Issue: Select Committee on the Regulation of Brothels: Questions on Notice

Background:

On 1 September 2015 Deputy Commissioner Kaldas appeared at a public hearing of the Legislative Council Select Committee on the Regulation of Brothels. Deputy Commissioner Kaldas took three questions on notice during the hearing; a further two questions were posed by the Committee after the hearing concluded.

The questions taken at the hearing¹ were:

- 1. Could Deputy Commissioner Kaldas provide the committee with the empirical evidence and data is has assembled on the number of brothels active in NSW.
- 2. Does the Sex Crimes Squad have protocols with Federal Agencies and is there any interaction between that organisation and the local government at the moment?
- 3. What aspects of the Boarding House legislation does Deputy Commissioner Kaldas consider may be of assistance in better regulating brothels?

The subsequent questions were:

- 4. Since the commencement of the *Tatoo Parlours Act 2012*, has the NSW Police identified any instances of, or potential for, corruption within the Police in relation to its enforcement of this Act?
- 5. Are there any structural aspects that make the sex industry attractive to organised crime?

Comment:

Advice on the questions was provided by State Crime Command and Professional Standards Command (Question 4).

1 Could Deputy Commissioner Kaldas provide the committee with the empirical evidence and data is has assembled on the number of brothels active in NSW.

Response in preparation.

2 Does the Sex Crimes Squad have protocols with Federal Agencies and is there any interaction between that organisation and the local government at the moment?

The NSW Police Force Sex Crimes Squad meets with the Australian Federal Police (AFP) Human Trafficking Team on a quarterly basis to discuss matters of common interest. The NSWPF Sex Crimes Squad also on occasions forms part of a multi-disciplinary team that conducts operations at various brothels within the Sydney metropolitan area. Those teams

¹ The questions as presented have been extracted from the transcript of the hearing (see TAB TRANSCRIPT)

include the AFP, Department of Immigration and Boarder Protection, Australian Customs and the relevant NSW Police form Local Area Command.

The Sex Crimes Squad does not currently work with local government on the management of brothels.

The roles and divisions of responsibilities between the NSW Police Force and the AFP are set out below.

NSW Police Force

- Has carriage of sexual servitude investigations where the victim has not been trafficked from one country to another and there are no border related offences involved;
- First response to allegations of offences involving sexual servitude or people trafficking including investigative procedures such as securing victims/witnesses, crime scenes and exhibits;
- Locate victim(s) and remove from harm or possible future risk;
- Initial and/or ongoing investigative response for sexual servitude offences with no trans-national border related offences (unless negotiated with Region or State Crime Command); and
- Dissemination of intelligence holdings on people trafficking and/or sexual servitude to the Sex Crimes Squad, State Crime Command;
- the areas where street-based sex workers may solicit and work;
- prosecuting employers of underage sex workers;
- prosecuting crimes that may occur in a sex work setting (for example, harassment, sexual servitude or sexual assault); and
- assisting other regulators in conducting compliance visits.

State Crime Command

- Sex Crimes Squad provides an on-call advice and investigative support to LACs responding to sexual servitude and/or human trafficking offences; and
- Disseminates intelligence holdings on people trafficking and/or sexual servitude offences to external agencies (ie, AFP, Department of Immigration and Boarder Protection (DIBP) and the Australian Crime Commission (ACC)).

Australian Federal Police (AFP)

• Holds primary investigative carriage of those investigations involving people trafficking and/or border (trans-national) related offences;

- Holds primary investigative carriage for offences of trafficking for sexual, domestic servitude and forced marriage either trans-nationally or between Australian law enforcement jurisdictions; and
- Facilitates notifications or requests for assistance to the Department of Immigration and Border Proctection for matters involving people trafficking or trans-national border offences.

Collaboration between NSW Police Force and the AFP

- Joint investigations between the AFP and NSW Police Force where Commonwealth and State based offences apply (eg, people trafficking and sexual assault offences).
- AFP Human Trafficking Investigation Program made available to NSW Police Force officers in particular, members of Sex Crimes Squad who hold the Human Trafficking and Sexual Servitude portfolio; and
- Quarterly meetings between the Sex Crimes Squad and AFP; and
- Operational assistance provided when required for AFP (eg, for Commonwealth search warrant).

3 What aspects of the Boarding House legislation does Deputy Commissioner Kaldas consider may be of assistance in better regulating brothels?

The Boarding Houses Act 2012 and *Boarding Houses Regulation 2013* establish a regulatory framework, including a system of licensing and registration for boarding houses which, if adapted and applied to brothels, would provide information and powers that would be helpful in ensuring the probity of operators and the welfare of those employed.

The Boarding Houses legislation provides for enforcement and penalties. Authorised officers² can inspect premises to ensure these comply with the *Local Government Act 1993* and the *Environmental Planning and Assessment Act 1979*. The inspection can be at any time and carried out without warrant, in the company of police and medical practitioners if required. Boarding house premises can be photographed, filmed or sketched; documents taken or requested; and those asked questions required to take reasonable steps to provide the information sought.

Additionally, Section 83 of the Act requires deaths and sexual assaults occurring on premises to be reported to police and for the person who provides the residential accommodation to advise the Director-General of FACS is he/she believes a child under 16 is living away from home without parental permission; Section 84 provides for probity checks on staff members and section 85 allows for the removal of young people under 18 years from unauthorised boarding houses. Subdivision 2 or Part 4 of the Act provides for the licensing of operators, the requirement to display licences and the suspension and cancellation of licences.

² Under Boarding Houses legislation staff of the Department of Community and Family Services are authorised officers.

4 Since the commencement of the *Tattoo Parlours Act 2012*, has the NSW Police identified any instances of, or potential for, corruption within the Police in relation to its enforcement of this Act?

There have been no confirmed findings of police corruption in relation to enforcement of the *Tattoo Parlours Act 2012*. As with many police activities, there is the **potential** for corruption when policing tattoo parlours. Police training, systems and supervision are in place to guard against such corruption occurring.

5 Are there any structural aspects that make the sex industry attractive to organised crime?

The industry is normally a cash industry that can facilitate money laundering. It can provide opportunities for the distribution of drugs. Outlaw motorcycle gangs are involved in the nightclub industry, or are active in entertainment precincts, and operating brothels can have synergies with their other activities or can provide integration in certain geographic areas.

The sex industry can give organised crime groups opportunities to provide additional benefits to members and provide kudos to a group. In addition to which costs and risks are low, and profits high.

The current structure and regulatory regime does not appear to be 'mapped' or have an intelligence base within local government, and, as a result, the infiltration of organised crime groups may not be reported to law enforcement, or even be known by those charged with regulating the industry.

The trans-national nature of organised crime can facilitate people into the industry who are in the country illegally, by threat or coercion or to repay debts allegedly owed by the individual or family members.