



**Submission in response to the
Queensland PLA's proposed changes
to the *Prostitution Act 1999***

Queensland Adult Business Association (QABA)

March 2021

Table of contents

Executive summary	3
Background	5
The impact of regulation: a case of unfulfilled potential	5
Delivering on the promise: amending the Prostitution Act 1999	8
Response to proposed amendments	10
Summary of QABA response to proposed amendments	10
Challenged amendments	14
Proposed additional amendments and recommendations	16
Conclusion	21

1 Executive summary

The *Prostitution Act 1999* (the Act) and associated establishment of the Prostitution Licensing Authority (PLA) has had a significant impact on the sex industry in Queensland, but not in the way government and legislators of the time may have intended.

While the state's 21 licensed brothels are a model of success in terms of achieving the outcomes intended by the legislation, approximately 80%¹ of the Queensland sex industry continues to operate illegally. This puts the industry at potential risk from the influence of organised crime — putting the health and safety of sex workers, clients, and the community at risk².

The nature of the legislation itself is largely responsible for this situation.

To begin addressing this imbalance, the PLA has proposed 12 amendments to the Act to level the playing field for licensed brothel owners and attract new operators to the industry. In turn, these changes are intended to deliver on the Act's original aims of eradicating organised crime and protecting the community, sex workers, and clients.

The Queensland Adult Business Association (QABA) acknowledges the benefits of an effective regulatory framework through our collaboration with the PLA. As advocates for developing a viable Queensland licensed brothel system — and the safety and security of workers, clients, and the community at large — we support the majority of the proposed amendments.

QABA supports greater legal disincentives for illegal operators. We suggest an additional amendment and make two recommendations for the PLA to consider in its submission.

The following response to the proposed amendments provides evidence in support of the changes and sets out QABA's position in relation to:

- outcalls
- advertising
- number of working rooms within licensed brothels

¹ [Respect Qld report](https://respectqld.org.au/wp-content/uploads/Decrim/Sex-work-laws-and-workplace-health-and-safety-symposium-Report.pdf) - <https://respectqld.org.au/wp-content/uploads/Decrim/Sex-work-laws-and-workplace-health-and-safety-symposium-Report.pdf>

² [Respect Qld report](https://respectqld.org.au/wp-content/uploads/Decrim/Sex-work-laws-and-workplace-health-and-safety-symposium-Report.pdf) - <https://respectqld.org.au/wp-content/uploads/Decrim/Sex-work-laws-and-workplace-health-and-safety-symposium-Report.pdf>

- limits on number of businesses a licensee may own
- location of licensed brothels
- removal of illegal massage parlours, escort agencies, and sex-on-premises venues
- exemption to ethical objections of the financial services industry.

QABA appreciates the opportunity to respond to the PLA's proposed legislative amendments and will continue to advocate for a professional, safe, effectively regulated sex industry in Queensland.

1.1 About the Queensland Adult Business Association (QABA³)

Mission Statement: To advocate for the viable development of the Queensland legal brothel system. For the safety and security of workers, clients and the community at large.

Executive positions at time of submission:

- **Neil Gilmore - President**

Licensee of Pentagon Grand on the Gold Coast

- **Karon Evans - Vice President**

Licensee of Lush at Marcoola on the Sunshine Coast

- **Tania Matenga – Secretary**

Licensee of Platinum 175 in Brisbane

- **Joan Leeds - Treasurer**

Licensee of The Viper Room in Brisbane

³ <https://qaba.org.au/>

2 Background

The *Prostitution Act 1999* was established 10 years after the findings of Queensland's *Commission of Inquiry into Possible Illegal Activities and Associated Police Misconduct* were published. Known as the Fitzgerald Inquiry, the two-year investigation into political corruption and abuse of power revealed extensive and systemic police corruption and misconduct in the sex industry.⁴

The Fitzgerald report recommended the legalisation or decriminalisation of sex work, noting that a civil authority would more appropriately manage regulation.⁵

When it came into effect in 1999, the *Prostitution Act* (the Act) established the Prostitution Licensing Authority (PLA) and a regulatory framework that aimed to:

- eliminate organised crime in the sector
- shield the community from unwanted exposure to the sex industry
- protect the health and wellbeing of sex workers and clients.

It was expected that an increase in the number of licensed brothels would push organised crime out of the sector and offer safer conditions for workers and clients. It was also expected to reduce police involvement in the regulation of prostitution activities.

2.1 The impact of regulation: a case of unfulfilled potential

a) Licensed brothels vs the rest: the struggle to compete

Two decades since this framework was established, there are only 21 licensed brothels in Queensland, rather than the 80 that the government and legislators anticipated at the time. Estimates suggest that more than 80% of Queensland's sex industry continues to operate illegally through massage parlours, escort agencies and sex-on-premises venues — putting workers, clients, and the community at risk.⁶

⁴ Crime and Corruption Commission Queensland, "The Fitzgerald Inquiry", <https://www.ccc.qld.gov.au/about-us/our-history/fitzgerald-inquiry> (accessed 11 February 2021)

⁵ GE Fitzgerald (1989) *Commission of Inquiry into Possible Illegal Activities and Associated Police Misconduct*, p. 193

⁶ QUT Crime and Justice Briefing Paper: The Case for Decriminalisation: Sex Work and the Law in Queensland - <https://eprints.qut.edu.au/131101/1/Briefing%20Paper%20sex%20work.pdf>

Licensed brothel owners and managers are professional business operators who meet strict licensing laws and collaborate with the PLA to deliver better outcomes for workers, clients, and the community. However, while the original intent of the legislation and regulatory framework has arguably been met within the licensed sector, this is not the case for most of the industry where illegal operators flourish.

The ongoing success of illegal operations is a direct result of the operation of the regulatory framework. In addition to the high cost of obtaining, maintaining, and complying with a licence, legal brothel owners are subject to legal restrictions on:

- outcalls
- number of rooms and sex workers
- brothel ownership.

Illegal operators reinforce negative community attitudes towards the sex industry, leading to:

- ethical objections to lending and transactional services from the banking and insurance sectors⁷
- planning restrictions
- difficulty finding and securing suitable premises
- high rental costs.

Licensees are required to take reasonable steps to ensure that only safe sex occurs and to keep detailed records of brothel operations; it is unlikely illegal operators do the same. Illegal operators are unrestricted in terms of the services they offer, where and how they operate, how they treat their workers, and what they pay. It's widely accepted that a thriving organised crime element funds many illegal operators.

Queensland licensed brothels continue to successfully operate under the *COVID Safe Industry Plan: Queensland Sex Industry*⁸; there are no recorded cases of Covid transmission via a licensed brothel. Illegal operators are not subject to the same industry plan, increasing the risk of transmission and creating unacceptable barriers to contact tracing.

⁷ Bartle, Jarryd (2017) *Financial discrimination against adults-only businesses*, Eros Association.

⁸ Covid Safe Industry Plan - https://www.covid19.qld.gov.au/_data/assets/pdf_file/0029/134876/covid-safe-industry-plan-sex-industry.pdf?nocache-v3

In the face of these challenges, owning and operating a licensed brothel in Queensland is an unattractive proposition.

b) Safe or lawful: solo sex workers and police involvement

By establishing the PLA, the original legislation aimed to reduce the Queensland Police Service (QPS) involvement in regulating prostitution activities. This has not been achieved — illegal sex services and solo operators sit outside the PLA's jurisdiction, and it falls to the QPS to prosecute breaches of the law.

Solo sex workers are subject to both the general *Prostitution Act 1999* and the Queensland *Criminal Code 1899*. Unless they work in a licensed brothel, the law imposes harsh restrictions that means solo sex workers cannot operate safely without committing an offence⁹. To work legally, solo sex workers must work entirely independently of anyone else in the sex industry.¹⁰ They may legally provide outcalls, but even sending a text message to someone to let them know where they're going, or having someone else drive them to a location, constitutes a breach of the legislation and leaves them exposed to prosecution.

In Queensland, police are legally permitted to pose as clients and engage in entrapment. As a result, QPS statistics (most recently published in 2016-17) reveal a 126% increase in the number of charges for 'knowingly participate in the provision of prostitution' under Section 229H of the *Criminal Code*¹¹. The majority of 'offenders' were women over the age of 30¹².

Understandably, solo operators are reluctant to report any assaults or other crimes committed against them to the QPS.

Opportunities for sex workers to operate in a licensed brothel are limited. Despite the number of service providers allowed on a shift increasing from five to eight following the 2006 Crime and Misconduct Commission (CMC) review, the number of work rooms remains at five.

⁹ Smee, Ben (2019) *Sex Workers in Queensland must choose: be safe or be legal*, The Guardian, <https://www.theguardian.com/society/2019/mar/07/sex-workers-in-queensland-must-choose-be-safe-or-be-legal> (accessed 10 February 2021)

¹⁰ Brook, Benedict (2021) *Common act sex workers can't do in Queensland*, <https://www.news.com.au/finance/work/at-work/common-act-sex-workers-cant-do-in-queensland/news-story/364043aa54ee2e6804af12a05a1db7aa> (accessed 10 February 2021)

¹¹ Queensland Police Service (2017) *Annual Statistical Review 2016-17*, p.14

¹² *Ibid*, p. 111

Consequently, many solo sex workers choose to operate from illegal sites rather than be alone. In many cases, this subjects them to greater risks of exploitation and threats to health and safety, including violence from employers and clients. The trafficking and exploitation of Culturally and Linguistically Diverse (CALD) sex workers is a continuing issue of concern.

2.2 Delivering on the promise: amending the *Prostitution Act 1999*

QABA accepts that brothel licensing works to satisfy the original intent of the Act. The legislation and regulatory checks to grant a person a licence to operate a brothel protect sex workers, clients, and the broader community.

The 2011 Crime and Misconduct Commission (CMC) report¹³ found that:

...the regulation of the licensed brothel sector continues to be successful. We have seen that licensed brothels:

- *have minimal impact on community amenity*
- *show no evidence of corruption and organised crime*
- *have access to exit and retraining programs for sex workers who may wish to leave the industry*
- *provide a healthy environment in which prostitution takes place*
- *provide a safe workplace.*

It also found that *'the environment in which the illegal industry operates [was] not significantly different from that reported in 2006...'* at which time the CMC believed the way to address this was to *'enhance the police response'*¹⁴.

In the 2011 report, the CMC recommended the establishment of a Ministerial Advisory Committee to oversee and report on the prostitution industry¹⁵ — with a view that provision for outcalls would expand the industry exponentially and increase the potential influence of organised crime. Ten years later, that report's outcomes have done nothing to improve the operating environment for licensed brothels or solo sex workers striving to operate lawfully.

¹³ Crime and Misconduct Commission Queensland (2011) *Regulating Prostitution: a follow-up review of the Prostitution Act 1999*, p. 46

¹⁴ *Ibid*, p. 47

¹⁵ *Ibid*, p. 45

The Prostitution Licensing Authority has recognised the challenges faced by the licensed sector. It proposes 12 amendments to the *Prostitution Act 1999* (the Act) to increase the competitiveness and viability of licensed brothels and the safety of sex workers and clients. QABA views this as an important step in addressing the challenges that continue to stymie the Queensland sex industry.

QABA supports seven of the 12 amendments proposed by the PLA.

QABA also proposes three additional amendments to directly address the issue of the illegal operators that dominate the Queensland sex industry. Illegal operators contribute to the ongoing problems of criminalisation, corruption, and negative community perception.

QABA's response and recommendations are detailed in section 3.

3 Response to proposed amendments

3.1 Summary of QABA response to proposed amendments

QABA and its members appreciate efforts undertaken by the PLA to improve the licensing process's efficiency and fairness and the long-term viability of licensed brothels.

The following table summarises the QABA response to the proposed amendments, reflected by the minutes of QABA meetings.¹⁶

Proposed amendment	QABA position
1. Outcalls from licensed brothels	Supports amendment
2. Brothel room numbers	Supports amendment
3. Ineligibility to apply for a licence or certificate	Supports amendment
4. Payment of brothel licence fees	Supports amendment
5. Payment plans for licence and certificate renewal applications	Supports amendment
6. Licence and certificate renewal applications	Supports amendment
7. Disciplinary action	Does not support amendment
8. Advertising of prostitution	Supports amendment
9. Remedial direction	Does not support amendment
10. Closure order	Does not support amendment
11. Brothel location restrictions	Does not support amendment

¹⁶ Decisions recorded in QABA meeting minutes from Monday, 25 January 2021

a) Amendments relating to applications, renewals, fees, and payment plans

QABA supports the following amendments:

- Ineligibility to apply for a licence or certificate (Sections 24B, 25, 50B, and 51; subsections 8 and 34)
- Payment of brothel licence fees
- Payment plans for licence and certificate renewal applications (Subsections 24A and 50A)
- Licence and certificate renewal applications (Section 23[4]).

i) Ineligibility to apply for a licence or certificate (Sections 24B, 25, 50B, and 51; subsections 8 and 34)

QABA supports changes that prevent licence or certificate cancellation leading to the holder becoming ineligible to apply for a licence or certificate for three years.

This amendment makes a necessary distinction between payment issues and the holder's status as a fit and suitable person to hold a licence or certificate.

ii) Payment of brothel licence fees

Removing the legislative requirement for licensing fees (currently \$31,310 for a five room brothel) to be paid on *submission* of a new application or renewal application, removes a significant barrier to entry and threats to the long-term sustainability of existing brothels.

iii) Payment plans for licence and certificate renewal applications (Subsections 24A and 50A)

Annual return fees can be subject to payment plans if a licensee or an approved manager experiences financial hardship caused by exceptional circumstances.

By extending the option to apply for a payment plan to licence and certificate renewals as well as annual return fees, the Act will address impacts of the COVID-19 pandemic and the period of compulsory closure of brothels. The amendment will also position the PLA to effectively manage any circumstances that arise that deem payment plans necessary for the industry's survival and sustainability.

(iv) Licence and certificate renewal applications (Section 23[4])

QABA supports the proposed amendment to extend the timeframes for PLA decisions on licence and certificate renewals. By removing the Act's existing obligations to seek a licence extension while renewal applications are processed, the administrative burden on both the PLA and licensed brothels will be reduced without the risk of harm.

b) Outcalls

The PLA acknowledges that preventing licensed brothels from providing an outcall service is 'fundamentally anti-competitive and has left a void which has been exploited by unlawful operators' and seeks an amendment to the Act to remove this restriction.

Two separate reports¹⁷ commissioned by the PLA show that clients prefer to use a legal brothel because they feel safer, do not wish to break the law, and do not wish to contract a sexually transmitted infection.

Many also prefer the privacy offered by outcalls. A comparison of responses to licensed brothel advertising compared to 3-line advertisements for private services and outcalls revealed the latter received more than double the number of client calls. Illegal operators easily exploit both niches at the expense of the licensed sector.

This restriction also fails to consider the significant number of clients with disability or elderly and/or housebound people who seek professional sex worker's services. The existing laws disenfranchise many of these community members or force them to access illegal services, in both cases risking unnecessary harm.

Enabling licensed brothels to offer outcalls would:

- strengthen the licensed sector to compete with illegal operators
- make it less attractive for independent sex workers to work with illegal operators

¹⁷ Selling Sex in Queensland:

<http://www.pla.qld.gov.au/Resources/PLA/reportsPublications/sellingSex/documents/sellingSexInQLD.pdf> and THE BAN ON PURCHASING SEX IN SWEDEN: THE SO-CALLED 'SWEDISH MODEL':

<http://www.pla.qld.gov.au/Resources/PLA/reportsPublications/documents/THE%20BAN%20ON%20PURCHASING%20SEX%20IN%20SWEDEN%20-%20THE%20SWEDISH%20MODEL.pdf>

- ensure sex workers hold a sexual health certificate and are regularly monitored
- provide a legal service to clients
- ensure the safety and security of sex workers and clients
- ensure that service providers are appropriately paid and not encouraged to accept drugs as payment for services
- ensure service providers operate to a Covid Safe plan allowing better provision for accurate contact tracing.

QABA maintains that allowing outcalls will not increase the size of the sex industry or increase the number of service providers. The change to allow outcalls will provide a safer work environment and an additional income stream for existing brothel service providers.

QABA strongly supports this amendment.

a) Room and staff numbers

In licensed brothels, sex workers generally work an eight-hour shift. While eight sex workers are permitted at the brothel at any one time, only five rooms can be used for prostitution; this can leave clients and workers waiting for two hours or more before a room becomes available. This is frustrating for the sex worker, client, and brothel staff. It often results in lost bookings, client aggression, and sex workers choosing to work outside the licensed sector.

The PLA suggests that the *Planning Regulation Act 2017* be amended to increase the limit on the number of rooms that may be used for prostitution in a licensed brothel from five to seven. It also proposes corresponding amendments to the Act to increase the overall number of staff permitted at the brothel at any one time from 13 to a minimum of 25 and increasing the number of sex workers permitted on the premises at any one time from eight to 10.

Implementing these changes would:

- ensure sex workers can maximise their income in a safe and secure environment
- increase the number of sex workers that can work in licensed brothels
- increase the financial viability of licensed brothels and enable them to compete with illegal operators
- strengthen the reputation of licensed brothels among clients.

QABA strongly supports this amendment.

b) Advertising

The PLA proposes amendments to the advertising restrictions listed under Section 93 of the Act to recognise the shift from traditional print platforms to digital media. The PLA suggests these changes should allow for:

- the description of services offered
- the use of film and video.

The current advertising guidelines place an unreasonable restriction on the ability of licensed brothels to market to clients. The guidelines prevent using words such as 'escort' or describing a specific activity; for example, it is illegal to use terms such as massage, dominatrix, fetish, etc.

In the age of digital marketing, users actively search for adult content online using specific keywords to describe what they're looking for. Due to the advertising restrictions, they will not find licensed brothels using these terms. Instead, they are exposed to operators who advertise illegally or on sites that fall outside PLA jurisdiction. Many such sites, like Craigslist, are hosted outside Australia and may not be subject to prosecution. These often display advertisements using acronyms such as CUM, BBBJ and BB, which advertise unprotected sexual services. There are also sex workers advertising on dating apps like Tinder and requiring payment from 'dates'.

The same issue exists with foreign language media and advertisements placed in languages other than English. Without an English translation, there can be no assurance that they comply with the advertising guidelines.

Updating the advertising guidelines to reflect the reality of digital marketing would:

- enable clients looking for specific services to identify licensed brothels
- support clients to engage with sex workers in a safer and more secure environment
- allow licensed brothels to compete more effectively with illegal operators.

QABA strongly supports this recommendation. It further recommends that guidelines be implemented to facilitate greater surveillance and prosecution of illegal advertisers using platforms hosted overseas.

3.2 Challenged amendments

a) Amendments relating to applications, renewals, fees, and payment plans

QABA objects to the following proposed amendments:

- Disciplinary action (Section 27, 53; subsection 16[1] and 41)
- Powers to enter licensed brothel and powers after entry (Sections 59, 60)
- Remedial direction (Section 78[1][c])
- Closure order.

These proposed amendments serve to confer more power on the PLA and individual officers to regulate Queensland brothel licensing and approved manager certification.

i) Disciplinary action - if Section 27 of the Prostitution Act is amended, brothel licensees will have no avenues to respond to false or nuisance allegations regarding their suitability as a fit and proper person to hold a brothel licence.

ii) Powers to enter licensed brothel and powers after entry - QABA supports retaining the existing model that allows the PLA to include provisions within brothel licence conditions for entry and powers in licensed premises.

iii) Remedial direction (Section 78[1][c]) - QABA supports retaining the existing three options for breach of a licence or certificate condition. QABA does not support adding a fourth option of an authorised PLA staff member issuing a written remedial direction in response to a contravention of a licence or certificate condition. The existing three options for remedial direction are sufficient to promote compliance and ensure breaches of conditions are promptly remedied.

iv) Closure order - QABA does not support conferring the power to close brothel premises based on the direction of an authorised staff member of the PLA. To confer power on an individual staff member of the PLA to close licensed premises until the alleged breach has been rectified to their 'reasonable satisfaction' creates a power imbalance between operators and regulators. The proposed amendment would threaten the existing system based on

natural justice that requires the PLA to conduct a disciplinary inquiry and take disciplinary action.

The reasoning provided for this proposal fails to take into account the existing QPS powers in relation to entering licensed premises that can be requested by the PLA or the arbitrary nature of 'reasonable satisfaction' of an individual PLA officer.

b) Brothel location restrictions

The PLA proposes amendments to relax brothel location restrictions so brothels can operate in areas of increased client traffic and demand — amending s. 19(1) of the Act, which sets out the permissible location of brothels.

QABA supports the current legislation and restrictions which confine licensed brothels to industrial and semi-industrial areas.

While the PLA asserts that restricting brothels to these locations means they are not conveniently located in prime client demand areas, QABA (and the sex workers we advocate for) agree operating in retail precincts would increase the risk of safety issues and public nuisance.

Operating in a popular retail precinct with proximity to entertainment venues increases the likelihood that clients will arrive at the brothel under the influence of drugs and/or alcohol.

It also removes the conscious decision-making that currently must occur for a client to locate a licensed brothel and travel to that location.

Despite the PLA recommendations for operating in safe locations within retail and entertainment precincts that include restricting signage and lighting options, it would be unlikely brothels would operate discreetly and unobtrusively. This increases the likelihood of negative impacts on the surrounding community and the frequency of complaints about the brothel location.

From the perspective of business financial viability, relaxed location restrictions are likely to seriously impact existing brothels locked into long leases. New businesses will be afforded an unfair financial advantage that puts the survival of existing brothels at risk.

QABA objects to this recommendation and encourages the PLA to further research this amendment through a process including community consultation.

3.3 Proposed additional amendments and recommendations

a) Expand on amendments to advertising restrictions

QABA recommends additional amendments to the Act under **Subdivision 2 - Advertising offices about prostitution** and the PLA's Advertising Guidelines to level the playing field for legal brothels in Queensland's sex industry.

Prostitution Act 1999	Recommendation
<p>93(1) A person must not publish an advertisement for prostitution that describes the services offered.</p> <p>Guidelines ref: Part 3, 3.1(4)</p>	<p>Amend to allow licensed brothels to advertise the services offered by sex workers.</p>
Prostitution Act 1999	Recommendation
<p>93(1) A person must not publish an advertisement for prostitution that describes the services offered.</p> <p>95(1) A person providing prostitution must not hold out or publish an advertisement that states, directly or indirectly, that the person's business provides or relates to massage services.</p> <p>Guidelines: Part 2.2(5); Part 3,3.1(4)</p>	<p>Review to allow for a form of words that can describe services in brothel advertising e.g. escort, massage.</p>
<p>93(3) A person must not publish any advertisement for prostitution through radio or television or by film or video recording</p> <p>Guidelines ref: 2, 2.1(1)</p>	<p>Amend to permit the use of video on brothel websites.</p>
<p>94 A person must not publish a statement intended or likely to induce a person to seek employment as a prostitute.</p> <p>Guidelines: Part 2,2.2(2-3)</p>	<p>Amend to allow brothels to advertise on behalf of sex workers/sole traders, including out of state where sex work advertising is permitted e.g. NSW.</p>

<i>Advertising Guidelines</i>	<i>Recommendation</i>
2 2.1 (4) Advertising by billboard/A frame/sandwich board and the like, is not permitted.	Amend to allow billboard advertising as per other adult entertainment venues e.g. strip clubs.
3 3.1 (6) Brothel advertisements which include mobile phone numbers are prohibited unless the mobile phone number refers to an automated SMS text message service.	Amend to permit the advertising of mobile phone numbers connected to the brothel for client communication.
3 3.1 (8) Sole operator advertisements naming a brothel or phone number for a brothel are considered an advertisement for a brothel and not permitted.	Amend to allow solo sex workers to advertise that they are working at a licensed brothel.
<i>Advertising Guidelines</i>	<i>Recommendation</i>
3 3.3 C (2) Print media advertisements larger than 50cm ² are not permitted.	Amend to relax the size restriction on print media advertisements.
3.3 E (1) 1 Sponsorship of any event or organisation is not permitted	Amend to allow brothels to sponsor an event or organisation e.g. charitable donations, and be recognised as advocating for those recipients.

b) Allow brothel licensees to own and operate more than one brothel in Queensland

Under Section 82 of the Act, 'a person must not have, at any 1 time, an interest in more than 1 licensed brothel.' This limitation was originally intended to prevent one brothel owner from holding too much power in the industry, and to make investment in the industry less attractive to organised crime.

It is well established that the operation of licensed brothels has fulfilled the aims of the original legislation in terms of eliminating organised crime, minimising community exposure, and keeping sex workers and clients safe. In that context, the ownership restrictions serve

only to punish professional and responsible licensed operators and benefit the illegal sector by further limiting the potential for competition.

This is particularly the case when a licensee wants to sell an established brothel. Instead of offering their business to someone who is already approved, compliant and experienced, these licensees must wait for a buyer who wants to enter the industry and is willing to go through the rigorous licensing application process with no guarantee of success.

No other industry in Australia is subject to this level of ownership restriction.

Amending Section 82 of the Act to increase the number of brothels a licensee may have an interest in from one to three or removing the limitation completely would:

- increase client access to legal sex services
- make licensed brothel ownership a more attractive business proposition
- encourage experienced, dedicated licensees to stay in business and scale their operations
- increase the licensed sector's ability to compete with illegal operators
- increase the number of licensed brothels in which sex workers and clients can connect safely and lawfully.

QABA strongly supports this amendment.

c) Remove massage parlours, escort agencies, and sex-on-premises venues

A significant threat to the viability of licensed prostitution in Queensland is the proliferation of illegal operators. It is no secret that massage parlours, escort agencies and sex-on-premises venues are, in most cases, illegal brothels posing as other business types to avoid detection and prosecution under the law.

The PLA has no jurisdiction over unlicensed operators, and the QPS has failed to impact their activity. QABA proposes that – as a minimum:

- massage parlours, escort agencies, sex-on-premises, and other such services are subject to compliance monitoring by the PLA or another regulatory body
- these venues be subject to restrictions under planning legislation
- massage parlours be required to register with the Massage Therapists Association.

Regulation may include the requirement for venues to:

- display the credentials of each therapist working on site
- have operational security cameras in all public areas of the venue
- be restricted in terms of advertising and the nature and content of signage they can display
- be monitored by CCTV installed in the immediate vicinity and surrounds to deter clients who may be seeking sexual services and prevent retail areas from becoming red-light districts.

QABA supports QPS and/or officers of the PLA to be given the authority to enter premises of suspected illegal brothels unannounced to gather evidence.

QABA strongly encourages the PLA to consider this recommendation and propose the appropriate legislative amendments.

d) Exemption from ethical objection

Licensees and approved managers face considerable discrimination from financial institutions and insurers who refuse business loans and other services based on an ethical objection to the industry¹⁸. This is largely driven by outdated community beliefs and baseless concerns about the involvement of organised crime in the operation of brothels.

This discrimination is yet another hurdle licensees must overcome to operate their business successfully; it is an additional barrier to the licensed sector's growth and competitiveness.

QABA seeks the PLA's support in educating the financial services industry about the success of regulation in eliminating organised crime from licensed brothels. We seek to challenge the financial services industry's perceptions and their perceived right to ethically object to providing services to licensed brothel owners and approved managers.

¹⁸ Chau, D & Evlin, L (2018) *Sex industry faces 'financial discrimination' from banks, ombudsman says*, Australian Broadcasting Corporation, <https://www.abc.net.au/news/2018-01-04/sex-industry-businesses-face-financial-discrimination/9303376> (accessed on 10 February 2021)

4 Conclusion

Licensed brothels in Queensland deliver on the intent of the regulatory framework established by the *Prostitution Act 1999*. They are free of organised crime, limit unwanted community exposure to the sex industry, and offer safety and security for sex workers and clients.

The industry response to COVID-19 reflects the success of the licensed brothel model in Queensland. Queensland licensed brothels continue to successfully operate under the *COVID Safe Industry Plan: Queensland Sex Industry*¹⁹; there have been no recorded cases of Covid transmission via a licensed brothel. Illegal operators are not subject to the same industry plan, increasing the transmission risk and putting unacceptable barriers to contact tracing.

However, the legislation also imposes restrictions that limit the commercial viability and success of licensed brothels, making it easier and more financially rewarding to operate illegally.

Independent sex workers are subject to laws that force them to choose between operating legally or safely. Limited opportunities in the licensed sector caused by room and staff limits often lead them to work with illegal services, where they are more likely to be subject to exploitation and unsafe conditions.

Outdated advertising guidelines make it difficult for clients to find the services they're looking for within the licensed sector, so they are more likely to engage with illegal operators.

A licensed and regulated industry is a safe industry. QABA supports most of the key legislative amendments proposed by the PLA and has provided clear reasoning for the amendments they challenge. QABA looks forward to the ongoing support of the PLA in addressing our additional recommendations.

¹⁹ https://www.covid19.qld.gov.au/_data/assets/pdf_file/0029/134876/covid-safe-industry-plan-sex-industry.pdf?nocache-v3