3,500-
• Red light cameras	16	3,000:1	5,133:1	5,500:1
State contribution (\$000)		346,587	350,641	365,938
Other revenue (\$000)		15,727	17,337	15,264
Total cost (\$000)		362,314	367,978	381,202
Service Area: Public Order and Safety				
Service standards				
Rate (per 100,000 population) of good order offences detected	5,17	1,000-1,200	1,132	1,000-1,200
Public satisfaction with police dealing with public order problems	2,3	≥65%	69.2%	≥65%
Public satisfaction with police dealing with disasters and major events	18	≥85%	89.2%	≥85%
State contribution (\$000)		395,227	376,408	393,149
Other revenue (\$000)		18,949	19,547	17,120
Total cost (\$000)		414,176	395,955	410,269
Service Area: Service Delivery Support				
Service standards				
Cost of policing services per person	19	≤395	410	≤415
Other measures				
Operational staff (sworn and unsworn) per 100,000 population	20	≥262	292	≥266

Notes:

- The 2012-13 Target/estimate is to be less than the 2011-12 Estimated actual figure. Due to the timing of the 2012-13 Budget, the 2011-12 Estimated actual figure is the actual figure for 2011-12 as at 30 June 2012. Complaint data registered during 1 July 2011 to 30 June 2012 was extracted from *Client Service System* on 25 July 2012.

2. 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 in the annual *Australian Report on Government Services*. The use of such benchmarks is considered good practice in performance management.
3. Due to the timing of the 2012-13 Budget, the 2011-12 Estimated actual figure is the actual figure for 2011-12 as at 30 June 2012. The 2011-12 Estimated actual is derived from the *National Survey of Community Satisfaction with Policing*.
4. 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.
5. The 2011-12 Estimated actual is based on an extrapolation of July 2011-March 2012 statistics. As such, these figures may vary from statistics calculated using actual financial year data published in the *QPS Annual Report* and *QPS Annual Statistical Review*.
6. Derived from the *Queensland Police Service Crime Victims Survey 2011*. Personal safety offences include the categories of sexual offence, robbery, assault and personal offence.
7. The number of offences cleared relates to the total number of offences cleared in the period regardless of when they were reported. The 2012-13 Target/estimate is to be greater than the 2011-12 Estimated actual.
8. The number of homicides and sexual assaults reported in 2011-12 for the period of July 2011 to March 2012 was less than anticipated. Consequently this is reflected in fewer offences cleared as less crime meant there were fewer offences available to be cleared.
9. The offence categories reported separately are classified as high volume property security offences. The total property security offences figures also include the offence categories of arson, fraud and handling stolen goods.
10. A large number of other theft offences (excluding unlawful entry) are motorists driving off from petrol stations without paying for the petrol. This may be a result of high petrol prices.
11. Derived from the *Queensland Police Service Crime Victims Survey 2011*. Property security offences include the categories of unlawful entry, vehicle theft, wilful damage and stealing.
12. The number of registered vehicles in Queensland also increased during the 2011-12 reporting period.
13. Road crash casualty data was sourced from the Department of Transport and Main Roads on 30 July 2012, and should be viewed as preliminary and subject to change. The 2012-13 Target/estimate, developed in consultation with the Department of Transport and Main Roads, included consideration of recent trends, economic indicators and the potential effects of road safety initiatives. The 2011-12 actual year data will be reported in the *QPS Annual Report 2011-12*.
14. The target for hospitalised casualties was previously not able to be reported due to a lag in crash data processing. It is now available with a 3 month data lag. Hospitalised casualty data was sourced by the Department of Transport and Main Roads on 23 July 2012 and should be viewed as preliminary and subject to change.
15. The 2011-12 Target/estimate was calculated only on overt (marked) and covert mobile speed camera data. During the 2011-12 reporting period, a number of other speed camera types have commenced operations. The 2011-12 Estimated actual and 2012-13 Target/estimate figures include data for overt and covert mobile speed cameras, analogue and digital fixed speed cameras, digital combined speed/red light cameras and the digital average speed camera system. Vehicles monitored per offence data was extracted on 30 July 2012 and is preliminary data only. The 2011-12 actual year data will be reported in the *QPS Annual Report 2011-12*.
16. As road users become more familiar with the location of speed and red-light detection cameras, rates of detection can decrease. Vehicles monitored per offence data was extracted on 30 July 2012 and is preliminary data only. The 2011-12 actual year data will be reported in the *QPS Annual Report 2011-12*.
17. Good order offences include offences relating to public nuisance, obstructing police and other offences against good order.
18. The QPS sets its performance targets based on a suite of factors including previous QPS performance.
19. The 2012-13 Target/estimate has been projected by increasing the 2010-11 national average by 3.6% in 2011-12 and 1.3% in 2012-13 in line with the Consumer Price Index (CPI). The 2010-11 national average was obtained from the 2012 *Report on Government Services*.
20. The 2012-13 Target/estimate is based on the national average for 2010-11 published in the 2012 *Report on Government Services*.

Administered Items

Administered funding includes revenue for fees, fines and forfeitures collected on behalf of the Government.

The Queensland Police Service administers the Prostitution Licensing Authority on behalf of the State. In 2011-12, the allocation of \$0.7 million allowed for the continuing operating and legal costs of the Authority.

In 2011-12, the following Administered programs were finalised:

- The Gun Buyback Compensation Scheme commenced in 1996-97. Costs were met by the Australian Government for weapons prohibited and returned in Queensland. Administrative arrangements for this scheme have been finalised.
- The Handgun Buyback Compensation Program commenced in 2003-04. Costs were met by both the Australian Government and the State for the handguns prohibited and returned in Queensland.

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

CAPITAL

Capital program

Queensland Police Service capital purchases for 2012-13 total \$118.7 million. This investment will fund infrastructure activities including capital works, information technology and other essential equipment to assist the QPS in revitalising frontline services and delivering safe communities.

Program highlights in 2012-13 include:

- \$37.8 million is provided for capital works projects across the State including:
 - \$27.1 million to complete internal infrastructure at the new Queensland Police Academy site at Wacol which will underpin future construction;
 - \$6.6 million as part of the ongoing minor capital works program to refurbish and upgrade existing police facilities;
 - \$2 million for the provision of closed circuit cameras in police watchhouses as part of an ongoing program;
 - \$1.3 million to continue the Police Housing program, which includes the provision of police accommodation in rural and remote areas; and
 - \$0.8 million to commence a \$1 million upgrade of Broadbeach police station.
- \$27.1 million for a range of information and communication technology initiatives, including:
 - \$10.8 million as part of an ongoing technology refresh and improvement program that underpins frontline policing services across Queensland by maintaining critical ICT infrastructure;
 - \$3.7 million for the \$22 million digital Integrated Traffic Camera System project;
 - \$3.6 million to complete the rollout of the \$13.9 million QPS Computer Aided Dispatch system (QCAD). QCAD will improve public and officer safety by enabling more efficient responses to calls for service and management of frontline resources. QCAD will be implemented in Cairns, Townsville, Rockhampton and Toowoomba in 2012-13; and
 - \$2 million for the completion of stage 2 of the new \$11.2 million Weapons Licensing Management System, including an online applications capability.
- \$53.8 million is provided for the purchase of new and upgraded operational equipment including vehicles, traffic cameras and marine vessels.

Capital budget statement

Queensland Police Service	Notes	2011-12 Budget \$'000	2011-12 Est. actual \$'000	2012-13 Estimate \$'000
Capital Purchases¹				
Total land, buildings and infrastructure		98,734	65,426	37,780
Total plant and equipment		105,301	52,451	71,130
Total other capital		23,271	15,275	9,800
Total Capital Purchases		227,306	133,152	118,710

Note:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.

BUDGETED FINANCIAL STATEMENTS

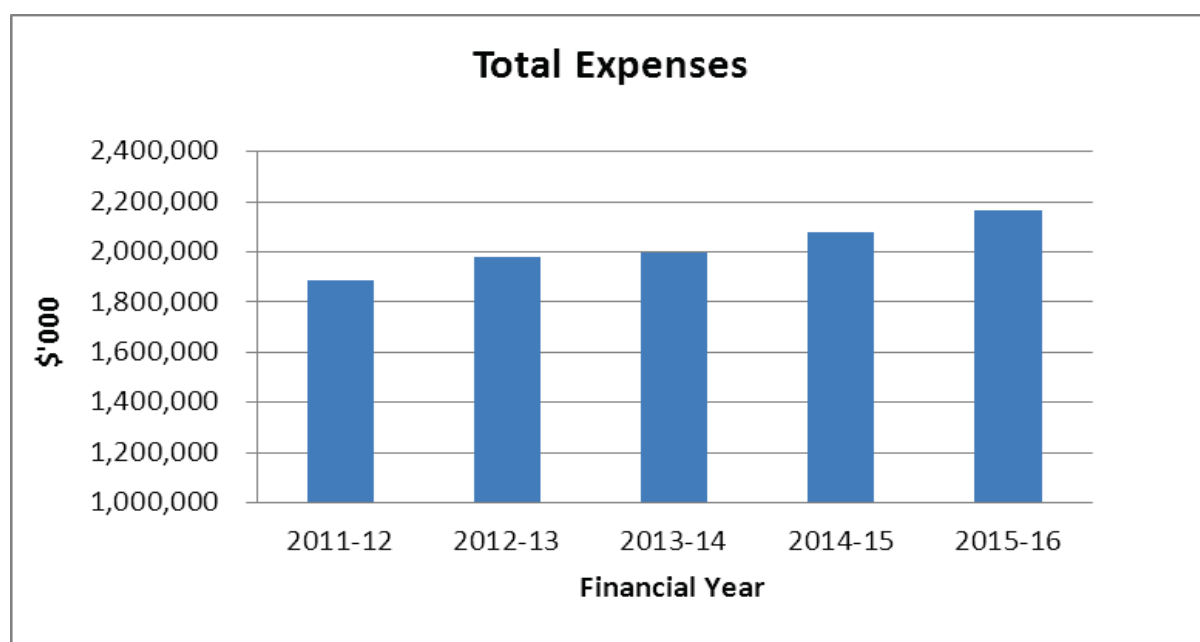
Analysis of budgeted financial statements

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 \$1.979 billion in 2012-13, an increase of \$90.6 million from the 2011-12 budget. The annual increase is mainly due to 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 (\$1.910 billion) and intangibles (\$50 million). The Department's main liabilities relate to payables (\$60.8 million) and accrued employee benefits (\$67.6 million).

INCOME STATEMENT

Queensland Police Service	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
Service revenue	1,7,14	1,807,609	1,825,141	1,902,352
User charges	2,8	53,363	60,424	62,539
Grants and other contributions	9,15	22,262	20,822	8,901
Other revenue		3,267	4,273	3,267
Gains on sale/revaluation of property, plant and equipment and investments		2,000	2,000	2,000
Total income		1,888,501	1,912,660	1,979,059
Expenses				
Employee expenses	3,10,16	1,446,501	1,497,007	1,548,511
Supplies and services	4,11,17	338,299	312,433	322,901
Grants and subsidies		3,082	4,200	5,682
Depreciation and amortisation	5,12	84,543	88,011	89,889
Finance/borrowing costs		..	..	..
Other expenses	6,13	14,076	9,009	10,076
Losses on sale/revaluation of property, plant and equipment and investments		2,000	2,000	2,000
Total expenses		1,888,501	1,912,660	1,979,059
OPERATING SURPLUS/(DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

Queensland Police Service	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve		66,542	52,707	56,929
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		66,542	52,707	56,929
Surplus/(deficit) for the period	
Total recognised income and expense for the period		66,542	52,707	56,929
Equity injection/(withdrawal)		122,763	25,141	4,029
Equity adjustments (MoG transfers)	
Total movement in equity for period		189,305	77,848	60,958

BALANCE SHEET

Queensland Police Service	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	18,26	2,593	24,749	24,749
Receivables	19,33	57,105	75,233	58,803
Other financial assets		..	..	..
Inventories		3,267	3,186	3,186
Other	20,27	6,723	16,009	16,009
Non-financial assets held for sale		1,825	2,319	2,319
Total current assets		71,513	121,496	105,066
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	21,28,34	2,111,107	1,839,972	1,909,920
Intangibles	29,35	60,123	59,034	50,044
Other		..	..	..
Total non-current assets		2,171,230	1,899,006	1,959,964
TOTAL ASSETS		2,242,743	2,020,502	2,065,030
CURRENT LIABILITIES				
Payables	22,36	64,568	77,197	60,767
Accrued employee benefits	23,30	45,245	67,631	67,631
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		2,525	1,724	1,724
Total current liabilities		112,338	146,552	130,122
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		112,338	146,552	130,122
NET ASSETS/(LIABILITIES)		2,130,405	1,873,950	1,934,908
EQUITY				
Capital/contributed equity	24,31	864,635	723,532	727,561
Accumulated surplus/(accumulated deficit)		391,721	392,963	392,963
Reserves:				
- Asset revaluation surplus	25,32,37	874,049	757,455	814,384
- Other (specify)		..	..	..
TOTAL EQUITY		2,130,405	1,873,950	1,934,908

CASH FLOW STATEMENT

Queensland Police Service	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	38,44, 52	1,807,609	1,816,411	1,918,782
User charges	39,45	53,363	60,424	62,539
Grants and other contributions	46,53	11,262	14,889	1,901
Other		3,267	4,273	3,267
Outflows:				
Employee costs	40,47, 54	(1,446,501)	(1,497,007)	(1,548,511)
Supplies and services	41,55	(338,299)	(296,003)	(339,331)
Grants and subsidies		(3,082)	(4,200)	(5,682)
Borrowing costs		..	..	..
Other		(3,076)	(3,076)	(3,076)
Net cash provided by/(used in) operating activities		84,543	95,711	89,889
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	48,56	20,000	20,000	24,792
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	42,49, 57	(227,306)	(133,152)	(118,710)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(207,306)	(113,152)	(93,918)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	43,50	177,664	80,042	63,204
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	51,58	(54,901)	(54,901)	(59,175)
Net cash provided by/(used in) financing activities		122,763	25,141	4,029
Net increase/(decrease) in cash held		..	7,700	..
Cash at the beginning of financial year		2,593	17,049	24,749
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,593	24,749	24,749

ADMINISTERED INCOME STATEMENT

Queensland Police Service	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Revenues				
Commonwealth grants	
Taxes, fees and fines		8,440	8,218	8,445
Royalties, property income and other territorial revenue	
Interest	
Administered revenue		701	702	701
Other		250	250	250
Total revenues		9,391	9,170	9,396
Expenses				
Supplies and services	
Depreciation and amortisation	
Grants and subsidies		701	701	701
Benefit payments	
Borrowing costs	
Other	
Total expenses		701	701	701
Net surplus or deficit before transfers to Government		8,690	8,469	8,695
Transfers of administered revenue to Government		8,690	8,469	8,695
OPERATING SURPLUS/(DEFICIT)	

ADMINISTERED BALANCE SHEET

Queensland Police Service	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	59,60	3,009	871	871
Receivables		(3)	(4)	(4)
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		3,006	867	867
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	..	..
TOTAL ADMINISTERED ASSETS		3,006	867	867
CURRENT LIABILITIES				
Payables	59,60	2,553	839	839
Transfers to Government payable		60	308	308
Interest-bearing liabilities		..	..	..
Other		393	(280)	(280)
Total current liabilities		3,006	867	867
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL ADMINISTERED LIABILITIES		3,006	867	867
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	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	61,62	701	(1,337)	701
Grants and other contributions	61,62	..	(673)	..
Taxes, fees and fines		8,440	8,218	8,445
Royalties, property income and other territorial revenues		..	..	..
Other		250	250	250
Outflows:				
Transfers to Government		(8,690)	(8,469)	(8,695)
Grants and subsidies		(701)	(701)	(701)
Supplies and services		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	(2,712)	..
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		..	(2,712)	..
Administered cash at beginning of financial year		3,009	3,583	871
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		3,009	871	871

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. Service revenue variance is mainly due to additional funding for police enterprise bargaining arrangements and Voluntary Separation Program payments.
2. User charges variance is mainly due to increased collections from fees and charges and CPI increases.
3. Employee expenses variance is mainly due to police enterprise bargaining arrangements and Voluntary Separation Program payments.
4. Supplies and services variance is mainly due to revised completion dates for the Camera Detected Offence Program and ICT related projects.
5. Depreciation and amortisation variance is mainly due to the impacts of asset revaluations.
6. Other expenses variance is due to a revision of anticipated expenses for 'gifts received below fair value' for forensic services performed by Queensland Health for QPS at no charge.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

7. Service revenue variance is mainly due to additional funding for enterprise bargaining arrangements, police growth, and community policing in the Torres Strait. This increase has been partially offset by Government savings measures.
8. User charges variance is mainly due to anticipated increased collections from fees and charges and annual indexation of fees and charges.
9. Grants and other contributions variance is mainly due to a one-off grant in 2011-12 from the Queensland Reconstruction Authority associated with NDRRA events.
10. Employee expenses variance is mainly due enterprise bargaining arrangements and police growth. This increase has been partially offset by Government savings measures.
11. Supplies and services variance is mainly due to Government savings measures and completion of major ICT related projects during 2012-13.
12. Depreciation and amortisation variance is mainly due to the impacts of asset revaluations and the capitalisation in 2012-13 of major projects.
13. Other expenses variance is due to a revision of anticipated expenses for 'gifts received below fair value' for forensic services performed by Queensland Health for QPS at no charge.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

14. Service revenue variance is mainly due to additional funding for enterprise bargaining arrangements, police growth, and community policing in the Torres Strait. This increase has been partially offset by Government savings measures.
15. Grants and other contributions variance is mainly due to a one-off grant in 2011-12 from the Queensland Reconstruction Authority associated with NDRRA events.
16. Employee expenses variance is mainly due to enterprise bargaining arrangements and police growth. This increase has been partially offset by Government savings measures.
17. Supplies and services variance is mainly due to revised completion dates for the Camera Detected Offence Program and ICT related projects from previous years into 2012-13.

Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

18. Cash assets variance reflects timing of cash transactions as a result of an increase in the value of outstanding employee benefits due for payment in early 2012-13.
19. Receivables variance is mainly due to the recognition of a 2011-12 end of year appropriation receivable for previously returned appropriation.
20. Other current assets variance is mainly due to increased prepayments such as superannuation, rent, insurance, and other supplies and services.
21. Property, plant and equipment variance is mainly due to the deferred completion of the new Police Academy at Wacol (Westgate), revised completion dates for major projects, accumulated depreciation, and revaluation outcomes.
22. Payables variance is mainly due to an increase in the value of outstanding invoices due for payment in early 2012-13.

23. Accrued employee benefits variance is mainly due to increased annual leave and other salary related payables such as long service leave.
24. Capital/contributed equity variance is mainly due to the deferred completion of the new Police Academy at Wacol (Westgate) and revised completion dates for major projects.
25. Asset revaluation reserve variance is a result of revaluation outcomes.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

26. Cash assets variance reflects timing of cash transactions as a result of an increase in the value of outstanding employee benefits due for payment in early 2012-13.
27. Other current assets variance is mainly due to increased prepayments such as superannuation, rent, insurance, and other supplies and services.
28. Property, plant and equipment and intangibles variance is mainly due to the deferred completion of the new Police Academy at Wacol (Westgate), revised completion dates for major projects, accumulated depreciation, and revaluation outcomes.
29. Intangibles variance is mainly due to no new major ICT projects commencing in 2012-13 and the impacts of accumulated amortisation.
30. Accrued employee benefits variance is mainly due to increased annual leave and other salary related payables such as long service leave.
31. Capital/contributed equity variance is mainly due to the deferred completion of the new Police Academy at Wacol (Westgate) and revised completion dates for major projects.
32. Asset revaluation reserve variance is a result of revaluation outcomes.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

33. Receivables variance is mainly due to the recognition of a 2011-12 end of year appropriation receivable for previously returned appropriation.
34. Property, plant and equipment variance is mainly due to additional asset purchases from the planned 2012-13 capital program (i.e. completion of existing works at Westgate), revaluation outcomes, and accumulated depreciation.
35. Intangibles variance is mainly due to no new major ICT projects commencing in 2012-13 and the impacts of accumulated amortisation.
36. Payables variance is mainly due to an anticipated decrease in the value of outstanding invoices due for payment.
37. Asset revaluation reserve variance is a result of revaluation outcomes.

Cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

38. Service receipts variance is mainly due to additional funding for police enterprise bargaining arrangements and Voluntary Separation Program payments.
39. User charges variance is mainly due to increased collections from fees and charges and CPI increases.
40. Employee costs variance is mainly due to police enterprise bargaining arrangements and Voluntary Separation Program payments.
41. Supplies and services variance is mainly due to revised completion dates for the Camera Detected Offence Program and ICT related projects.
42. Payments for property, plant and equipment and intangibles variance is mainly due to the deferred completion of the new Police Academy at Wacol (Westgate) and revised completion dates for major project.
43. Equity injections variance is mainly due to the deferred completion of the new Police Academy at Wacol (Westgate) and revised completion dates for major projects.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

44. Service receipts variance is mainly due to additional funding for enterprise bargaining arrangements, police growth, and community policing in the Torres Strait. This increase has been partially offset by Government savings measures.
45. User charges variance is mainly due to anticipated increased collections from fees and charges and annual indexation for fees and charges.
46. Grants and other contributions variance is mainly due to a one-off grant in 2011-12 from the Queensland Reconstruction Authority associated with NDRRA events.

47. Employee costs variance is mainly due to enterprise bargaining arrangements and police growth. This increase has been partially offset by Government savings measures.
48. Sale of property, plant and equipment variance is due to the sale of various non-essential property assets.
49. Payments for property, plant and equipment and intangibles variance is mainly due the deferred completion of the new Police Academy at Wacol (Westgate) and revised completion dates for major projects.
50. Equity injections variance is mainly due to the deferred completion of the new Police Academy at Wacol (Westgate) and revised completion dates for major projects.
51. Equity withdrawals variance is mainly due to the return of depreciation funding for the Camera Detected Offence Program.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

52. Service receipts variance is mainly due to additional funding for enterprise bargaining arrangements, police growth, and community policing in the Torres Strait. This increase has been partially offset by Government savings measures.
53. Grants and other contributions variance is mainly due to a one-off grant in 2011-12 from the Queensland Reconstruction Authority associated with NDRRA events.
54. Employee costs variance is mainly due to additional funding for enterprise bargaining arrangements, and police growth. This increase has been partially offset by Government savings measures.
55. Supplies and services variance is mainly due to revised completion dates for the Camera Detected Offence Program and ICT related projects from previous years into 2012-13.
56. Sale of property, plant and equipment variance is due to the sale of various non-essential property assets.
57. Payments for property, plant and equipment and intangibles variance is mainly due to additional asset purchases from the planned 2012-13 capital program (i.e. completion of existing works at Westgate).
58. Equity withdrawals variance is mainly due to the return of depreciation funding for the Camera Detected Offence Program.

Administered balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

59. Variance is mainly due to the return of unspent funds relating to the finalisation of the Handgun Buyback Compensation Program and the Gun Buyback Compensation Scheme.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

60. Variance is mainly due to the return of unspent funds relating to the finalisation of the Handgun Buyback Compensation Program and the Gun Buyback Compensation Scheme.

Administered cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

61. Variance is mainly due to the return of unspent funds relating to the finalisation of the Handgun Buyback Compensation Program and the Gun Buyback Compensation Scheme.

Major variations between 2011-12 Budget Estimated actual and 2012-13 Estimate include:

62. Variance is mainly due to the return of unspent funds relating to the finalisation of the Handgun Buyback Compensation Program and the Gun Buyback Compensation Scheme.

STATUTORY BODY

PROSTITUTION LICENSING AUTHORITY

AGENCY OVERVIEW

Strategic direction

The Prostitution Licensing Authority (PLA) was established under the *Prostitution Act 1999* 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.

The licensed brothel sector of the sex industry stabilised in 2011-12. The number of licensed brothels in Queensland peaked at 26 in 2009-10 but by the end of 2010-11 the number of brothels had declined to 23. During 2011-12, one brothel ceased operations but two new brothels opened so that at year end there were 24 licensed brothels. For the foreseeable future, the PLA expects the sector 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. The size of the licensed brothel sector impacts on the ability of the PLA to generate own-source revenue, in the form of brothel licence and approved manager's certificate fees.

RESOURCES AND PERFORMANCE

During 2010-11, the Crime and Misconduct Commission (CMC) conducted a review of the effectiveness of the Prostitution Act. On 29 June 2011, the CMC tabled its report, *Regulating Prostitution: A follow-up review of the Prostitution Act*. The CMC concluded that the Prostitution Act effectively regulates the licensed brothel sector of the sex industry and praised the PLA for its diligence in regulating the sector. The CMC found that the objectives of the Prostitution Act are generally being met. It acknowledged that licensed brothels have only a minimal impact on community amenity, and that brothels provide a safe and healthy environment in which prostitution takes place. The CMC said that licensed brothels provide the safest working environment for sex workers. The PLA was especially gratified with this finding because it has strived since its inception to ensure that brothels provide an environment that maximises the health, safety, and autonomy of sex workers. Significantly, the CMC reported that the Prostitution Act continues to be effective in safeguarding against corruption and organised crime within the licensed brothel sector. The CMC found no evidence of official corruption or organised crime.

It is a priority of the PLA to engage with the Minister for Police and Community Safety, the Hon Jack Dempsey MP, as well as the CMC, on proposed refinements to the regulation of the state's sex industry, designed to combat the illegal sector. The PLA will continue this engagement during 2012-13.

STATEMENTS

Staffing

Prostitution Licensing Authority	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
	1	9.5	8.5	9.5

Note:

1. Full-time equivalents (FTEs) as at 30 June. Variance is due to maternity leave.

Performance Statement

Prostitution Licensing Authority	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 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%	93%	95%
Other measures				
Number of compliance activities conducted		200	197	200
Applications processed within PLA and forwarded to QPS within 20 business days		95%	95%	95%
Complaints to the PLA resolved within 20 business days	2	95%	95%	98%

Notes:

1. This standard refers to the proportion of complaints received in the reporting year that are resolved within the reporting year.
2. This measure refers to the proportion of resolved complaints that are resolved within 20 business days.

INCOME STATEMENT

Prostitution Licensing Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions		701	701	701
Other revenue		769	798	765
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		1,470	1499	1466
Expenses				
Employee expenses		897	904	932
Supplies and services	1,5	499	427	498
Grants and subsidies		..	..	..
Depreciation and amortisation	3,6	6	12	2
Finance/borrowing costs		..	..	..
Other expenses	2,4	66	16	17
Losses on sale/revaluation of property, plant and equipment and investments	6	2	..	17
Total expenses		1,470	1359	1466
OPERATING SURPLUS/(DEFICIT)		..	140	..

STATEMENT OF CHANGES IN EQUITY

Prostitution Licensing Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 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		..	140	..
Total recognised income and expense for the period		..	140	..
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		..	140	..

BALANCE SHEET

Prostitution Licensing Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	7,13,18	478	847	742
Receivables		11	10	10
Other financial assets		..	..	..
Inventories		..	..	..
Other		3	10	7
Non-financial assets held for sale		..	..	..
Total current assets		492	867	759
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		95	86	92
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		95	86	92
TOTAL ASSETS		587	953	851
CURRENT LIABILITIES				
Payables	8,14,19	88	35	43
Accrued employee benefits	9,15	29	57	61
Interest-bearing liabilities and derivatives		..	..	..
Provisions	10,20	..	75	..
Other	11,16,21	69	230	185
Total current liabilities		186	397	289
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits	12,17	34	83	89
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		34	83	89
TOTAL LIABILITIES		220	480	378
NET ASSETS/(LIABILITIES)		367	473	473
EQUITY				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		367	473	473
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		367	473	473

CASH FLOW STATEMENT

Prostitution Licensing Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		..	..	..
Grants and other contributions		701	701	701
Other	22,26,28	807	935	757
Outflows:				
Employee costs		(942)	(990)	(922)
Supplies and services	23,29	(499)	(439)	(486)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	24,27	(103)	(38)	(130)
Net cash provided by/(used in) operating activities		(36)	169	(80)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	25,30	72	..	66
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	25,30	(76)	..	(91)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(4)	..	(25)
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		(40)	169	(105)
Cash at the beginning of financial year		518	678	847
Cash transfers from restructure		..	..	..
Cash at the end of financial year		478	847	742

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. The decrease is due to court awarded costs recognised in the previous financial year and savings made in the printing programs.
2. The decrease is due to a reclassification of expenses as Supplies and Services as per the Whole of Government Financial Information Requirements manual.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

3. The decrease is due to the general decline in the value of Plant and Equipment.
4. The decrease is due to a reclassification of expenses as Supplies and Services as per the Whole of Government Financial Information Requirements manual.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

5. The increase is due to the finalisation of court awarded costs and the yearly operating expense regime that includes legal fees, printing expenditure and probity searches.
6. The decrease is due to the timing of implementation of the asset replacement program and the decline in the resale value of the assets.

Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

7. The increase is due to the timing of payments of liabilities and the lodgement of brothel applications.
8. The decrease is due to the timing of payments to creditors.
9. The increase is due to the growth in leave liabilities and additional recognition of entitlements for a retiring employee.
10. The increase is due to the timing of the settlement of court awarded costs.
11. The increase is due to the timing of lodgement of brothel license applications.
12. The increase is due to a reclassification of a current liability as a non-current leave liability.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

13. The increase is due to the timing of payments of liabilities and the lodgement of brothel applications.
14. The decrease is due to the timing of payments to creditors.
15. The increase is due to the growth in recreation leave and other employee benefits.
16. The decrease is due timing of lodgement of brothel license applications.
17. The increase is due to a reclassification of a current liability as a non-current leave liability.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

18. The decrease is due to the timing of the lodgement of brothel applications.
19. The increase is due to the timing of payments to creditors.
20. The decrease is due to the settlement of court awarded costs.
21. The decrease is due timing of lodgement of brothel license applications.

Cash flow Statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

22. The increase is due to the timing of lodgement of brothel applications.
23. The decrease is due to the timing of the payments of court awarded costs and the savings made in the printing expenses.
24. The decrease is due to a reclassification of expenses and timing of payments of liabilities.
25. The decrease is due to the timing of implementation of the asset replacement program.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

26. The decrease is due to the timing of lodgement of brothel applications.
27. The increase is due to the timing of payments of liabilities.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

28. The decrease is due to the timing of lodgement of brothel applications.
29. The increase is due to the timing of the payments of court awarded costs and other Supplies and Services.
30. The increase is due to the timing of implementation of the asset replacement program.

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.
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Administered Items	— Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
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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.
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Appropriation	— Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none">– delivery of agreed services– administered items– adjustment of the Government’s equity in agencies, including acquiring of capital.
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Balance Sheet	— A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
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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.
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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.
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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.
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Depreciation	— The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
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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.
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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.

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