Submission No 116

INQUIRY INTO THE REGULATION OF BROTHELS

Organisation: Nordic Model Australia Coalition 'NorMAC'

Name: Mr Matthew Holloway

Position: National Secretary

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WEDNESDAY 19TH AUGUST 2015

THE COMMITTEE MANAGER
SELECT COMMITTEE ON THE REGULATION OF BROTHELS
PARLIAMENT HOUSE
MACQUARIE ST
SYDNEY NSW 2000

Dear Select Committee on the Regulation of Brothels

Please find in this letter information regarding our response to your inquiry, in particular highlighting some of the serious concerns we have noted under the decriminalisation of the sex trade in New South Wales.

NorMAC is a secular organisation that seeks to end harmful cultural practices of sexual exploitation in Australia. Our membership comprises people from all walks of life, including survivors of the sex trade. Survivors' voices have been silenced and many of their supporters have been vilified in their attempts to expose the harms of the prostitution - a multi-billion dollar, expanding global trade.

Prostitution undermines gender equality by commodifying women as sexual goods. We call on governments in Australia to introduce Nordic Model laws, which will aim to end the exploitation of women, children and men in the sex trade, and to provide essential, fully resourced exit programs.

The Nordic Model Australia Coalition has been established to educate, to disseminate information, promote and research Nordic Model laws on prostitution, and in particular, for -

- The decriminalisation of all prostituted persons
- The criminalisation of the purchase of sexual services
- The education of the community, and particularly men, about the harms of prostitution and the value of women
- The ongoing investigation and prosecution of crimes involving trafficking and sexual exploitation of the vulnerable
- The rejection of any form of commercialisation or corporatisation of the sex industry
- The provision of holistic exit programs for prostituted persons, including sustainable long-term funding

We appreciate this opportunity to contribute to your inquiry and are willing to participate in any further avenues of inquiry you pursue in our shared goal of best outcomes and protection for those persons currently exploited in the legal and illegal sex trade in New South Wales.

Sincerely

Simone Watson, Director for NorMAC, Matthew Holloway - BSocSc (Couns), National Secretary for NorMAC,

NorMAC is a proud member of TasCOSS and Stop The Traffik



RESPONSE:

2c - Possible reform options that address the social, health, and planning challenges associated with legal and illegal brothels.

NorMAC recommends the Nordic Model of prostitution legislation. Nordic Model laws began with the Swedish Kvinnofrid (Women's Peace/Security/Freedom) Law enacted in 1999 to address all forms of violence against women. The same legislative approach has since been adopted in Norway, Iceland, Northern Ireland, South Korea and Canada, and is under consideration in many other jurisdictions including France, Ireland, Israel, Lithuania and Scotland.

Other nations have partially adopted Nordic Model laws into legislation dealing with exploitation in the sex industry. In particular Finland, France and England currently have legislation making it illegal to buy sex from a person who was trafficked or pimped.

Nordic Model laws view the prostitution of persons as a harmful, unacceptable cultural practice. The Nordic Model recognises the following key issues in the sex trade -

- Decriminalisation is essential for all individuals who are paid for sexual services
- There is an inherent inequality in verbal contracts for the purchase of sex
- People who are harmed as a result of being bought for sex need to be compensated
- People wanting to exit the sex industry need access to resources including health, housing, employment opportunities, education and social security

The Nordic Model targets demand through laws aimed at dissuading buyers of sexual services. In Sweden, research has shown the vast majority of the population supports Nordic Model laws, and believes purchasing sex is a human rights violation. Laws against the purchase of sexual services have had a normative effect on attitudes towards the sex industry and have resulted in a reduction in the number of men wanting to purchase sex.

NorMAC also recognises that the best response for people involved in the sale of sex, is to give them support to exit the industry. Research shows that persons in the sex industry have a number of negative social determinants in relation to their physical and psychological health. Some of these are outlined in the following Australian research -

The National Drug and Alcohol Research Centre in 2005 published an article titled 'Mental health, drug use and risk among female street-based sex workers in greater Sydney'. The project interviewed 72 women who had been involved in prostitution for 3 months or more. The statistics highlighted the following -

- One quarter of the women identified as being Aboriginal and/or Torres Strait Islander
- More than half left home before the age of 16
- The median age for school completion was year 9



- 14% had no fixed address or were currently homelessness
- Nearly half the sample reported being homeless within the past 12 months
- Three-quarters of the sample experienced child sexual abuse before the age of 16
- Almost two-thirds reported that after the age of 16 someone had sexual intercourse with them despite them making it clear they did not consent
- One third of participants reported moving into prostitution before the age of 18
- Two thirds of respondents found sex work stressful with half stating that the clients were the cause of this stress
- 85% of women reported experiencing violence in prostitution, particularly physical assault (65%), rape with gun/knife (40%), rape without weapon (33%) and attempted rape (21%)
- Depression was also prevalent in this study with a little over half (39 respondents) reporting severe depressive symptoms. A little over half of this group (54%) reported having attempted suicide and one-quarter of these attempts had been before the age of 18. Half the sample also screened positively for a diagnosis of Borderline Personality Disorder (BPD) with approximately half the total sample also meeting the criteria for PTSD with 31% of respondents reporting current PTSD symptoms.¹

A 2009 study conducted by the University of Queensland and Queensland University of Technology surveyed women from three sections of the sex industry. This included 103 private 'sex workers', 102 legal brothel workers and 42 illegal 'sex workers' (including 33 street workers). The results showed that 83% of illegal 'sex workers' had been exposed to sexual abuse during childhood, 45% of licensed brothel workers and 48% of private 'sex workers' also reported childhood abuse. It also showed that 52% of illegal 'sex workers' had been raped or bashed by a client; 15% of private 'sex workers' and 3% of brothel-based 'sex workers' also experienced these traumas. The study highlighted that street workers were four times more likely to have mental health problems than brothel workers, but overall prostitutes from all sectors had poorer mental health than Australian women of comparable age who were not involved in the sex industry.²

RESPONSE:

3a - The current extent and nature of the brothel industry in New South Wales & 3b - Current regulation of brothels in New South Wales and other states.

FAILURE OF NSW DECRIMINALISATION OF THE SEX TRADE TO ADDRESS THE EXPANSION OF THE ILLEGAL SEX TRADE;

Councils in New South Wales have been attacked for failing to act on an increasing illegal brothel sector.³

 $^{^{1}\} https://ndarc.med.unsw.edu.au/sites/default/files/ndarc/resources/TR.237.pdf$

² http://eprints.qut.edu.au/17394/8/c17394.pdf

³ http://www.theage.com.au/nsw/brothel-barons-expand-as-councils-fail-to-act-on-illegal-activities-20131130-2yi9m.htm





A 2013 investigation by Fairfax media reported 34 illegal brothels operating within a five-kilometre radius on Sydney's north shore with 15 illegal brothels continuing to operate daily from premises across Chatswood, Willoughby and Artarmon despite having been issued with closure notices two years prior.⁴

This report raises two issues - the failure of councils to follow up on brothel closure orders, and the lack of authority such notices carry for illegal operations within the state of New South Wales. It seems clear that the current legislation puts the onus on local government authorities to collect evidence and pursue illegal brothels. This is unrealistic given the expansion of the sex industry, along with the limited resources and on-going exposure of corruption at local government level.

According the Sydney Criminal Lawyers website, 'councils are reportedly fed up with the constant promises by governments to provide compliance officers and support to close down illegal brothels, so they are finding the evidence to take them to court themselves.'5

Two local councils in particular have raised the need for radical reform -

<u>Willoughby Council</u> is reported to have hired private investigators on six occasions over a two-year period to aid court battles that have cost ratepayers \$60 000. 'It is an extraordinary process of evidence gathering', said the council's acting general manager Greg Woodhams. 'To use ratepayers funds for this exercise seems ridiculous. We don't like doing it, there would be a section of our community that disapproves of it ... but, until the system changes, we have no choice. We need to produce conclusive evidence'. ⁶

There was also an Independent Commission Against Corruption (ICAC) investigation into corruption at Willoughby Council. The inquiry found the council's building inspector Edward Karkowski had been accepting free sexual services at the Chatswood-based Oriana Bath House in return for his ongoing silence about the true nature of the business. In 2012, he was found guilty of five counts of corruptly receiving a benefit and sentenced to six months' jail, though he was deemed 'suitable' to serve the term in home detention. The Land and Environment Court ordered the parlour be shut. However in September last year, *The Sun-Herald* found that an illegal brothel was again thriving at the same address under the guise of a 'ladies only' Korean sauna, which was also offering private health insurance rebates on 'remedial massages'.⁷

<u>Hornsby Council</u> recently lost a landmark legal battle against a massage parlour it alleged was operating as an illegal brothel, after a court ruled the council failed to prove there was 'enough' sex being provided on the premises. Hornsby Council paid a private investigator to go undercover inside the parlour and have sex with a prostitute as part of a bitter, year-long legal battle to have the operation closed.⁶

⁴ http://www.smh.com.au/nsw/new-redlight-zone-as-illegal-sex-trade-expands-north-20131116-2xnlb.html#ixzz3iz16vrwm

⁵ http://www.sydneycriminallawyers.com.au/blog/the-fight-against-illegal-brothels-sydney-councils-spying/

⁶ http://www.smh.com.au/nsw/councils-hire-sex-spies-to-catch-parlours-in-the-act-20140920-10jigg.html#ixzz3iz8iRklw

⁷ http://www.smh.com.au/nsw/i-give-up-lawless-sex-industry-prompts-brothel-buster-to-call-it-quits-20150401-1mcswx.html#ixzz3izIJ44oF



The business operates directly next door to a tutorial centre for primary school children - and 50 metres away from Hornsby Girls' High School. A judge dismissed the case, ruling that council's evidence of sex being sold on the premises fell short of the NSW's specific definition of the term 'brothel' - which requires more than one prostitute to be providing services onsite.⁸

The outcome of the Hornsby council decision was discussed by Councillor Nick Berman who confirmed to the Sydney Morning Herald that the council had spent upwards of \$100 000 'trying to do the right thing - and lost'. 'To have to invest ratepayer's money to pay private investigators to have sex with prostitutes is, in itself, ludicrous. But to now have to send two, three, even four men in is bordering on the unbelievable.'6

FAILURE OF DECRIMINALISATION OF THE SEX TRADE TO ENSURE HEALTH, SAFETY AND WELLBEING OF PERSONS IN THE SEX TRADE

Brothels have been criticised for being involved in illegal practices and allowing their employees to be placed in dangerous situations. One report in particular referred to a brothel that ignored warnings about a predatory drug addicted neurosurgeon who was targeting prostitutes. Not only did the brothel sell cocaine to the doctor, but two young women died as a result of being given lethal doses of the drug.⁹

The Law and Sex Worker Health (LASH) report of 2012, commissioned by the NSW health ministry and conducted by the University of NSW and the Kirby Institute, found that of 201 respondents involved in the sex trade, 46% stated they would 'not feel comfortable' or would feel 'very uncomfortable' with reporting a sexual assault to a police officer. The LASH Report also noted that two thirds of those in the sex industry were migrants and 46 percent had rated their English language skills as fair to poor. ¹⁰ These statistics are deeply concerning and raise questions regarding any of these individual's capacity to negotiate conditions, payment and their own safety. The lack of language skills puts them at a clear disadvantage in negotiations in the trade of sex.

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

In New South Wales, Australia, 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'.¹²

NorMAC notes the experience of New South Wales in decriminalisation of the sex trade and placing the responsibility of regulation on local government has also been the experience of New Zealand through their introduction of the Prostitution Reform Act 2003 (PRA). The PRA

⁸ http://www.smh.com.au/nsw/show-me-more-sex-judge-tells-council-in-landmark-legal-case-20150305-13vx7g.html#ixzz3izg0umUP

 $^{^9\} http://www.smh.com.au/nsw/brothels-ignored-warning-on-neurosurgeon-suresh-nair-20140524-38vk9.html$

¹⁰ http://nothing-about-us-without-us.com/wp-content/uploads/2012/03/LASH_NSW-Sex-Industry-Report_2012.pdf

http://www.dailytelegraph.com.au/news/nsw/more-than-500-sydney-prostitutes-are-offering-unprotected-sex-to-clients-in-brothels/story-e6freuzi-1226240239728

 $^{^{12}\} http://www.smh.com.au/nsw/licensing-law-to-tighten-screws-on-brothel-chiefs-20111010-11hm7.html$



enabled territorial authorities to make bylaws regulating the location, signage and advertising associated with commercial sexual services, but not to prohibit such services. This has been an ongoing issue, with brothels opening in non-commercial areas despite community and council opposition.¹³

In New Zealand it has also been noted that despite the PRA bringing the sex industry under the Health and Safety in Employment Act of 1992, compliance with occupational health and safety regulations cannot be measured or enforced as there is no regular system for inspection of brothels by medical officers or by Labour Department officials.¹⁴

RESPONSE:

3d - Options for reform include a scheme of registration or licensing system for authorised brothels.

NorMAC believes the option of a licensing and registration scheme is also unworkable. In jurisdictions where such schemes exist, such as Victoria, they have done nothing to prevent the exploitation of people within the sex trade or reduce the number of persons involved in the street sex trade. Victoria has seen a massive increase of the illegal sex trade and illegal brothels alongside the operation of a legal sex trade.

NorMAC is proud to be a survivor led organisation, our director Simone Watson is an Indigenous woman and a survivor of prostitution in the legal sex industry of Victoria. Simone has stated that following – 'My experience working in a legal brothel has shown me that the belief that legal brothels provide occupational health and safety is a misnomer. My mental and physical health suffered and when I wanted out, I had my life threatened. I have battled trauma and addiction since leaving the industry but I am given hope because I am here today and can represent my sisters who have not been able to reclaim their voice from the perpetrators.'

There is a belief that legalisation means better regulation of the industry and decreases violence against workers. There is also a belief that this approach offers people involved in the trade of sex more control when choosing clients, and increases the profits they are able to make. Yet many examples in Victoria show these beliefs to be false.

The Australian adult entertainment industry website also backs these figures stating Victoria has around 100 legal brothels.¹⁵ It is worth noting that the Victorian Police estimate there are around 400 illegal brothels currently in operation in Victoria.¹⁶

The Victorian experience demonstrates that legalisation has caused all segments of the industry to flourish, specifically the illegal sector. Additionally, legitimate brothels have not been adequately monitored, regulated and policed.

¹³ http://www.nzherald.co.nz/nz/news/article.cfm?c id=1&objectid=10781694

¹⁴ http://www.justice.govt.nz/policy/commercial-property-and-regulatory/prostitution/prostitution-law-review-committee/publications/plrc-report/documents/report.pdf

¹⁵ http://www.aaei.com.au/licensedbrothels.htm

¹⁶ http://www.theage.com.au/opinion/society-and-culture/its-time-to-get-serious-about-sex-trafficking-in-australia-20111012-1lkzi.html#ixzz1k4wywZF7



In 2011 Victoria Police launched an investigation into council officials who had been incriminated in taking tens of thousands of dollars in bribes to turn their backs on illegal brothels operating in their districts. Because of the increase in illegal brothels more women and children are being trafficked for the purpose of sexual slavery. ¹⁷

2011 also saw an exposé of sexual slavery on ABC's Four Corners, this highlighted the increase of human trafficking and sex slavery of Korean, Chinese and Thai women brought into Australia on student visas and working up to 80 hours a week as prostitutes in brothels across Melbourne.¹⁸

In 2013 the ACTU's confidential 457 visa hotline exposed an establishment in Port Melbourne where 40% of workers were on 457 Visas. The workers understood they were being employed as Thai masseurs, but once arrived they were told if they didn't have sex with clients they would be sacked.¹⁹

Legal brothels and escort agencies called on the state government to cap the number of brothels allowed in Victoria, claiming that Melbourne's booming illegal sex trade no longer provides a level playing field for legitimate operators. Of course many of these so-called legitimate operators have also have been incriminated in illegal practices. It has become clear that despite the laws regarding use of condoms in licensed brothels, there are sex premises that offer a full service without condoms. This was reported in the *Melbourne Leader*.²⁰

In 2011 *The Age* published an article titled 'Brothel safety - a dangerous myth'. The article gave the example of a woman suing a brothel where she was employed after she was threatened by a client with a gun for refusing to have unprotected sex. The article cited interviews conducted by academics in New South Wales whose findings also showed many women in legal brothels had safety concerns specifically relating to male clients becoming violent and demanding unprotected sex. The article went on to directly state that in Victoria, safety and protection in legal brothels was 'a bureaucratic fantasy'.²¹

Resourcing Health & Education in the Sex Industry (RhED) - a government funded organisation - has also questioned safety in brothels and advises workers to check brothels have accessible duress alarms.²²

Illegal practices in registered brothels were also revealed in Working in Victorian Brothels, a report commissioned by Consumer Affairs Victoria. The report found there were significant disparities between brothels in terms of worker treatment. In some licensed brothels, workers were able to refuse client and leave as they wish. In others, workers did not have autonomy

¹⁷ http://www.theage.com.au/victoria/councils-targeted-in-illegal-brothels-probe-20111015-1lqlk.html#ixzz1jPDK4crd

¹⁸ http://www.abc.net.au/4corners/stories/2011/10/06/3333668.htm

¹⁹ http://workinglife.org.au/2013/04/22/fundamental-flaws-remain-in-457-visa-program/

²⁰ http://melbourne-leader.whereilive.com.au/news/story/illegal-sex-over-street-from-regulator/

²¹ http://www.theage.com.au/opinion/society-and-culture/brothel-safety-a-dangerous-myth-20110714-1hfwh.html

²² http://www.sexworker.org.au/



to refuse clients and were forced to work full shifts before receiving payment. Another issue raised was the drug-friendly culture in some licensed brothels.²³

Queensland's parliament has also highlighted issues in their state's licensed and regulated sex industry, noting the following in Report No. 82 of the Legal Affairs and Community Safety Committee – 'It has been estimated that up to 90% of prostitution ultimately remains beyond the scope of the regulatory regime. This includes both the State's unlicensed (but legal) private operators and "a thriving illegal prostitution sector" which, despite significant police activity, has persisted since the regime's introduction and operates "largely with impunity". Estimates as to the precise size of the illegal sector vary widely, and have often been subject to exaggeration. However, it is generally accepted that the number of illegal brothels exceeds the number of legal brothels in the State'. ²⁴

RESPONSE:

3e - The protection of sex workers, including issues around organised crime and sex trafficking.

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 other Australian states (specifically Victoria) for, amongst other things, employing under-age prostitutes.²⁵

Numerous cases have also been reported in the media of sex trafficking of Asian women. For example, the *Sydney Morning Herald* reported on an investigation which found that upon arriving in Australia on travel visas, dozens of women from Hong Kong and Thailand are being met by brothel managers who lodge study visa applications on their behalf.²⁶

February 2013, consultancy firm Brothel Busters contacted two senior officials within the Department of Immigration's national investigation unit, identifying four Hong Kong women who were delivered to Australia to work in the sex industry. The girls were dispersed between two brothels in Blacktown and an associated parlour in Sydney's south. Brothel Busters head Chris Seage also provided a paper trail that demonstrated exactly how sex traffickers were utilising the student visa system. Three months later, a regular client of the Blacktown parlours became irate about prolific drug use on premises and turned whistle-blower. In a letter, dated 19 May 2013, to Blacktown Council Mayor Len Robinson, he stated - 'These working girls hardly speak a word of English ... are here on a student visa and are permitted limited hours per week to work (20 hours) but are forced to work up to 18 hours a day'.

²³http://165.142.249.2/CA256902000FE154/Lookup/CAV_Publications_Reports_and_Guidelines_2/\$file/CAV_Monash_Report_Brothels.pdf

http://www.parliament.qld.gov.au/documents/committees/LACSC/2014/CrimeInquiry2014/rpt-082-28Nov2014.pdf

http://www.dailytelegraph.com.au/news/nsw/brothel-owners-banned-in-victoria-for-employing-underage-prostitutes-now-running-big-brothels-in-sydney/story-fni0cx12-1226848537447?nk=269f499e0d84b5af747fa64738b2bb94
http://www.smh.com.au/nsw/trafficking-women-lured-with-student-visas-forced-into-sex-slavery-20140329-35q88.html#ixzz3iznZyeC0



Another case saw a brothel madam exposed for enslaving a group of Malaysian women and forcing them to work 17 hour shifts, including coerced unprotected sex acts.²⁷

A joint investigation by the *Sydney Morning Herald* and ABC's *Four Cor*ners in 2011 examined details regarding federal police investigations that found evidence of two legal Sydney brothels and three legal Melbourne brothels linked to international human trafficking. The sex slavery syndicate convinces Asian women to come to Australia to study. When they arrive here they are kept against their will, stripped of passports and forced to work as sex slaves. One member of the brothel syndicate was charged with killing a Melbourne man who was helping a Korean sex slave to escape. The investigation also found that state and local authorities responsible for approving legal brothels have taken no action, despite court documents in August 2011 detailing Federal Police allegations against brothels and their managers. Senior police sources said the links between organised crime, sex trafficking syndicates and legal brothels highlighted the need for stronger state regulation and criticised NSW and Victoria for their woeful oversight of the industry.²⁸

NorMAC recommends that the best way to address trafficking for the purposes of sexual exploitation and protect those involved in the trade of sex from exploitation from third parties is to introduce legislation based on the Nordic Model.

The Swedish government reported that laws banning the purchase of sex had been effective in reducing prostitution and deterring human trafficking. The report noted that prostitution in Sweden, unlike comparable countries, had not increased and street prostitution had halved in the decade since its introduction. Data showed the number of prostituted people in Sweden was roughly ten times lower per capita than in Denmark.²⁹

According to the Swedish National Criminal Police, prohibition of the purchase of sexual services has acted as a barrier to human trafficking for sexual purposes.

Other countries that have adopted the Nordic Model have also noted its success. In 2014, Norway conducted an independent evaluation of their law after it had been in place for five years. The results showed a 20-25% reduction in prostitution, and street prostitution had nearly halved.³⁰

Figures from Norway have also shown a reduction in violent crime, with prostituted people more willing to report harassment or violence, and a decrease in physical assault and rape comparing 2008 data (pre-Nordic Model) to 2012 data (post-Nordic Model).³¹

In April 2014 the Parliamentary Assembly of the Council of Europe, called on member states to 'consider criminalising the purchase of sexual services, based on the Swedish model, as the most effective tool for preventing and combating trafficking in human beings'.

²⁷ http://www.smh.com.au/nsw/jail-for-brothel-keeper-who-enslaved-women-20130705-2phgf.html

²⁸ http://m.smh.com.au/national/legal-brothels-linked-to-international-sex-trafficking-rings-20111009-11fxs.html

²⁹ http://www.government.se/content/1/c6/14/92/31/96b1e019.pdf

³⁰ http://www.eu-norway.org/Global/SiteFolders/webeu/Evaluation.pdf

³¹ http://humboldt1982.files.wordpress.com/2012/12/dangerous-liaisons.pdf



There are clear links between human trafficking and the exploitation of people within the sex industry, as highlighted by Sigma Huda, UN Special Rapporteur on Trafficking – 'It is rare that one finds a case in which the path to prostitution and/or a person's experiences within prostitution do not involve, at the very least, an abuse of power or an abuse of vulnerability......put simply, the road to prostitution and life within 'the life' is rarely one marked by empowerment or adequate options'.

RESPONSE:

3h – Any Legislative changes that may be required.

The Nordic Model Australia Coalition (NorMAC) supports radical change to the current legislative approach to the sex industry in New South Wales.

In particular we call for the following legislative measures for the protection of people involved in the sex industry and the reduction of trafficking of persons for the purposes of sexual exploitation.

- The decriminalisation of all prostituted persons.
- The criminalisation of the purchase of sexual services.
- The education of the community, and particularly men, about the harms of prostitution and the value of women.
- The ongoing investigation and prosecution of crimes involving trafficking and sexual exploitation of the vulnerable.
- The rejection of any form of commercialisation or corporatisation of the sex industry.
- The provision of holistic exit programs for prostituted persons, including sustainable long-term funding.