INQUIRY INTO THE REGULATION OF BROTHELS

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The Committee Manager
Select Committee on the Regulation of Brothels
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Dear Ms Dyer

Submission: Legislative Assembly Select Committee Inquiry on the Regulation of Brothels

We are a grassroots campaigns movement mobilising and equipping individuals and groups to target corporations, advertisers, marketers and media which objectify women and sexualise girls to sell products and services. We are concerned about the increasing pornification of culture and the way its messages have become entrenched in mainstream society, presenting distorted and dishonest ideas about women and girls, sexuality and relationships.

As an organisation we have supporters who include survivors of the sex trade. Their recounted experiences of harm and social isolation inform the responses to the Inquiry we offer below.

Thank you for this opportunity to make a contribution to your Committee’s deliberations. We would be happy to supply more information, or speak to the Committee in person.

Kind regards

Caroline Norma, on behalf of Collective Shout
1. Appropriate local and state government regulatory and compliance functions for brothels

- **Recommendation: The NSW government should establish a sex industry action agency.**

The delegation of regulatory and enforcement functions to local government effectively creates an environment of total impunity for sex industry operation. Local governments in Australia do not have the resources or expertise to regulate an industry that is heavily infiltrated by organised crime, overseas syndicates, and persons with criminal records. The NSW state government should resource an agency tasked with liaising with police to shut down all operators not currently registered with local government, and fund women’s NGOs to assist sex industry victims to transition out of prostitution and into mainstream employment. A statewide education campaign to raise public awareness of the harms of the sex industry for individuals, communities and social equality should be launched, and local government should be supported to decline future applications for the registration of prostitution businesses.

2. The demarcation in local and state government roles and responsibilities

- **Recommendation: Local government should be relieved of any role or responsibility in relation to the sex industry.**

An industry of such scale, resources and criminality is not an appropriate target of local government oversight. Instead, the state government should strengthened the resources and expertise of police to coordinate a central agency (with a reference group drawn from survivor organisations, women’s groups and public health professionals) that tackles the sex industry from all angles. The agency’s role in contracting the size of the sex industry in NSW could be supported through government-funded research into the Nordic Model and other policy solutions that seek to reduce the size and profits of prostitution businesses.

4. The current extent and nature of the brothel industry in New South Wales

- **Recommendation: The NSW government should commission research into the extent of organised crime, trafficking victim, and foreign national involvement in NSW’s sex industry.**

The Asianisation of the NSW sex industry continues, and trafficked Asian women in the NSW sex industry continue to remain unrecognised as victims. The 2012 *The sex industry in New South Wales: A report to the Ministry of Health* document\(^1\) identified more than 50 per cent of survey respondents in approved brothels in metropolitan Sydney as of ‘Asian’ or ‘other non-English speaking background’, and nearly 45 per cent of respondents as speaking only ‘poor’ or ‘fair’ English (pp. 17-18). Despite this finding, the authors maintain they found ‘no evidence of recent trafficking of female sex workers in the…brothel survey’ (p. 11). But it is unlikely that women who cannot speak English, and who are from impoverished countries like Thailand, have had the resources and networks to ‘migrate’ to Australia independently (organising visas, flight tickets, accommodation in Australia), and organise a ‘labour contract’ with a brothel owner. While lack of English and foreign nationality do not, in themselves, constitute evidence of trafficking, they do point to the existence of a significant channel of women coming from, particularly, Asia into the Australian sex industry. Given the poverty of women living in the Asia-Pacific region, it would be prudent to assume that some form of trafficking crime is taking place in Australia. The UK government exercises this kind of caution in relation to the possibility. The presence of foreign women in that country’s sex industry who do not speak the local language is recognised as a red flag of trafficking; a new law

against prostituting a 'coerced, deceived or threatened person' came into effect in the UK in 2010 after an NGO found more than eighty per cent of prostituted women in London were foreign nationals.  

Asian-styled ‘massage’ parlours comprise a large part of the NSW sex industry, and are a sector that is wholly unregulated and unmonitored. There is no question that these venues are mediating the prostitution of women, and particularly women of Asian backgrounds. Massage parlours almost totally ignore local council requirements for business registration. They are often run by syndicates who transport women between different venues and locations. This takes place particularly for Asian-background women in the sex industry. It was reported in October 2011 that an “inner-city Sydney brothel . . . specializes in Korean prostitutes and is closely linked to the Comancheros outlaw motorcycle club and senior Asian organised crime figures” (McKenzie & Beck, 2011). In March 2008, three people were arrested in Sydney for sexually enslaving 10 Korean women, and in December 2008, a Korean woman thought to have been involved in Sydney’s sex industry was found dead in an apartment (Ramachandran, 2008).

5. Current regulation of brothels in New South Wales and other states

- **Recommendation:** The NSW government should commission research into the prostitution policymaking models of countries like Canada, Sweden, Norway and Northern Ireland.

Industry deregulation is mostly the legislative and policy model pursued by Australian state governments in relation to prostitution. Even in jurisdictions where brothels and escort agencies are licensed, deregulating the sex industry’s activities is the motivating impetus of the policymaking: in Victoria, for example, over the past twenty years, requirements for licensee holders have mostly not been enforced or checked. In many respects, the Victorian jurisdiction is similar to NSW in its lack of governance of sex industry operations. Rather than other Australian states, therefore, the Committee should look to countries like Canada, Sweden, Norway and Northern Ireland for models of effective and human-rights orientated policymaking on prostitution.

6. Penalties and enforcement powers required to close illegal brothels

- **Recommendation:** A NSW Police taskforce, similar to the Sex Industry Unit within Victoria Police, should be established specifically to tackle the problem of illegal prostitution businesses in NSW.

New South Wales has proven to be an unregulated minefield of exploitation, abuse and an ever expanding illegal sector associated with other criminal activities. Media reports over the past two years indicate that New South Wales has allowed criminals to run brothels in the state, despite having criminal convictions recorded against them. In one case, brothel owners banned in Victoria for pimping underage girls were found to have moved to Sydney and launched major prostitution businesses. A brothel called ‘Liaisons’ was found to be run by a man

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whose licence was revoked in Victoria for pimping an underage girl. The same man was later found with a 16-year-old girl at another brothel he operated after her mother forged the girl’s birth certificate.\textsuperscript{8}

Brothel proprietors have been criticised for being involved in illegal practices and allowing their employees to be placed in dangerous situations. One report criticises a brothel that ignored warnings about a predatory drug addicted neurosurgeon who was targeting women in the sex industry. Not only did the brothel sell cocaine to the doctor but two young women died as a result of being given lethal doses of cocaine.\textsuperscript{9}

The \textit{Law and Sex Worker Health} (LASH) report of 2012, commissioned by the NSW health ministry and conducted by UNSW and the Kirby Institute, found that of 201 respondents involved in the sex trade, 46\% stated that they would ‘not feel comfortable’ or would feel ‘very uncomfortable’ with reporting a sexual assault to a police officer.\textsuperscript{10}

2012 also saw the release of a study which found that 507 people working in the sex industry were offering unprotected oral sex.\textsuperscript{11}

In NSW, a police officer who investigates sex trafficking commented on the effects of decriminalisation: “Although the intention was to provide a safe working environment for sex workers the reverse has occurred in that pimps and brothel operators were empowered and enriched”.\textsuperscript{12}

7. Options for reform including a scheme of registration or licencing system for authorised brothels

- Recommendation: No student or working holiday visa holders should be allowed on brothel premises in NSW, or on the books of escort agencies.

Overseas governments are aware of the risk their citizens face in relation to visa-mediated trafficking in Australia’s sex industry. The South Korean Ministry of Foreign Affairs and Trade, for example, has hosted pre-departure training for Koreans participating in working holiday programs in Australia on their vulnerability to sex trafficking (US Department of State, 2011, p. 218). There are many examples of sex trafficking in Sydney carried out through Australia’s visa scheme. For example, in 2009, six young women were enslaved to work up to 20 hours a day in the Diamonds brothel in Willoughby and ordered them to perform unusual sex acts against their will so they could pay "debts" to the madam Wong recruited the women from Malaysia and arranged for them to arrive on student visas, telling them they had to pay a $5000 debt for their enrolment in education courses, airfares and visas.\textsuperscript{13}

There have been persistent and continuing practices of sexual enslavement within the NSW sex industry, regardless of whether or not proprietors are registered with local councils. In 2009, Jang, Jung, and Dalton published an article (followed by a book in 2010) based on surveys and interviews with 21 Korean women in Sydney’s sex industry. They found that more than half the women “felt that they were deceived about their eventual working conditions [in Australia] and found their working conditions to be either worse or much worse than what they expected or heard” (2009, p. 255). Interviewees experienced “surveillance or [being] in captivity” and had their

\textsuperscript{8} ibid
“physical appearance or . . . daily activities controlled” while in Australia at rates of more than 80 percent (2009, p. 940). In 2006 it was reported that a 36-year-old woman was detained at the Songpa Police Station in Seoul for successfully recruiting 50 women for trafficking into prostitution in Sydney. She had been undertaking this activity since April 2004. The newspaper reporter noted she “lured women by telling them that the sex trade is legal in Australia” (“Women Lured into Australian Sex Trade,” 2006). Jang, Jung, and Dalton noted that “international employment networks based in Korea . . . may have played a significant role in the entry of Korean women into the Australian entertainment and sex industry,” and a “large number of recruiters in Korea [are] working as agents for Australia-based Korean recruiters of entertainment and sex workers” (Jang, Jung, & Dalton, 2009, p. 258).

Indicative of foreign trafficker activity within Australia’s borders is the statistic that over 54 per cent of women in prostitution in Western Sydney were born overseas (Kakar et al, 2010).

8. The protection of sex workers, including issues around organised crime and sex trafficking

- Recommendation: The over-representation of Asian-background women with poor English proficiency in the NSW sex industry should be recognised as a red flag of trafficking crime, and action taken accordingly.

The deregulation of most of the Australian sex industry means that awareness about trafficking, and initiatives to detect it, are almost non-existent in the country. The Australian Anti-People Trafficking Interdepartmental Committee not only restricts its focus to trafficking taking place ‘outside the sex industry’ (with program funding directed accordingly), but openly declares an ongoing intent to exclude the sex industry from view: ‘During the next year there will be a continued focus on issues related to trafficking of people for exploitation outside the commercial sex industry’. Indeed, the Australian government closes its eyes to trafficking into the sex industry. Police in the country’s capital admitted to a 2012 parliamentary inquiry that no checks on either licensed or unlicensed brothels had been performed for a period of five years in the territory. A view of prostitution as work circulates so strongly in Australian society that trafficking victims are barely conceived of in public policy, let alone identified. There have been less than fifteen convictions for trafficking-related offences in the country. Foreign women in prostitution are simply perceived of as sex work migrants. This is shown in a 2012 The sex industry in New South Wales: A report to the Ministry of Health document in which the authors identify more than 50 per cent of survey respondents in approved brothels in metropolitan Sydney as of Asian or other non-English speaking country background, and nearly 45 per cent of these respondents as speaking only ‘poor’ or ‘fair’ English. Nonetheless, they find ‘no evidence of recent trafficking of female sex workers in the…brothel survey’. Recent developments in Australia toward the introduction of a ‘sex work visa’ category further reflect this idea of prostitution as an industry into which women simply migrate for labour.

A second indicator of trafficking in Australia is the emergence of ‘Asian women only’ brothels, which have become popular in recent years, and particularly in NSW. The Queensland Prostitution Licensing Authority in

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2011 noted with concern in its annual report that this type of brothel had become more common. Asian-women only brothels was also mentioned earlier in a 2009 report commissioned by the Victorian state government in relation to venues that offer women for prostitution on a ‘rotation’ basis. This is a well-known practice of traffickers. A brothel manager interviewed by researchers in Australia in 2009 described the practice of ‘rotation’ in this way:

Most of them [i.e., Asian women in prostitution], they’re just here on working visas and then they buzz back overseas in three months because they [brothel owners] turn them over. Their policy is to turn the girls over all the time. So the way they do it is they work between three or four brothels and they have them working one week there, one week there, one week there and they say, advertise, new girls, new girls. They haven’t got new, they’re just back after three or four weeks at another place they just rotate them around. 20

This practice of ‘turning girls over’ and ‘rotating them around’ generally requires the trafficking of women. In order for pimps to be able to offer customers a ‘variety’ of women (and thereby make more profit), they need to secure networks and channels for the procurement of women. The existence of ‘Asian-only’ brothels allows pimps to sell trafficked women on a rotation basis with less possibility of being reported to authorities by local women in the industry.

The emergence of ‘Asian women only’ brothels in Australia shows how well local pimps have developed networks and channels in overseas countries. While there are, of course, many women of Asian-backgrounds living in Australia, the overall lack of English language skill among women in prostitution in Australia suggests that pimps aren’t recruiting local Asian women. On the contrary, they are advertising women precisely on the basis of their foreign nationality, as this quote from a prostitution buyer on a review website indicates:

Lately there has ben [sic] a number of girls advertising/claiming to be Japanese, Korean etc with similar websites and photos and different names. Are they the same girl or are there a whole lot of them that have decended [sic] into Melbourne.? 21

The sex industries of, particularly, Melbourne and Sydney have become ‘Asianised’ over the last decade, as this quote from a prostitution buyer posted to an online reviewer website indicates:

Club 8 ran by new management with an overhaul of Australian WLs [i.e., prostituted women] to give us mostly Chinese and Korean WLs now. The facilities at Club 8 look like the Hotel brothels you get in China with all the space, huge lounge/waiting room, counter and hotel-styled rooms… 22

The ‘Asianisation’ of the Australian sex industry points to an increasing involvement of pimps and sex industry investors from countries like Korea and China. While this, too, doesn’t necessarily constitute evidence of trafficking, it does show the likelihood that brothel owners in Australia have contacts among sex industry business people overseas, and possibly use these networks to procure women, and ‘rotate’ them around licensed and unlicensed prostitution businesses in Australia.

In spite of these many outward signs that trafficking is a feature of the Australian sex industry, government officials and researchers continue to repeat the claim that trafficking is rare in the country. For example, the 2011 report of the Australian Commonwealth Anti-People Trafficking Interdepartmental Committee claims that ‘opportunities to traffic people into Australia are limited because of our strong migration controls and geographic

19 The government agency that oversees the legalised brothel industry in the Australian state of Queensland.
21 Mikemelb,’ Punter Planet, 22 September 2010
22 ‘bareback spider,’ Punter Planet, 4 March 2011
isolation’. This statement reflects some naivety about the extent to which the sex industry is moving women around in Australia (i.e., trafficking them) to meet demand for prostitution. It was reported in July 2012, for example, that Asian women are being trafficked into mining towns like Mt Isa, and are ‘working on a fly-in, fly-out basis, two weeks here, two weeks in the next town and so on; they are being advertised as available in the local newspapers, and they are coerced or threatened into doing it’. The US Department of State in its 2011 Trafficking in Persons Report describes the trafficking of women into prostitution in Australia in similarly clear terms:

[S]ome brothels are run by Asian organized crime groups that arrange for Asian women to travel, sometimes on student visas, to work in brothels. The women and girls are sometimes held in captivity, subjected to physical and sexual violence and intimidation, manipulated through illegal drugs, and obliged to pay off unexpected or inflated debts to their traffickers.

The culture of denial that surrounds sex trafficking in Australia contributes to an environment in which prosecutors bring very few trafficking-related cases to court (less than 40 in the country’s history), and achieve very few convictions (less than ten). When a conviction is achieved, moreover, prison sentences are often allocated to the women controlling the victims (who are often former victims themselves), rather than the (mostly male) pimps who organised their traffic. In one case tried successfully this year, a former prostituted woman (from Thailand) was convicted of a slavery offence, while the man she was connected to, who raped the victim soon after arriving in Australia, was not tried on any trafficking-related charge. While the woman was certainly involved in the victim’s trafficking, and should indeed be penalised, the fact she herself had been in prostitution before the victim was trafficked into Australia suggests she might not have been the original instigator of the crime. The Australian courts are ignorant of the sophisticated strategies of traffickers, which include using former trafficking victims as recruiters.

The Australian anti-trafficking legislation contains only weak provisions against the brokers and middlemen who are crucial to trafficking networks worldwide. The government continues to see sex trafficking as organised by a few rogue individuals, rather than well-connected organised crime networks. The Australian Federal Police were criticised in the media in 2011 for failing to coordinate with Taiwanese public prosecutors over a trafficking network operating in Taipei that sent a number of women to Australia. There appears to be a lack of comprehension among high levels of government, the judiciary, and law enforcement in Australia about the attractiveness of the country for pimps and traffickers in the Asia-Pacific region.

Australia is seen as an ‘attractive’ investment destination for pimps and traffickers because most of the country’s sex industry operates free of government monitoring and intervention. Even when state governments introduce licensing systems for brothels, this doesn’t necessarily mean they perform checks on the sex industry. This kind of welcoming environment for sex industry businesses makes Australia an attractive target for sex industry investors, and therefore makes Asian women vulnerable to cross-border trafficking into Australia, given the country’s location in the region.

The Australian government does not publicly acknowledged any link between the country’s large and legal sex industry and the trafficking of women. It prefers to think that the causes of trafficking reside in other countries, and not within Australia’s borders. This view is clearly expressed in a June 2011 statement by Australia’s permanent
mission to the United Nations. According to the mission, there are two causes of trafficking, both of which originate overseas. The first is the ‘poverty, unemployment, corruption, gender inequality, lack of access to education and discriminatory cultural norms’ of countries other than Australia. The second is the inadequate ‘capacity of States to address trafficking in persons’—states overseas, that is, and not Australia.  

The Australian government also likes to imagine, as much as possible, that trafficking is a crime that occurs outside of the sex industry. The most recent Australian federal Anti-People Trafficking Interdepartmental Committee report shows how keen the government is to draw attention away from trafficking as a crime driven by demand for prostitution, and toward other industries and forms of labour smuggling:

During the past year, the Australian Government has maintained its focus on combating trafficking for labour exploitation…During the next year there will be a continued focus on issues related to trafficking of people for exploitation outside the commercial sex industry (italics added).  

When the government is forced to recognise the existence of foreign women in Australia’s sex industry, it prefers to imagine these women have autonomously ‘migrated’ to Australia to pursue ‘sex work’, rather than having been trafficked. In other words, the government subscribes to an idea of ‘migration for sex work’. It promotes this revisionist idea of trafficking through measures like funding a project by an organisation called the Scarlet Alliance in 2009 to ‘raise awareness’ among ‘migrant sex workers’ about the ‘legal and migration rights and responsibilities to people considering travelling to Australia for sex work’. This initiative, called the Migration Project, aims to improve ‘access to justice and services for migrant sex workers and industrial conditions for sex workers in Australia’.  

9. Options to maintain the high level of public health outcomes

- Recommendation: The sex industry should be recognised as posing an unacceptably large public health risk in NSW as a commercial sponsor of sexually transmitted disease transmission (mostly to women in the industry itself). Efforts should be made to reduce its scale and size as part of public health prevention efforts.

In a 2010 research project, one hundred and eighty-five female prostituted women in Sydney were surveyed, among which ninety-eight (54.5%) were born overseas (predominantly China) and 82 (45.6%) were born in Australia. One hundred and seventeen (68%) were English speaking backgrounds (ESB), while 55 (32%) were from non-English speaking backgrounds (NESB). Seventy-two (38.9%) had symptoms of sexually transmitted disease at the time of the survey, with Chlamydia the most commonly reported STI in the previous 12 months at 28 cases (15.1%). Among the survey group, women from NESB were significantly more likely to be older, have symptoms of STIs, have had a hepatitis B diagnosis in the previous year and work more shifts per week, compared with women from ESB.  

The research shows the heinousness of the situation facing Asian women in the NSW sex industry, and the unlikelihood these women have entered the industry through strategies other than debt-bondage, manipulation and coercion, which all fit the Australian federal legislative definition of trafficking.

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Another research report from 2006 reports on data collected from 72 prostituted women in Sydney via face to face interviews. The interview included structured diagnostic assessment of DSM-IV PTSD; drug dependence; depression; experience of childhood trauma; and an assessment of their history of prostitution. All but one of the women interviewed reported experiencing trauma, with the majority reporting multiple traumas that typically began in early childhood. Child sexual abuse, adult sexual assault and work related violence were commonly reported. Just under half of the women met DSM-IV criteria for PTSD and approximately one-third reported current PTSD symptoms. Adult sexual assault was associated with current PTSD symptoms. Depression and drug dependence were also highly prevalent; cocaine dependence in particular was associated with elevated rates of injecting risk and sexual risk behaviours. This research shows the extent of mental health harms inflicted on women in the NSW sex industry, and the unlikelihood of women in the sex industry having the psychological capacity to exit the industry into mainstream work, due to the extent of abuse sustained in prostitution.

11. Any legislative changes that may be required

There are numerous examples of sex industry legislation that criminalise the industry and its customers (but not its victims) around the world, including:

Ireland:

Canada:

Canada Explanatory Memorandum:
http://www.justice.gc.ca/eng/rp-pr/other-autre/protect/p1.html

Northern Ireland:

Northern Ireland Explanatory Memorandum: