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The Proposed Re-introduction of Policing and Crime into the Regulation of Brothels in New South Wales

Penny Crofts* and Jason Prior†

Abstract

Since 1995, brothels in New South Wales have been permitted to operate as legitimate businesses regulated by local councils using planning powers. Despite more than 20 years since decriminalisation and widespread support, there remains an urge by some to heavily regulate the sex industry, reflected in the recently submitted report to the NSW Government from the Select Committee on the Regulation of Brothels (2015). Although the Report supports maintaining decriminalisation, it is dominated by concern about the association of brothels with crime and the consequent need for increased policing. This article argues first that there is little to no evidence to support the criminogenic concerns articulated in the Report. Second, even if these concerns existed, there is nothing to suggest that the proposed measures would provide a solution. Moreover, these proposed reforms reflect a worrying trend in criminal law reform of the expansion of police powers modelled on anti-terrorist legislation, despite existing police powers and criminal offences that are not prosecuted.

Keywords: commercial sex – brothels – decriminalisation – regulation – police powers – New South Wales

Introduction

Historically (and currently internationally) the primary approach to the sex industry has been criminalisation. In 1995, New South Wales ("NSW") decriminalised brothels and permitted them to operate as legitimate businesses regulated by local councils using their planning powers. Despite more than 20 years since decriminalisation and widespread support by sex workers, academic literature, grassroots organisations and health practitioners, there remains an urge by some to heavily regulate the sex industry, in part due to continued perceptions of
the sex industry as inherently criminal and/or moral concerns (Warnock and Wheen 2012). This urge is reflected in the recently submitted report to the NSW Government from the Select Committee on the Regulation of Brothels (2015). The Committee was appointed by the Minister for Innovation and Better Regulation to inquire into the regulation of brothels in NSW, delivering on the 2015 election commitment by the Baird Government to establish a parliamentary inquiry into the regulation of brothels. The terms of reference were broadly outlined to include regulatory and compliance functions of local and state government, demarcation of the responsibilities of local and state government roles, and ‘possible reform options that address the social, health and planning challenges associated with legal and illegal brothels’ (Select Committee on the Regulation of Brothels 2015:i:i). Although the Committee is clear that ‘it would be retrograde and serve no public purpose to recriminalise sex work’ (2015:xix–xxi), the Report is dominated by a concern about the association of brothels with crime and the consequent need for increased policing. These criminogenic effects include the proliferation of unauthorised brothels (particularly erotic massage parlours), worker conditions in unauthorised brothels, sex slavery, and the association of bikie gangs with brothels. Although there is limited concrete evidence of these issues, the Report is heavily influenced by Deputy Commissioner for Police, Nick Kaldas, who propounds a cockroach theory of the criminogenic effect of brothels — the small number or absence of prosecutions for various offences indicates a large amount of illegal behaviour under the surface.

The primary recommendations of the Report are dominated by a concern with crime and a consequent reliance upon the police force. Police are at the centre of the majority of proposed reforms. These include the licensing of all non-sex workers in brothels under the auspices of the police. Police powers of entry and enforcement would be increased based on anti-terrorist and anti-bikie legislation. A specialised unit would be created within the NSW Police Force to investigate breaches of the new regulatory system. In addition, police would be at the head of inter-government agencies involved in the regulation and enforcement of licensing laws (Select Committee on the Regulation of Brothels 2015). These proposed reforms risk losing the political and social aspirations of decriminalisation via a reintroduction of criminality by stealth. This theme of protecting decriminalisation from policy reversals and or restrictive implementation has been noted in New Zealand (see Scoular 2010; Abel 2014).

The Report supports pre-election commitments made by the Liberal Party in 2011 to license brothels (Crofts 2012). Although only one paragraph in the 164-page Report makes reference to this, only four out of the seven members of the Committee supported the findings and recommendations of the Report. Three of the Committee members expressed their concerns thus:

The Members for Sydney, Summer Hill and Gosford maintain that the chapter advocates the case for a licensing regime without adequately addressing the current framework of decriminalisation. These members are of the view that the report overstates the susceptibility of sex workers and brothels to criminal activity such as money laundering, sexual servitude and outlaw bikie gangs. These members are of the view that the report gives a disproportionate weighting to the views of NSW Police (Deputy Commissioner Kaldas), to the exclusion of other organisations that balanced this view. These members are of the view that little concrete evidence is presented to support these claims and the experiences of sex workers are simplified to suggest overwhelming vulnerability. These members are of the view that the Committee received evidence of complex intersections of marginalisation, however, the report does not elucidate how licensing would stop an underground industry or protect workers (Select Committee on the Regulation of Brothels 2015:x:8).

We agree with the concerns of the minority on the Committee and will analyse why the findings and the recommendations of the Report are flawed.

This article argues first that there is little to no evidence to support the criminogenic concerns articulated in the Report primarily by Kaldas. Second, even if these concerns existed, there is nothing to suggest that the proposed measures would provide a solution. Moreover, these proposed reforms reflect a worrying trend in criminal law reform of the expansion of police powers modelled on anti-terrorist legislation, despite existing police powers and criminal offences that are not prosecuted.

A regulatory void

A key underlying theme of the Report and justification for the proposed reforms is that aspects of the sex industry are almost completely deregulated:

When the NSW Parliament decriminalised prostitution in the mid-1990s it went where no western government had previously gone. But in doing so sex work in NSW in 1995 was not only decriminalised, but almost completely deregulated — with its only regulation confined to planning controls (Select Committee on the Regulation of Brothels 2015:iv).

In 1995, most sex work-specific criminal laws were removed ‘and the police force was removed as the industry regulator’ (Select Committee on the Regulation of Brothels 2015:10). As a consequence of these reforms, brothels are legal and only require council planning approval (Crofts 2006). Street solicitation is allowed provided it is away from dwellings, schools, churches and hospitals.

The Committee accepted comments by Kaldas that, since the reforms in 1995, police have regarded the sex industry as ‘under-regulated for some years’. Kaldas asserted that ‘regulation is necessary because in that industry much could go wrong if unregulated and rules are not enforced’ and:

We do not accept that regulating the industry properly will force it underground, as some may argue. As it is right now, there exists next to no regulation, no enforcement and abuses are far more likely to go undetected with horrible consequences for individuals. Lax or non-existent checks and balances are not the answer to what is a very real problem (Kaldas quoted in Select Committee on the Regulation of Brothels 2015:11).

The Committee accepts Kaldas’ portrayal of a ‘laissez faire framework of decriminalisation’ (Select Committee on the Regulation of Brothels 2015:87):

The comment that perhaps most closely captures Kaldas’ conception of the (need for) regulation of the sex industry, quoted several times in the Report, is: ‘It is probably harder to get a dog and get a dog licence than it is to work in the sex industry at the moment’ (Select Committee on the Regulation of Brothels 2015:11). In this form of the quotation it is unclear who or what is being compared to dog ownership. It is clarified in another form: ‘Under the current NSW system there is more regulatory control devoted to the ownership and registration of a dog than there is to the protection of sex workers’ (Select Committee on the Regulation of Brothels 2015:iv).

This quotation from Kaldas provides insight into his perception of sex work. It is absurd and offensive to compare the supply of a service between consenting adults with ownership of an animal entirely at the whim of its owner. We note that Kaldas’ statement is incorrect. (Getting a dog is regulated under the Companion Animals Act 1998 (NSW)’s 3A ‘to provide for the effective and responsible care and management of companion animals’. It requires micro-chipping and registration with the local council. The rest of the regulations and legislation are concerned with ensuring a dog does not harm others and an owner does not
nothing compared to what is required for the development application process for setting up a commercial sex services premises.)

Central to the Report and Kaldas’ idea of regulation is that the only kind of regulation is by the police force. ‘In this regulatory void, it is left up to councils and not the Police Force to look after brothels’ (Select Committee on the Regulation of Brothels 2015:11, emphasis added).

Despite asserting a ‘regulatory void’, the Report then devotes many pages to articulating the post-1995 regulatory framework that already exists in relation to the sex industry (Select Committee on the Regulation of Brothels 2015:11–16). These include planning regulations, local council powers, work, health and safety legislation and some criminal legislation specific to brothels and sex work. Regulatory agencies include councils, Safework NSW, Health and the police force. Non-government agencies (‘NGOs’) also engage with the sex industry, including including Scarlet Alliance (the peak national sex worker organisation in Australia), the Sex Worker Outreach Project (‘SWOP’) and ACON (AIDS Council of NSW). Ostensibly, some distinction might be made between brothels that have been authorised by councils and those that operate without authorisation. However, as we argue in more detail below, even in the absence of council authorisation, other regulatory agencies and non-government agencies continue to interact with sex workers and operators of sex services premises. For example, NSW Health and SWOP make no distinction in servicing authorised and unauthorised sex services premises. Moreover, the rules of planning and criminal law still apply regardless of whether a sex service premise is authorised by council. The issue of authorised and unauthorised premises is also complicated by home occupations (sex services) premises, which operate in a complex and ambiguous planning environment, but have limited impact on amenity.

Despite a 2012 NSW issues paper recognising the efficacy of the current regulatory regime (Better Regulation Office 2012), the Report makes little reference to the extent to which planning regulation does work. Quantitative and qualitative research asserts the success of the current regulatory regime in terms of amenity impacts, worker health and safety and the reduced association of the sex industry with crime (Crofts 2010; Crofts et al 2012; Donovan et al 2010; Donovan et al 2012; Prior and Crofts 2012; Prior, Crofts and Hubbard 2013). Kaldas asserts that ‘there is no requirement for councils to consult with other public agencies, such as NSW Health or Police, as part of the assessment of a DA for a brothel’ (Select Committee on the Regulation of Brothels 2015:25). However, this belies the extent to which conditions of consent are set by individual councils (Prior, Crofts and Hubbard 2013). Councils can impose health and safety requirements, such as requiring a shower and basin in each room, and the development of security measures. Development applications must include a statement of environmental effects and management plans. Limits can be imposed on operating hours, on group bookings, and as a prohibition on serving intoxicated clients. The Land and Environment Court has demonstrated a preference for good structural design of brothels to reduce noise and negative amenity impacts, rather than relying solely upon management plans. All these aspects are required and imposed as part of the existing legal framework. This extends to issues such as workers’ rights, taxes, health and safety, and discrimination law. A legalised industry also facilitates outreach programs by health professionals.

The Report also claims a distinction between proactive (routine inspections) or reactive (complaint only inspections) as dependent on resources. However, this is contradicted by the bulk of councils stating that they inspect businesses on a needs basis — and, on the whole, ‘councils consistently advised the Committee that where council authorisation had been given to operate sexual services premises, complaints concerning those premises were few’ (Select Committee on the Regulation of Brothels 2015:30). For example, Randwick City Council asserted:

It is important to note that these premises over many years of operation have not generated community concern or given rise to any disturbances which have resulted in complaints to Council. In the absence of any regulatory regime that requires council to inspect these premises, the inference that is drawn is that these two brothels operate discreetly and would appear to be well managed (Select Committee on the Regulation of Brothels 2015:29).

Evidence from key stakeholders is that, contrary to a regulatory void, the sex industry is regulated by a range of overlapping government authorities, including the police force, with the support of non-government agencies, just not primarily by the police.

A criminogenic sex industry

The idea of a regulatory void existing in relation to the sex industry is incorrect. The 1995 reforms removed the automatic association of the sex industry with crime and the criminal justice system. Because of decriminalisation, the sex industry can be regulated in the same way as other lawful industries. Bestowal of legal status imports an existing legal framework of rights and responsibilities (Crofts 2010). With legalisation comes the opportunity to regulate, ranging from workers’ rights, administering and paying taxes, occupational health and safety, to imposing planning requirements that minimise negative amenity impacts. Moreover, legal status also comes the opportunity to make claims upon the legal system for protection. However, Kaldas is heavily quoted in the Report as claiming that this (so-called) ‘regulatory void’ needs to be addressed because it has allowed, or would allow, crime to flourish. Similar claims have been made (and dismissed with research) in New Zealand (see Plumridge and Abel 2001). Kaldas did not provide concrete evidence, but spoke in general ominous terms of fears associated with an unregulated industry. His unsupported claims were accepted by the Committee because of the nature of the industry and its lack of regulation:

In the course of the inquiry, it has been difficult to ascertain the extent to which many of the issues raised occur. One of the reasons for this is that the nature of the sex services industry, as private and discreet, means that offences committed are not immediately identified (Select Committee on the Regulation of Brothels 2015:25).

At the outset of this analysis we noted that NGOs and NSW Health provided a different picture of the sex industry, which was based upon engagement with the industry and concrete examples. For example, in 2014, SWOP visited 447 brothels in NSW (whether authorised or not), interacted with more than 6700 sex workers, distributed 270 000 safe sex items and approximately 20 000 pieces of educational material. These stakeholders did not support Kaldas’ depiction of an unregulated industry allowing crime to flourish. Simple supply and demand economics also suggests that legalisation removes the primary incentive of large profits associated with an illegal industry.

Research has persuasively argued that the range of possible enforcement responses by police and other regulators such as planners and health professionals will be influenced by judgments as to where a business is perceived to exist on an ‘illegal-legal spectrum’ (Gill 2002). Despite concrete examples of the success of the legal regulation of sex industry since 1995, the Report (based on Kaldas) presents a broad conflation of anecdotal and unsupported criminogenic concerns, with slippage between categories, perceiving the sex industry as
Illegal and/or focusing on unauthorised premises, and using this view to inform a return of policing powers as a primary regulatory practice that must be applied. Three key categories have influenced these proposed reforms, and we will deal with each and the efficacy of proposed reforms in turn.

**Bikie gangs and brothels**

One of the major justifications for increased police powers is the claimed link between brothels and bikies. Kaldas asserts:

The results from our analysis and thinking indicated that there are clearly issues in the industry in terms of servitude, the use of illegal workers and extortion by or involvement of organised crime and outlaw motorcycle gang groups. Around 40 brothels have some recorded connection or ties to outlaw motor cycle gang groups in our intelligence holdings (Select Committee on the Regulation of Brothels 2015:11). This is quoted several times and appears as fact elsewhere in the Report (Select Committee on the Regulation of Brothels 2015:47).

The Report recommends a series of reforms to respond to the ‘bikie threat’ modelled on the Tattoo Parlours Act 2012 (NSW), which itself was modelled on anti-terrorism legislation (Ananian-Welsh and Williams 2014–15; Lynch 2009) — including the proposed licensing process (Recommendation 17), appeals against licensing decisions, the confidentiality of criminal intelligence reports (Recommendation 14), increased police powers of entry, search and seizure for brothels (Recommendation 27), and council powers to take evidence (Recommendation 34). This reflects and reinforces a worrying trend generally in law enforcement policy — where the threat of bikies provides a requirement and a justification for extreme legislative reforms (see, for example, Ananian-Welsh and Williams 2014–15; Lynch 2009).

Is Kaldas’ claim of a bikie threat established? No detail is provided by Kaldas or in the Report on the nature of the alleged links of bikies with the sex industry. Are the bikies owners/operators, customers, sex workers or extortiOnists? The granting of legal status imports a right to governmental protection of liberty, safety and property. This means that sex services premises and their workers and clients can turn to the law for protection. For example, in Uky Huang v Parramatta City Council, police presented evidence that an authorised brothel near the proposed brothel had been the subject of bikini gang threats accompanied by promises of protection (Neal 2009:5). The officer relied upon this as evidence of the inherent unlawfulness of brothels. In contrast, this demonstrates an advantage of legal status. Rather than succumbing to bikini gang threats, the brothel owner could, and did, report the threats to the police and sought protection from existing legal institutions. More than two decades of decriminalisation has meant that workers and operators in the sex industry have gained confidence in using the legal system when crimes are committed against them. This would be undermined if police powers are increased. Rather than enhancing safety, police will again be seen as a threat.

The idea of a link between illegal bikini gangs and the sex industry is based in part on old conceptions of the inherent illegality of the sex industry. That is, that illegal industries will attract the attention and be accessible to other illegal people and/or groups (Crofts 2007). The sex industry in NSW is no different from any other legitimate business. There is absolutely no reason why bikies would be more involved with the sex industry than they would with other businesses. One argument is that brothels are attractive to organised crime because they are cash-based businesses that facilitate money laundering (Select Committee on the Regulation of Brothels 2015:48). However, anecdotal information from brothel operators and sex worker representatives is that the industry is increasingly moving away from cash to the use of plastic — like almost every other business.

**Sex slavery/worker conditions**

If bikies have been relied upon generally to require and justify increased powers and penalties, fears of sex slavery are a recurring theme in justifying tough regulation of the sex industry. These fears are so extreme that for some prostitution is treated as synonymous with sex trafficking. This argument is one of the justifications for the Swedish model, which criminalises the client of a sex worker (see Harrington 2012; Abel 2015; Phoenix 2009). Kaldas gave anecdotal evidence of recent reports of large-scale networks using Asian students as sex slaves throughout NSW and other states:

There is some anecdotal evidence . . . of girls being forced to do things they do not want to do, including the taking of hard drugs with clients . . . Again anecdotally, it has been the case that brothel owners will keep the girls’ passports and they are forced to work in the brothel to pay off their debt for travel costs etc . . . We have certainly seen some cases of very genuine sexual servitude . . . it may be in the minority, but I would suggest — and I do not think anyone would disagree — one woman held in sexual servitude is too many (quoted in Select Committee on the Regulation of Brothels 2015:5.7,11).

These claims were also supported by Commander Glen McEwen, Manager, Victim Based Crime, Australian Federal Police: ‘If we look at sexual [servitude] exploitation investigations that were conducted for the financial year 2014-15, there were 24 Australia-wide; that translated to being six in NSW’ (Select Committee on the Regulation of Brothels 2015:58). That is, one-quarter of current sexual servitude investigations in Australia are in NSW.

In contrast, other stakeholders submitted that the problem is overstated and police are being manipulated (Donovan, quoted in Select Committee on the Regulation of Brothels 2015:57). Sex worker outreach groups and representatives and health providers such as Kirketon Road Centre have reported a drop in reports of sex worker exploitation since decriminalisation in 1995. Kaldas asserts that the difference between his claims and those of other stakeholders is that this type of sex work was ‘underground’ and out of view of established sex industry groups. Internationally, evidence suggests that the issue of trafficking has been grossly exaggerated (Harcourt and Donovan 2005; Hubbard, Matthews and Scoular 2008; O’Connell Davidson 2006; Weitzer 2007). The argument that sex worker exploitation has decreased with decriminalisation reflects economic arguments — decriminalisation has reduced the large profits associated with an illegal industry, thus decreasing the profitability of sex worker exploitation. Moreover, decriminalisation offers greater protection of sex workers’ rights (and clients’ rights) (Harrington 2012). Worker exploitation is more likely to be reported in a regulated, decriminalised industry than in a criminalised regime. This may in turn explain the higher proportion of (still very few) sex servitude cases in NSW. Worker exploitation is more likely to be reported by workers (and competitors). Thus, decriminalisation brings with it a form of natural surveillance.

1 Information provided to the authors by the Sex Worker Outreach Project and accountants for the adult industry 16 March 2016. Not all sex services premises have migrated to plastic, but, in some areas, sex services premises are increasingly accepting (and requiring) payment by credit card and/ or EFTPOS — for all the advantages associated for clients and the business.
flourishing illegal industry has been a recurring motif in some media reports, and also for some councils (see Duff 2015, 2016). This concern was probably the primary motivator for the proposed licensing scheme; however, it has become secondary in the Report to bikies and sex slavery. The conception of an illegal industry tends to conflates different concerns, as analysed below.

**Home occupations (sex services)**

It has been consistently recognised that 40 per cent of sex workers work in private homes (Select Committee on the Regulation of Brothels 2015:7). Almost 60 per cent of the workers work in brothels, 5 per cent are street-based, and less than 10 per cent work exclusively as escorts (Donovan et al. 2012:16). The Report notes that a large proportion of the sex industry works from home, that this type of sex services premise has low amenity impacts, and otherwise neglects home occupations (sex services). This is problematic because the law regarding home occupations (sex services) premises ("HOSSP") is highly ambiguous. In some councils, HOSSP can operate without development consent; in others, HOSSP need to undergo the same development application procedure as a large commercial brothel. Some local government areas ban 'brothels' from residential areas (thus effectively prohibiting HOSSPs); in others, the exact legal position of HOSSP is not known (Crofts 2003; Crofts and Prior 2012). Media stories include HOSSP in their claims of a large illegal industry. However, given that HOSSP have low amenity impacts, generate next to no complaints, are safer for workers and can be regulated like any other home occupation (Crofts and Prior 2012; City of Sydney 2005) they should be treated like any other home occupation — able to operate without development consent and subject to the same regulations as any other business, which is a long-term recommendation (Brothels Taskforce 2001). This would automatically and cleanly resolve most of the 'illegal' industry in NSW.

**Erotic massage parlours**

The second type of business contributing to concerns about an 'illegal' industry is erotic massage parlours. These are businesses that hold themselves out as massage parlours but do not have development approval to operate as a brothel and are providing sexual services. It is these businesses that some councils are particularly concerned about (while HOSSP do not cause any council concern). Evidence suggests that these businesses make up only a small proportion of the sex industry. For example, Sydney City Council states that 6 per cent of sex worker clients report working in a massage parlour or in bondage and discipline (they cannot be separated in their database) (Select Committee on the Regulation of Brothels 2015:31), and that it receives between 10–30 complaints per year about massage parlours operating as brothels without consent (Select Committee on the Regulation of Brothels 2015:30). These council concerns need to be analysed as they have been recurring since decriminalisation.

One of the arguments is that 'an underground sex services industry is operating in NSW that is not visible to local councils or other authorities (such as NSW Health, Police, SafeWork NSW, Immigration and the Australian TaxOffice) thereby increasing risks to the welfare of sex workers within those premises' (Select Committee on the Regulation of Brothels 2015:41). The argument that an unauthorised erotic massage parlour avoids regulation and paying tax is incorrect. Erotic massage parlours tend to be authorised as massage businesses; this means that they fall within the existing regulatory regime for businesses. We could compare an unauthorised erotic massage parlour with a restaurant that is not licensed to serve

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3 Home occupations (sex services) are permitted in the United Kingdom and Ontario, Canada; see also Bedford v Canada (Attorney General) 2010 ONSC 4264 (500).
alcohol but does so. The business and its workers are still subject to, and able to access, the existing regulatory regime.

A second argument is that unauthorised erotic massage parlours have an unfair competitive advantage over authorised sex services premises. They can offer sexual services in areas where they are not permitted and have the advertising freedoms that a non-brothel is permitted. ‘This gives them an unfair competitive advantage over approved brothels and means they are in unsuitable locations’ (Select Committee on the Regulation of Brothels 2015:41). They are also a diversified business and can reach a wider customer base. This raises again the possibility of natural surveillance — erotic massage parlours are likely to be reported by their authorised competitors to local councils.

A third argument is that councils are ill equipped to get evidence that a business is offering sex services and that the process is very expensive. For example, Hornsby Shire Council spent A$60 000—70 000 to obtain physical evidence through a private investigator, but was then rejected by the local court on the grounds that only one sex worker had provided a sexual service, and this was not a brothel under the legislation (Select Committee on the Regulation of Brothels 2015:37–8). Councils argued that they did not have sufficient powers or capacity to investigate and prosecute, and the Report recommends providing increased powers to councils. In fact, councils already have extensive powers of entry and investigation under the Local Government Act 1993 (NSW), and some councils have relied on these powers for regular entry into brothels (Crofts, Prior and Hubbard 2013).

A key recommendation by the Report in response to an illegal industry is licensing. However, there is no evidence provided in the Report that a licensing regime would resolve the issue of unauthorised erotic massage parlours. There is a great deal of variation of the extent to which a massage parlour may provide erotic services. Is it a one-off that is provided in response to a (pushy) client requesting a happy ending? If the service is a one-off, then the business (and the worker), is unlikely to perceive itself as a sex services premise and thus is unlikely to apply for a licence. On the other hand, if the erotic service is an integral part of the business and the business has not sought approval under existing planning regulations, why would this change with licensing? The business would remain, as it currently is, outside of the sex services regulatory regime but within the existing commercial premises regulatory regime.

The Report asserts that, under the proposed licensing regime, ‘enforcement responsibility would shift to include a greater role of the NSW Police Force in a state government regime with suitable expertise (investigatory and prosecutorial) and resources’ (Select Committee on the Regulation of Brothels 2015:44). There is, however, no need to establish a licensing regime for this to occur. Police have the powers already and offences exist under the Summary Offences Act 1988 (NSW), they are just not applying or enforcing them (ss 16 and 17 of that Act). The Department of Justice indicated that these provisions are currently not being used to complement the planning laws in relation to unauthorised brothels. There have been no prosecutions for these offences in the last five years. Justice also clarified that the NSW Police Force has primary responsibility for investigating and prosecuting offences under the Summary Offences Act 1988 (NSW) (Select Committee on the Regulation of Brothels 2015:35).

If unauthorised massage parlours are such a problem, then police should use these existing powers to investigate and prosecute. A more nuanced account of the issues, distinguishing between types of sex services premises, if and whether they generate any problems, and possible solutions needs to be provided.

Policing key recommendations

The Report conflates and slips between the different ways in which the sex industry is perceived as criminogenic, implying a complex web of interlinking elements. The Report states that under the current system there is no restriction on the type of person who can own or operate sex services premises:

There is evidence that unsuitable people may be involved in running sex services premises and the NSW Police Force, Victorian Police, Australian Federal Police and Ballina Shire Council made reference to criminal organisations being involved in the sex services industry. A number of other stakeholders also alerted the Committee to the risks of organised criminal activity and sex trafficking in the sex services industry, and concerns about use of drugs, employment of underage workers and sexual servitude involving sex services premises in NSW were also raised ... Add to this the fact that there is no central register of authorised sex services premises across the state, and that there is evidence many businesses are operating without planning approval, and there is the potential for serious consequences that go completely unchecked by the authorities (Select Committee on the Regulation of Brothels 2015:92–3).

Although the Report argues that decriminalisation should be retained, for the Committee these criminal problems require and justify a criminal legal solution. Reflecting the accepted dominance of policing evidence throughout the Report, the police force is accorded a central perspective and role in the proposed reforms. Chapter Six details a range of reforms including a proposed licensing scheme and background and probity checks for people who wish to run a sex services premise. The applicant’s associates should be vetted to ensure that the applicant is not a front for a criminal/group. The licensing rules are to be modelled on the Tattoo Parlours Act 2012 (NSW) with police powers of entry and enforcement expanded. The Report draws upon the rights of entry specified in that Act (ss 30A, 30B and 30C), recommending that police ‘should be able to enter at any reasonable time any licenced brothel, or any other premises they reasonably suspect are being used to provide sexual services, without a warrant, to determine whether there have been any breaches of the licensing system’ (Select Committee on the Regulation of Brothels 2015:118). The Report asserts: ‘This greater visibility of regulatory enforcement should be a deterrent to sex slavery and the exploitation of workers’ (Select Committee on the Regulation of Brothels 2015:105).

Because it is claimed that the true owners are often disguised, all non-sex workers will have to be identified to a regulator — including cleaners (who may be running the brothel) (Select Committee on the Regulation of Brothels 2015:105). Kaldas also recommended the licensing of individual sex workers, but this was not accepted by the Committee. Licensing decisions will be reviewable by the NSW Civil and Administrative Tribunal. The penalty for operating an unlicensed or unapproved brothel should be imprisonment (Select Committee on the Regulation of Brothels 2015, recommendation 20).

The centrality of police is further reinforced by the recommendation for a central record of authorised brothels and co-ordination between the various regulators and stakeholders: ‘Co-ordination protocols between local, state and federal government agencies can be co-ordinated by a body similar to the Victorian Police’s Sex Industry Co-ordination Unit’ (Select Committee on the Regulation of Brothels 2015:105).

Kaldas claims that currently it is difficult to know where authorised and unauthorised brothels are located. However, local councils would already have the addresses of authorised brothels and police would be able to access this information from local councils if needs be. Without clarifying the law with regard to home occupations (sex services) premises, it would be difficult and inappropriate to have a list of unauthorised sex services premises.
The proposed reforms are consistent with trends in policy and legislative reforms of increasing police powers to be ‘tough on crime’. Police already have extensive powers of entry, search and seizure and there are extant criminal offences in relation to the claimed problems that they are not prosecuting. These offences include sexual servitude or the conduct of a business involving sexual servitude (Crimes Act 1900 (NSW) ss 80D, 80E), promoting or engaging in acts of child prostitution or using premises for child prostitution (Crimes Act 1900 (NSW) ss 91C–91E), and procuring or enticing a person who is not a prostitute for the purposes of prostitution (Crimes Act 1900 (NSW) ss 91A, 91B). There are also offences under the Summary Offences Act 1988 (NSW) regarding advertising of sex work (ss 18, 18A) and street sex work within view of a dwelling, school, church or hospital (ss 19, 19A). The Summary Offences Act 1988 (NSW) also prohibits using or owning or managing, for the purposes of prostitution, premises held out as being available for massage, steam baths etc to be used for the purposes of prostitution (ss 16, 17). The police can also apply for a brothel to be closed if they suspect any ‘disorderly conduct’, including the sale of liquor or drugs or the involvement of criminals in the control or management of the brothel (Restricted Premises Act 1943 (NSW)). The proposed reforms are consistent with trends in policy and legislative reforms of increasing police powers to be ‘tough on crime’. Police already have extensive powers of entry, search and seizure and there are extant criminal offences in relation to the claimed problems that they are not prosecuting. These offences include sexual servitude or the conduct of a business involving sexual servitude (Crimes Act 1900 (NSW) ss 80D, 80E), promoting or engaging in acts of child prostitution or using premises for child prostitution (Crimes Act 1900 (NSW) ss 91C–91E), and procuring or enticing a person who is not a prostitute for the purposes of prostitution (Crimes Act 1900 (NSW) ss 91A, 91B). There are also offences under the Summary Offences Act 1988 (NSW) regarding advertising of sex work (ss 18, 18A) and street sex work within view of a dwelling, school, church or hospital (ss 19, 19A). The Summary Offences Act 1988 (NSW) also prohibits using or owning or managing, for the purposes of prostitution, premises held out as being available for massage, steam baths etc to be used for the purposes of prostitution (ss 16, 17). The police can also apply for a brothel to be closed if they suspect any ‘disorderly conduct’, including the sale of liquor or drugs or the involvement of criminals in the control or management of the brothel (Restricted Premises Act 1943 (NSW)). The proposed reforms are consistent with trends in policy and legislative reforms of increasing police powers to be ‘tough on crime’. Police already have extensive powers of entry, search and seizure and there are extant criminal offences in relation to the claimed problems that they are not prosecuting. These offences include sexual servitude or the conduct of a business involving sexual servitude (Crimes Act 1900 (NSW) ss 80D, 80E), promoting or engaging in acts of child prostitution or using premises for child prostitution (Crimes Act 1900 (NSW) ss 91C–91E), and procuring or enticing a person who is not a prostitute for the purposes of prostitution (Crimes Act 1900 (NSW) ss 91A, 91B). There are also offences under the Summary Offences Act 1988 (NSW) regarding advertising of sex work (ss 18, 18A) and street sex work within view of a dwelling, school, church or hospital (ss 19, 19A). The Summary Offences Act 1988 (NSW) also prohibits using or owning or managing, for the purposes of prostitution, premises held out as being available for massage, steam baths etc to be used for the purposes of prostitution (ss 16, 17). The police can also apply for a brothel to be closed if they suspect any ‘disorderly conduct’, including the sale of liquor or drugs or the involvement of criminals in the control or management of the brothel (Restricted Premises Act 1943 (NSW)).

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operation of the Act consisting of eleven members — two persons nominated by Minister of Justice, two by the Minister for Commerce to represent operators of businesses of prostitution, one each nominated by the Minister for Women’s Affairs, the Minister of Health, Minister for Local Government and Minister of Police, and three nominated by the New Zealand Prostitutes Collective (Crofts and Summerfield 2006).

Conclusion

Despite all the evidence supporting decriminalisation as delivering best-practice outcomes in terms of worker health and safety, amenity impacts and crime, decriminalisation is consistently under challenge, whether from application, enforcement, policy changes or legislative reform (Abe1 2014; Crofts et al 2012; Weitzer 2010). These challenges are informed in part by moral concerns that view prostitution as exploitative and a form of violence against women and that should accordingly be criminalised (Farley 2004, 2006; Jeffreys 1997), despite (or because of) evidence that criminalisation worsens the lives of workers. This has been shown most recently in the Swedish approach criminalising the clients of sex work (Levy 2011).

The idea that the sex industry is somehow different from other commercial businesses because of assumptions of immorality underlies Kaldas’ evidence. There is a perception that the industry inherently attracts criminality. In contrast, we regard the criminality of the industry as a law-made problem — the industry was associated with crime because of criminal legislation — and decriminalisation has removed this automatic relationship. Regarding and regulating the sex industry as legal requires and encourages the industry to act in a lawful manner where workers and businesses are brought within the existing legal regime with all the associated responsibilities, duties and rights. The Report fails to recognise the regulatory framework that already exists in relation to the sex industry. These include planning regulations, local council powers, work, health and safety legislation and some criminal legislation specific to brothels and sex work. Regulatory agencies include councils, Safework NSW, Health and the police force and non-government organisations.

The Report demonstrates a combination of this underlying concern about sex work coupled with acceptance of the requirement for increased police powers generally. The proposed reforms are particularly problematic because not only do police already have extensive powers and associated criminal offences that they are not drawing upon or prosecuting, but the proposed reforms accept increased powers that are based upon anti-terrorist legislation that greatly undermines civil liberties on the basis of what was initially justified as a unique and extraordinary threat. The proposed reforms suggest a ‘new normal’ in policy and policing responses — despite the absence of any clear or present (threat of) danger.

Despite more than two decades of decriminalisation, the Report fails to recognise that the sex industry can and should be regulated in the same way as other legitimate commercial businesses supplying services that are not inherently dangerous or disorderly. The emphasis upon crime and policing undermines the advantages of decriminalisation. Instead of police being regarded as someone to turn to for assistance when a citizen is victimised, the proposed reforms increase the role of police where they are again seen as a threat. While the Report is careful to recognise the agency of sex workers, there is apprehension expressed that the most vulnerable workers are not protected. These concerns about sex worker exploitation can and should be framed as a critique of workers’ rights generally that is by no means specific or restricted to the sex industry. The Report provides little persuasive evidence of criminal problems associated with the industry, nor is there any evidence that, even if true, the proposed reforms would provide a solution to these ‘problems’. There is no need for increased policing of the sex industry and this approach would undermine the advantages of legality.

Postscript

After submission of this article for review but prior to publication the NSW Government responded to the Select Committee recommendations (2016). The response notes that, in 2015, the Government granted councils stronger powers of entry to inspect brothels without notice and introduced the toughest penalties in Australia for planning breaches. The Report notes that the Government rejects the licensing scheme recommended by the Select Committee Report.
Case
Bedford v Canada (Attorney General) 2010 ONSC 4264
U Ky Hung v Parramatta City Council [2009] NSWLEC 1331 (8 October 2009)

Legislation
Companion Animals Act 1998 (NSW)
Crimes Act 1900 (NSW)
Criminal Code Act 1995 (Cth)
Local Government Act 1993 (NSW)
Restricted Premises Act 1943 (NSW)
Summary Offences Act 1988 (NSW)
Tattoo Parlour Act 2012 (NSW)
Work Health and Safety Act 2011 (NSW)
Workers Compensation Act 1987 (NSW)

References
Better Regulation Office (2012) Regulation of Brothels in NSW

Contemporary Comment

Serious Crime Prevention Orders

Elyse Methven* and David Carter†.

Abstract

Successful reform in New South Wales (‘NSW’) have established far-reaching powers to curtail the liberties of those who were once convicted of various serious sexual and violent offences. Now, these powers have been significantly expanded, with the Executive Government asserting the ability to control the free movement, speech, association and work of NSW citizens and businesses via Serious Crime Prevention Orders (‘SCPOs’) under the Crimes (Serious Crime Prevention Orders) Act 2016 (NSW). This Comment surveys substantive and procedural aspects of SCPOs. We situate the orders as part of a continuing expansion of administrative detention and supervision regimes of a hybrid, quasi-criminal nature. We question whether the powers go too far by increasing the State’s powers to surveil and control a person’s or business’s activities under the justification of preventing crime. We also canvass the possibility that SCPOs will operate in a punitive (not merely preventative) manner.

Keywords: Serious Crime Prevention Orders – preventive detention – risk-based jurisprudence – New South Wales – administrative detention

Introduction

The assumption today is that there is no such thing as an ex-offender — only offenders who have been caught before and will strike again (Garland 2002:180).

The Crimes (Serious Crime Prevention Orders) Act 2016 (NSW) (‘the Act’) represents a watershed extension of state power in New South Wales (‘NSW’). The ‘tough new powers’ (New South Wales 2016:8034) contained in the Act mirror powers in the United Kingdom (‘UK’) in the Serious Crimes Act 2007 (UK) (‘the UK Act’) and significantly extend the existing regime of post-custodial and serious crime powers held by the executive. Simply put, the Act enables the NSW District or Supreme Courts to order such prohibitions, restrictions, requirements and other provisions as the court considers appropriate for the purpose of...
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