

Working in Victorian Brothels

An independent report commissioned by
Consumer Affairs Victoria into the Victorian
brothel sector

June 2009

“ *Preface* ”

In November 2008 Consumer Affairs Victoria (CAV) contracted Monash University to conduct research on Working in Victorian Brothels.

The project submitted a Report on Stakeholder Consultations in December 2008. The Interim Report was delivered in April 2009. This is the Final Report of the project.

The research is based on qualitative interviews with regulatory and enforcement agencies, licensees and operators of brothels, support workers and sex workers.

“ Glossary ”

Illegal activity:

(As distinct from **unlicensed activity** – see below) While all activity in contravention of the relevant laws is by definition illegal, this report uses the term **illegal activity** to describe activity designed to profit from the provision of sexual services in breach of the PCA or PCR, and which poses a risk for workers or the community. This activity can occur in licensed brothels, unlicensed brothel premises, premises offering add-on sexual services without a licence and in unlicensed escort arrangements. It can also occur in relation to the knowing transfer of licences in contexts that reduce oversight of the operation of legal brothels.

Premises offering add-on sexual services without a licence:

These are otherwise legitimate businesses (massage, health massage, or adult entertainment such as stripping) that offer **unlicensed** add-on sexual services.

Private work:

This term was used by all respondent groups to describe independent, sexual service provision by workers. In some instances the worker was operating as a small owner-operator using a PCA exemption number; in other cases, workers were operating as small owner operators without having registered their intention to rely on the exemption.

Sex workers:

Worker participants in this study. This term acknowledges that sexual services are being provided for financial reward by participants in this study and draws attention to the importance of working conditions and employment relations in creating and maintaining a safe and professional industry and contributing to worker safety and security.

Sexual Service Providers/Licensees:

Throughout the report, we use the term ‘licensees’ to refer to the licensed sexual service providers (as defined in the Prostitution Control Act) who were interviewed for the study.

Unlicensed activity:

Activity that is in breach of existing regulations which is undertaken by **workers** in unlicensed premises, premises offering add-on sexual services or working independently. This includes workers not registering for an exemption and/or working in larger groups than two. It can include sexual services offered without licensing, often in connection to other legitimate services like massage. These activities may not impact negatively on worker autonomy or on community amenity and safety.

“ Contents ”

Preface	i	to sex work	17
Glossary	ii	3.5.2 Lack of adequate health services	18
Executive Summary	vii	3.5.3 Demands for unsafe sex: client attitudes	19
1 Background	1	3.5.4 Tax and the inability to claim for work-related expenses	20
1.1 Regulatory Context	1	4 Specific Worker Groups	23
1.2 General	2	4.1 Student workers	23
1.3 Licensed brothels	3	4.2 Underage workers	25
1.4 Unlicensed brothels	3	4.3 Drug affected workers	26
2 Methodology	4	4.4 Overseas workers	26
2.1 Stage 1: Stakeholder consultations	4	4.5 Support Services and Advocacy Groups	28
2.2 Stage 2: Enforcement / Regulation	5	5 Pathways for exit	29
2.3 Stage 3: Industry	5	5.1 Entry into the sexual services industry	29
2.4 Stage 4: Workers	5	5.2 Exit	30
2.5 Stage 5: Modelling and media analysis	6	5.3 Licensee support for exit	31
3 Worker Experiences	7	5.4 Support programs for exit	31
3.1 Numbers, characteristics, and employment histories of workers	7	5.5 Moving on from sex work	31
3.2 Earnings and hours	8	6 Size, nature and drivers of the illegal brothel industry	33
3.3 Patterns of employment	8	6.1 Terminology	33
3.3.1 Worker mobility	9	6.2 Summary of estimates of the size of the illegal industry	33
3.3.2 Private work	9	6.3 Prosecutorial data	35
3.3.3 Escort	10	6.4 Information, knowledge and definition	39
3.3.4 Premises offering add-on services without a licence	11	6.5 The growth and harms of unlicensed sexual service provision	40
3.3.5 Work in unlicensed brothels	11	6.6 Specific findings for unlicensed sexual service provision	41
3.4 Positive aspects of working in the sexual services industry	12	6.6.1 Add-on services to massage	41
3.4.1 Financial independence	12	6.6.2 Unlicensed brothels	42
3.4.2 Flexibility	13	6.6.3 Legal brothels operating in breach of regulations	43
3.4.3 Peer support	15		
3.4.4 Autonomy	15		
3.4.5 Communication skills	17		
3.5 Challenges for sex workers	17		
3.5.1 Social stigma attached			

6.6.4	Practices compromising the objectives of worker autonomy	43
6.6.5	Exempt workers working outside the conditions of their exemption	44
6.6.6	Relationship between the licensed and unlicensed sectors	45
7	Regulation, Enforcement and Effectiveness	46
7.1	Regulation	46
7.1.1	Licensing	46
7.1.2	Accuracy of records	46
7.1.3	Licensing process: licensees	46
7.1.4	Licensing process: managers	49
7.1.5	Licensing process: workers	50
7.1.6	Advertising	50
7.2	Enforcement	51
7.2.1	Licensee views of enforcement	51
7.3	Worker views of regulation and enforcement	53
8	Social indicator modelling	55
8.1	Financial security	55
8.2	Housing security	56
8.3	Health status	56
8.4	Social networks and support	56
8.5	Comparing exited worker and current worker self-assessment	56
	Case studies	57
	Appendix 1: List of initial key stakeholder contacts	62
	Appendix 2: Respondent Summary	63
	Appendix 3: Illegal Brothel Sector: media analysis	63
	References	64

“ *Executive Summary* ”

In November 2008 Consumer Affairs Victoria (CAV) contracted Monash University to conduct Research on Working in Victorian Brothels. Key areas of interest for CAV were:

- segmentation of the brothel industry, including nature and scope of the illegal brothel sector and the intersection (if any) between the licensed brothel sector and the illegal brothel sector
- experiences of workers and other stakeholders in relation to exiting the industry, and
- the nature and scope of student involvement in the industry.

The research is based on qualitative interviews with regulatory and enforcement agencies, licensees and operators of brothels, support workers and sex workers.

Workers

- The workers interviewed for this study generally worked in the sexual services industry for five or more years. The interviews indicate that there is significant mobility into and out of the sexual services industry, with a substantial majority of workers moving in and out of sex work in the course of their working life. Worker employment patterns were characterised by movement between licensed and unlicensed premises, and into and out of private and/or escort work. Approximately half of the workers had worked in at least three sectors (N=23). A number of workers had worked in premises offering add-on sexual services without a licence, often in conjunction with, or as a break from, brothel work (N=11).
- All workers reported that the most attractive aspect of sex work is the financial reward in combination with the high degree of flexibility. This was particularly attractive to mothers raising children alone, to students and to workers whose opportunities for other work were limited by a lack of skills and training and/or language barriers. Older workers reported facing struggles to maintain earnings.
- Workers reported the most challenging aspects of sex work included clients' attitudes, repeated requests for unsafe sex, and the social stigma attached to sex work which limits access to social support outside the industry.
- Many sex workers said that successful exit and/or effective employment transitions between sex work and other employment generally occurred when educational and professional opportunities arose in combination with sex work. Respondents indicated a focus on training programs, skills and financial advice and information **within the industry context** (i.e. in a supportive environment) would enable the acquisition of skills which in turn could facilitate good outcomes from sex work and offer a platform for exit if desired. For example, workers leaving sex work often used managing, receptioning and hostessing as transitional skill building opportunities.
- Social indicator modelling reveals that workers identified ongoing financial security as a key concern; most workers considered their current housing, social support and health to be generally secure and acceptable.

- At commencement of this research, a key challenge was identified as the capacity to access workers, especially in populations identified with specific needs and potential vulnerabilities. These groups include underage workers (who were not found in the course of this research) and culturally and linguistically diverse (CALD) workers—particularly those who do not converse in English. In the process of conducting this research, non-English speaking and CALD workers were accessed. Strategies adopted by the research team included translation of key documents, use of interpreters where applicable, and most importantly multiple visits to brothels. While many workers who did not speak English and/or came to Australia from overseas did not demonstrate any desire to participate on the first or second visit, and indicated that they made little or no use of health or support services, repeated visits built up trust and a platform for communication with these workers.
- Many licensees reported that a **rule compliance model** of operation, whereby they work to satisfy the minimum legal requirements and minimise their exposure to penalty, governed their business practices. They noted that building the professional infrastructure of the industry would improve worker support. They argued that Government had a role in building that professional infrastructure, and indicated willingness to participate in such developments, arguing that this would also improve compliance, lead to better regulation, and reduce the activity and influence of illegal networks by connecting sexual service providers more directly to the regulators and the regulatory framework.
- While a small number of licensees reported that they do focus on worker support, worker professionalisation and improving health and safety, they considered that the current regulatory and compliance environment does not support these efforts. They reported that the changes to brothel practices relating to worker health and safety, career progression and exit support that they initiated are currently informed by very limited compliance inspections rather than any broadly informed best practice model of operation. They could see little evidence of effective enforcement (very low numbers of prosecutions for illegal activity and few closures of unlicensed operations) and argued that this lessened pressure for good practice, alleging that it was relatively straightforward to avoid detection and/or prosecution.

Licensees

- Interviews with all respondent groups indicate that there are connections between the licensed and unlicensed sectors of the sexual services industry, evidenced by the movement of licences and licensees, the movement of managers and workers between sectors, and the provision of groups of workers by ‘brokers’ or agents in contravention of the *Prostitution Control Act 1994* and/or the *Prostitution Control Regulations 2006*.
- Most licensee respondents reported that the inability to advertise for sex workers and ancillary staff contributes to: 1) uncertainty for some groups of workers (international students, for example) about the legal nature of sex work; 2) reliance on word of mouth for managerial staff leading to increased opportunities for interaction between the licensed and unlicensed sectors; 3) an inability to attract skilled professionals into the managerial side of the industry, which in turn limits professionalism within the industry; 4) the feeling among sexual services providers that their industry is not supported or engaged by government, and a belief that this was in sharp contrast to other industry groups; and 5) the promotion of conditions for the brokerage of workers in an environment of worker shortage.

Regulation and Regulators

- From all regulatory and enforcement respondent interviews and available statistics, it is clear that accurate estimates of the number of unlicensed brothels are difficult to ascertain. Regulatory and enforcement respondents suggested two main reasons: 1) there is a lack of integrated data recorded by key agencies concerned with regulation and enforcement; and 2) there is a lack of a shared definition of unlicensed brothels and illegal activity.

- There is limited quantitative evidence of illegal activity. Estimates of illegal activity vary widely from low estimates amongst law enforcement agencies to higher estimates from industry representatives. However, it is possible that illegal activity is more widespread than some estimates based on evidence from respondents. Types of illegal activity alleged include: larger scale organised networks of illegal brothels; hand relief in 'massage' service providers; breaches in the licence conditions or holdings such as licensees selling or trading licences; unregistered escort agencies; and independent workers offering sexual services without being registered for exemption, or in breach of the conditions for exemption.
- Most regulator and enforcement respondents said that enforcement and compliance are partial and adversely impacted by the lack of clear regulatory principles and the assigning of different enforcement roles to different agencies with different resourcing, priorities and systems. They were aware that the Prostitution Control Act 1994 was designed to support a broad harm minimisation approach including protection of sex workers from violence and exploitation, and to promote the welfare and occupational health and safety of sex workers, control illegal activity and lessen impact on community amenity.
- Many respondents urged enhanced regulator-industry-worker relationships, including increased professionalization of the industry could better support the aims of harm minimisation as well as enforcement and compliance.
- Most licensee and worker respondents considered that enforcement and compliance are currently the primary interface between the industry and regulatory agencies, and that this was unsatisfactory for the industry and sex workers.
- Most regulatory and enforcement respondents pointed to a number of key opportunities for achieving more effective regulation. While CAV took a lead coordinating role in relation to illegal brothels in late 2008, respondents presented limited evidence of this initiative having significant impact on perceptions or practice to date. This is not unexpected given that interviews were conducted only a few months after CAV assumed this role.
- Many regulator and enforcement respondents described their frustration relating to the historical failure of harmonisation of the regulatory effort across involved agencies.
- The data reveals a dynamic relationship between regulation and compliance as the industry changes and diversifies. All respondents sought a regulatory framework that is transparent and explicit and suggested this would better enable sex workers to achieve the highest levels of autonomy and control over their labour, and ensure best practice business operations by licensees. These respondents also expressed a desire for a more robust regulatory engagement from which more focused and effective compliance and enforcement effort would emerge. The data from respondents indicated that such a framework could assist in normalising the industry to support a reduction in the stigma that sex workers continue to experience, and to support their tenure in and exit from the industry through the enhancement of their skills and professional experience for application in a range of other industries.

Currently in Victoria there are approximately 95 licensed brothels; these are clustered in the metropolitan area of Melbourne, with three in Geelong.

There are approximately 1,700 exempt workers currently registered throughout Victoria.

Estimates of the number of unlicensed brothels in Victoria in other research and documentation vary considerably from under 70 (Chen, Donovan et al. 2008) to over 300 (media claims from 2003 onwards).

1.1 Regulatory Context

The regulatory approach to sex work in Victoria recognises that the potential exists within this market for specific social harms, but also that prohibition is unlikely to result in the abolition of prostitution; rather, it is more likely to expose vulnerable people to circumstances that are dangerous or exploitative.

Victoria bases its approach on harm minimisation, promoting public health and seeking to protect sex workers from violence and exploitation, and the community from amenity impacts. The Victorian model imposes strict criminal controls to prevent child and forced prostitution, a licensing scheme to prevent criminal involvement in the ownership and management of businesses, and a planning system to determine the location of brothels.

Several regulatory agencies and departments are involved in the management of the Government's sex work regulation scheme.

Consumer Affairs Victoria administers the *Prostitution Control Act 1994* (PCA) and regulations under the Act, which set out the majority of sex work-specific Government controls.

The PCA places responsibility for enforcement of most aspects of the PCA jointly on Consumer Affairs Victoria (CAV), Victoria Police, and local councils. Victoria Police and local councils have greater powers of entry in relation to illegal brothels, and have powers to bring prosecution applications and proceedings for indictable offences.

CAV primarily monitors licensed sexual service providers' compliance with regulations applying to licenses, and any licence conditions that the BLA may impose on individual licensees. Since late 2008 CAV has also been the lead coordination agency in enforcement of provisions relating to sexual service provider businesses operated by an unlicensed person and/or without a permit.

Victoria Police may lead enforcement action against such operators at local level, dependant on local policing priorities. All action for more serious criminal offences under the PCA (eg offences related to underage workers) is led by Victoria Police.

Local councils may lead enforcement action against a brothel operating without the necessary permit, depending on prioritisation.

The three agencies work together to achieve these outcomes.

Two memoranda of understanding, between CAV and Victoria Police, and CAV and the MAV (on behalf of signatory councils) set out arrangements for a coordinated integrated enforcement approach to illegal brothels.

1.2 General

A range of factors are taken into account in determining the appropriate response to information obtained in relation to alleged illegal brothels. Chief among them is the principle of harm minimisation, which assists to determine prioritisation and level of response.

The Business Licensing Authority (BLA) is responsible for

- the issuing of prostitution service provider licences to suitable applicants (whether to operate a brothel, an escort agency of a business that offers both services)
- the registration of exemptions for owner-operators (businesses where the owner(s) of the business also provide(s) the services, offering services on site ie as a small brothel, or off site ie as a small escort agency – in order to qualify for exemption not more than two owner-operators can be involved in the business and the business may not be associated with any other business that provides sexual services), and
- the issuing of approvals to suitable applicants for brothel manager approvals.

WorkSafe Victoria manages Victoria's workplace safety system (including the Occupational Health and Safety Acts). WorkSafe does not run a compliance and enforcement program specifically in relation to sex work.

The Department of Health is tasked with enforcement of those aspects of the *Public Health and Wellbeing Act 2008* (which comes into effect on 1 January 2010 and replaces the Health Act 1958) and associated regulations that relate to brothels. The Australian Federal Police (AFP) enforces federal legislation relating to sexual servitude and sex trafficking. The Department of Immigration and Citizenship (DIAC) enforces federal legislation in relation to migration status. The Australian Tax Office (ATO) enforces federal legislation in relation to taxation.

There are a number of relevant reports from government departments and agencies. There are several quantitative and some small-scale qualitative studies of workers in brothels in Victoria, with more data currently available for workers in licensed brothels. Most existing research is focused on women workers, partially reflecting the predominance of women in the industry, but also reflecting the need for more systematic study of male workers' needs. The drivers of worker involvement appear consistent across all forms of sex work, with financial need emerging as the key reason for engaging in sex work. Different financial pressures shape imperatives for different groups of workers, including:

- Students may enter brothel work due to the rising costs of education, with international students also entering in order to afford full-fee education places (see also Lantz 2005).
- Migrant workers may seek opportunities to work in the sexual services industry in Australia due to the higher monetary rewards and relative safety in comparison with sex work in their country of origin (see also David 2008).

Some research reveals that the majority of sex workers commence work at a relatively young age (Pyett, Haste et al. 1996), and that post-school training or education is accessed by a relatively small percentage when compared to the general population (RhED 2004). From existing research, it is unclear whether the lack of post-school training leads to involvement in sex work or whether sex work inhibits further education. Sex workers have noted that barriers to other work include the lack of employment history. In some recent research and policy forums, suggestions have been made that rising numbers of workers are educated and combine sex work and study; sex worker respondents to this study revealed high levels of training.

Overall, there is a very low incidence of sexually transmitted infections (STIs) reported in the sexual services industry. There is some evidence to suggest that health checks and safe conditions are much more common in the licensed sector (Pyett and Warr 1999; Groves, Newton et al. 2008) than in the unlicensed sector (Chen, Donovan et al. 2008).

The risk of sexual assault is reported as higher in street sex work (Quadara 2008) and there is some evidence that indoor work (which could include unlicensed brothels) is safer than outdoor work (Quadara 2008). Worker capacity to regulate working environments is seen as a safety measure (Quadara 2008), but there is conflicting evidence as to whether worker autonomy is higher in the licensed or the unlicensed sector.

1.3 Licensed brothels

Generally, sex workers in the licensed brothel sector report greater access to safe working conditions and greater security (Pyett and Warr 1999; Groves, Newton et al. 2008), although some studies suggest that workers may not be fully aware of their rights and entitlements and may not be able to ensure these are upheld. Workers in the licensed environment may still face coercion by employers which may compromise their safety and ability to regulate their own work; (Pyett and Warr 1999) report that some workers in licensed brothels are unable to insist on condom use, for example.

1.4 Unlicensed brothels

The unlicensed brothel sector can allow workers to receive more significant monetary financial rewards for their labour (Pyett and Warr 1999; Dobinson (undated)); some may exchange this benefit for the perceived safety of the licensed environment.

Issues of transience, fear of authorities and fears about one's unlicensed status may inhibit contact with health services for workers in unlicensed businesses (Chen, Donovan et al. 2008); however, it should be noted that STIs are also of concern to those working in the licensed sector (Groves, Newton et al. 2008). For workers in unlicensed brothels, drug use contributes to unsafe patterns of work (Pyett, Haste et al. 1996).

This study was designed to achieve two interlinked outcomes: 1) an analysis of the size, nature and specific harms of the illegal brothel sector; and 2) an examination of worker experiences of industry work (in licensed brothels, in unlicensed premises, and in other business premises that provide add-on sexual services without holding a sexual service provision licence).

The study methodology was generated on the basis that the best possible understanding of the size and nature of the illegal brothel sector and of worker experience in this illegal sector would emerge from a systematic, comparative analysis of data gathered from all key stakeholders and available existing data, including records of complaints to CAV, records of complaints made to councils and collated by the Municipal Association of Victoria (MAV) and existing offences data supplied by Victoria Police. It was premised on the assumption that workers are mobile between different sectors of the industry. This assumption was based on stakeholder consultations and was proven correct as more than half of the workers had engaged in sexual service provision in unlicensed brothel premises or premises offering add-on sexual services without a licence.

Our four identified groups of interviewees were: 1) regulation, compliance and enforcement officers; 2) sexual service providers – referred to as licensees for clarity and brevity; 3) sex workers; and 4) support workers. The cross-sectional analysis offered opportunities to test the assumptions of enforcement and compliance officers, assertions from licensees, and support worker accounts against the employment histories and observations drawn from workers. This study canvasses the employment histories and views of more than 50 workers (N=55) who had worked in unlicensed premises, in premises offering add-on sexual services without a licence, and in licensed premises. This offers a strong empirical basis for our analysis of sexual service provision in Victoria.

In examining this data, and particularly in the quotations, case studies and modelling contained in this report, we have changed the identifying details of respondents. In some instances, we have used composite details to depict relevant information or a relevant pattern of activity. This has been driven by ethical constraints and our commitment to protecting the identities of our informants.

The following section outlines each of the research project phases.

2.1 Stage 1: Stakeholder consultations

Stage 1 of the research involved consultations with key stakeholders and was aimed at identifying key issues in relation to the nature, size and scope of the illegal brothel sector and worker experience. Stakeholders were jointly identified with CAV and are listed at the end of this paper (Appendix 1). The consultations were used to further refine the research focus of interview schedules for each of the sample populations. The *Report on Stakeholder Consultations* noted divergent views on the scope and nature of the unlicensed brothel sector in Victoria. In particular, it highlighted divergent stakeholder views on issues of threat and harm that are specific to the unlicensed brothel sector.

2.2 Stage 2: Enforcement / Regulation

This stage of the project documented elements of the licensed and unlicensed brothel sectors through semi-structured interviews with agencies involved in regulation, enforcement and compliance, including CAV, the BLA, local councils, police stations, the Victoria Police Crime Theme Desk, and consultations with the Australian Federal Police (AFP) and the Department of Immigration and Citizenship (DIAC). It was supplemented with an analysis of open source court and crime statistics. The enforcement sample included CAV (N=3), BLA (N=2), VicPol (N=4), Local Council (N=3), DIAC and AFP consultations combined (N=3).

The interviews collected data on interactions with licensed operators; details and nature of interaction with workers; knowledge of nature, size and scope of unlicensed sector of the industry; identification of key criminal justice and related issues for licensed operators and workers; involvement in prosecutions relating to prostitution law and associated laws; identification of strengths and weaknesses of current policing approaches to the licensed industry; details and nature of interaction with unlicensed operators; details and nature of interaction with workers, including exempt workers; identification of key criminal justice and related issues for unlicensed operators and workers; and identification of current and past trends in the illegal industry.

2.3 Stage 3: Industry

Ten semi-structured interviews with sexual services providers, licensees, were conducted. Some of these licensees were affiliated with the Australian Adult Entertainment Industry (AAEI) and some were not affiliated. We interviewed licensees in both large and small operations with and without escort agencies attached. Semistructured interviews explored prior and current experiences of both the licensed industry and unlicensed operations. The focus of the interviews was on detailing the relationship between these sectors as experienced by operators. The sample included brothels with a specifically 'Asian' identity. In addition, there were a number of interactions with sexual services providers

and approved managers in the course of worker recruitment and interviews which added insights about licensing, employee relations and views of enforcement and compliance.

The interviews collected data on the kinds of operation (size, clientele, location); description of management practices and workers; relationship with regulatory bodies, such as health organisations, councils or the police; experience of legislation; identification of benefits and costs of working within the licensed industry; experience of underage workers and overseas students and other vulnerable populations; threats and opportunities in the sector; knowledge of the nature, size and scope of the unlicensed sector and identification of current and past trends; and drivers for unlicensed and illegal activity.

2.4 Stage 4: Workers

This phase covered workers in the following sectors: licensed brothel workers; workers in unlicensed brothels; escort and independent workers; and independent workers without exemption. Key respondent groups identified and accessed and interviewed were students (domestic and international), workers from a non-English speaking background (NESB) (Russian, Romanian, Thai, Indonesian, Filipino or Malaysian), and workers from overseas (Philippines, Thailand, Ireland, England, Romania, Russia, Indonesia, Malaysia and New Zealand). Female, male and transgender workers were interviewed. Workers who are still employed in the industry and those who have ceased providing sexual services and/or have left the industry were interviewed.

The interviews collected data on respondents' current work and prior experience in the industry; key demographics; entry, tenure and exit experiences; movement between licensed and unlicensed sectors; experience with health services, drug related issues and interface with the criminal justice system; taxation; and social indicator questions (financial security, housing security, health status and social support).

In the study, we interviewed a number of non-English speaking workers using translators. In the first instance, all primary documents (flyers, consent forms and explanatory statements) were translated into Korean, Thai and Chinese and were circulated to likely locations and brothels where licensees were willing to cooperate. When interest was expressed by non-English

speaking workers, arrangements were made to conduct interviews with interpreters who signed confidentiality agreements. The interviews were then conducted with the aid of a translator.

In the worker interviews, in recognition of the sensitivity of the population and our ethical obligations towards informants who might be more than usually vulnerable, no pressure was applied around the provision of details of work or family circumstances, employment history, or any other information. In the data reporting, therefore, not all numerical information reported will add up to 55 worker accounts. We accepted as much detail on working status, income, and use of ancillary services as was offered.

2.5 Stage 5: Modelling and media analysis

Once all informant data was collected, two additional activities were undertaken. One was a comparative analysis of social indicators from the worker data with existing national housing, income and health statistics indicators. The second was a targeted analysis of advertising in a number of geographical areas of Melbourne for observable data that might illuminate or confirm informant data.

“Worker Experiences”

3

As has been found in previous studies of sex work, financial pressures and the relatively high monetary rewards for time worked continue to shape working patterns and decisions regarding sex work (RhED 2004). A further key benefit highlighted by workers is the flexible nature of working conditions.

In the following sections, we offer general accounts of worker employment patterns and specific illustrative case studies of these patterns. In reporting data, wherever possible we have used direct worker quotes.

3.1 Numbers, characteristics, and employment histories of workers

Fifty-five workers were interviewed for this study. Forty-seven were female, six were male and two were transgendered people. Thirty-two workers were Anglo-Australian, and 14 workers were Asian by birth (four of whom had subsequently obtained Australian citizenship). Other citizenship groups represented were New Zealand, Irish, British, Romanian and Russian. Those without Australian citizenship were working in the sexual services industry on working holiday visas, or on international student visas undertaking the 20 hours of employment possible under their visa conditions, and on holiday visas. As indicated in the methodology section above, NESB workers were interviewed using a translator.

The majority of workers in the sample were over 30 years of age (N=30), which reflects reports provided by licensees on the age profile of workers in the industry more generally. Twelve of the 55 were under 25 years of age. In contrast to other research, only a small number of workers reported commencing sex work before they had turned 18 years of age (N=4).

Almost half of the workers who participated in this study had completed or were currently enrolled in tertiary study (N=22). This level is relatively high and may well reflect broader trends in qualitative research whereby tertiary educated populations are more likely to express interest in participating in research.

Nineteen female workers were parents, 17 of whom were caring for dependent children. For these workers, lack of flexibility and lack of comparable pay in other industries were key factors in their decision to maintain sex work. The labour market patterns of Australian women are characterised by high rates of casualised labour; the OECD considers the availability of family-friendly work options to be relatively poor in Australia (OECD 2002). The working patterns of parents in this sample group reflect broader labour market patterns. This issue of comparable employment is particularly intense when English is not the worker's first language.

Qui

[This interview was conducted at a legal brothel using a Chinese interpreter.]

Qui began working in a legal brothel in suburban Melbourne three years ago. She has family in Australia and in China. She sends remittances to China to support her parents, daughter, two grandchildren and other relatives. She says her family responsibilities led her to work in the sex industry:

If you ask me from the depth of my heart, I don't think there is anything good about working here. But, I can't speak English and I have a family to support and I have responsibilities.

Qui plans on working in the sex industry for as long as it takes for her to save enough money to invest. She would like to open a grocery store. She works five days per week, sometimes doing a double shift, starting at 10am and finishing at 8pm at the earliest.

The main challenges of working in the industry, according to Qui, are the social stigma and the occasions when clients look down upon sex workers. This is exacerbated when clients are intoxicated. Qui says when the customers are good the work can make you happy. She says RhED offers a good support service and she is able to access some pamphlet material in Chinese at medical centres. Qui says if there were alternative employment that did not require English and provided the same amount of money to enable her to support her family adequately, she would do it.

3.2 Earnings and hours

Workers were asked to estimate their average weekly earnings and describe their typical shift patterns. Sixteen of the workers indicated that they earned between \$1000 and \$3000 weekly, with 10 workers indicating they earned less than \$1000 per week. A small number (N=3) indicated that they routinely earned more than \$3000 per week. Male workers (N=6) reported earnings of over \$1000 but suggested that female workers in general were able to earn significantly more money than male workers. As has been noted in other research conducted in Victoria (RhED

2004), earnings fluctuate in the sexual services industry and many workers indicated that they experience significant variations in earnings. In addition, due to the physical demands of sex work, the workers often worked intense periods in the industry (five or six shifts per week, for example, for two months), followed by a short break of several weeks, which means that high average weekly earnings in weeks worked cannot easily be translated into annual earnings.

It is notable, however, that many of these workers committed significant time to their sex industry work and generally maintained a lengthy connection with the industry as employees. Thirty-two of the workers had been employed in the sexual services industry for more than five years. A majority of the workers (N=44) worked at least three shifts of eight to twelve hours in the industry each week.

The prevailing economic downturn has impacted upon the sex industry in several ways. A number of operators reported a recent increase in workers seeking entry or re-entry to the industry, driven in their view by current economic conditions. This includes workers with professional qualifications and university students. In addition, more women with children are seeking to enter sex work. These broader economic conditions have also been observed to be contributing to reduced custom. The increased competition for clients has reportedly led to an increase in demand and supply of unsafe sex, and longer working hours for some workers.

3.3 Patterns of employment

There was a broad range of employment histories among workers, and no single pattern of employment dominated. Some workers worked primarily in the licensed brothel sector and had done so all of their working lives. Others moved between different sectors of the industry on a regular basis, combining brothel work with unlicensed sexual service provision and independent private work. In addition, there was a group of workers (N=16) who used sex work as a supplement to other career trajectories and moved into and out of the sex industry on that basis. These workers indicated that the financial benefits and ready availability of sex work were key reasons for their continued participation in this form of employment.

3.3.1 Worker mobility

During the stakeholder consultation phase, there was an expectation that significant worker mobility would be found. This hypothesis proved correct and there were several different forms of mobility that were observed.

- 1) The most significant form of worker mobility was in and out of the industry. Very few workers indicated they had never ceased sex work for some period (N=7). Many workers indicated that they used sex work as a supplement to other forms of employment and other life activities.
- 2) The second most significant form of mobility was between sectors within the sexual services industry, including movement between licensed and unlicensed premises, and into and out of private and/or escort work. Few workers operated only in one sector (N≤10). Approximately half of the workers had worked in at least three sectors (N=23) and many worked in licensed and unlicensed sexual service provision. A number of workers had worked in premises offering add-on sexual services without a licence, often in conjunction with, or as a break from, brothel work (N=11).
- 3) Movement into private work was the third most common form of mobility, with 19 workers indicating that they did private work. A number specified that they did this work as unlicensed providers (N=16).

In the following section, we outline the key findings on the different forms of employment undertaken by workers.

3.3.2 Private work

CAV, the Prostitution Control Act, is completely irrelevant to ... private ... work.

Melanie, worker

For many workers, private work was used in combination with brothel or other forms of sex work. When they described private work, they included independent work that they undertook with their own client list, work as escorts through unlicensed agencies or networks or as small owner-operators under the terms of the PCA. Some workers who discussed private work indicated that they had gained a PCA number but many others did this work without registering. There were two main types of private work: the setting up and maintenance of private lists of clients; and shorter term visits interstate

for one or two weeks during which time a considerable volume of work was undertaken. Often, private work emerged after a short time in the formal industry once sufficient confidence had been built up.

Particularly, [private work is] very common for workers who have been working for over two years. I reckon it takes about two years to get to that, where you feel confident enough and in control enough.

Alice, worker

Normally I go and I book a five-star hotel and I put an ad in the paper and that's when you make your money working for yourself. Though the expenses are hard but that's when you're in control of your time and everything. I mean at the same time I see Australia and everything so yeah. In Melbourne, Victoria, they don't have these legalities, it's a bit different.

Claudia, worker

Decisions about private lists were governed by security concerns and by a sense of independence and autonomy.

I never wanted to advertise for clients. I was always very, very selective as to the clients that I would see privately. Yeah, if I was going to see a client privately, they were never going to be a difficult client ... I'd rather leave that in the confines of the brothel.

Lara, worker

And so I very much saw myself as renting the room and that was my space and they were my clients. There were also house clients, but you also had clients that only came to see you, so yeah, I was doing four shifts a week and that insecurity of that feeling. And then over time, I sort of got more secure with that. I had my private clients so they'd be calling me and I'd have them all booked in so each week, I almost knew what I had going on.

Marcia, worker

Some workers indicated that this form of work was more profitable than brothel work.

The vast majority of my money came from work that would've been considered illegal, from seeing people in my own apartment, hiring serviced apartments and seeing clients there. I never registered as a worker.

Marina, worker

Some workers made the decision to see clients at home.

The very word 'private'. You can take a booking when you want to. Just like the same advantages of somebody who works for themselves at home, I guess. The only difference is that I guess you have to leave your residential zone to meet your client, which obviously doesn't occur for a lot of people; they just continue to see their clients at home under the radar.

Ilsa, worker

There were few reports of specific dangers or problems with private work. Some workers indicated that they had felt insecure and preferred the structure of the licensed sector, but this was expressed as a matter of preference, rather than fear for personal safety. Only licensees reported that there were significant security problems with this type of work. However, these concerns may have been related to the potential loss of clientele, as reflected in the comments below.

I think the problem is my view on illegal prostitution is quite different I suspect to what you're going to get from most brothel licensees. I've got a number of friends who are or have been illegal workers. And I'm not going to say anything to compromise or jeopardise their ability. Good luck to them; let them do their thing.

Licensee, two years

Licensees suggested that PCA exemptions were too easy to obtain and that because they had no mechanism to check these numbers, they were at risk of losing clients to workers setting up private lists while working in brothels.

We as owners don't have access to the XE [exempt worker] list. We can't know if the workers who come through our door are XEs. We have them come in and when they do a job they want to take him. I know the logic behind the licences was that owners were vengeful. When the law changed, people got licensed. Now, we need to know who is on it because I just won't hire them.

Licensee, 20 years

3.3.3 Escort

Escort work through licensed agencies was a common form of work with many workers combining this with other forms of sex work (N=14). For workers, this form of sex work offered the opportunity for even greater flexibility as there was no commitment to a specific number of hours or shifts. Workers undertaking this work generally felt comfortable with the security offered by agencies and by the employment conditions. According to some workers, there is a greater sense of freedom and status in escort work.

When you start off in this industry you think of the word escort; you think it's different than prostitution if you know what I mean.

Marcia, worker

Male workers in particular spoke positively about the flexibility of escort work as this type of work allowed the combination of social activities and work.

But if I had to be in a brothel, that's what I used to hate. I was at work from nine to five and then I was at the brothel from five until midnight, so you don't have any time to relax and do your ironing, everything like that. You can be anywhere. You can be out in a bar and he gives you a text and you just go straight from there. So you still have the social life, you just take a bag with you.

Matthew, worker

Some respondents suggested that the escort sector presents some specific issues for workers. The security and safety issues for escort workers are different to those of brothel workers. There were reports of escorts facing violence and aggression when clients were not carefully vetted or when the characteristics of the worker sent did not match those promised. There is concern that some independent escort workers do not have adequate security in place, which results in additional risk. Some respondents suggested that escort agencies attached to brothels are generally well organised, while others indicated that this is not necessarily the case. Escort work offers a greater degree of flexibility as the shift requirement of brothels is absent. Additionally, higher fees and the ability to combine social events with escort work make it an attractive sector in which to work, especially when coupled with the additional financial benefits of operating escort services privately.

3.3.4 Premises offering add-on services without a licence

Like private and escort work, this form of sex work was common and often undertaken in conjunction with other forms of sex work. Often, workers first take up employment in some form of erotic entertainment or service (such as stripping or massage) which then becomes an entry point for full-service sex work, as in Deidre's account.

An old customer of mine, his girlfriend worked at Men's Gallery, used to work at Men's Gallery and a friend of mine needed some money you know and said, "How about stripping?" and she said, "Yes." So I rang her up and got him to get an interview with the manager for her and she started stripping. Then one of our other friends apparently was doing massage unbeknownst to any of us and got the stripper into massaging and then they both told me what they were doing and I went "That sounds really interesting" and so I started doing that. It was about eight years ago, just over eight years ago.

Deidre, worker

However, this type of work was also used as time out of the full-service industry.

I don't mind having sex. I actually enjoy the construct of the massage service. It's a much nicer service. It's more about indulgence and pampering than gratification but it is backbreaking work.

Susan, worker

I did [erotic massage] for three-and-a-half years and then I started doing full service and I overlapped for a few months and then just went to full service. I went back and did massage a couple of years ago just for, just for a change of scenery, just to give my vagina a break for a little while, bit of a holiday you know.

Fiona, worker

Worker views of the benefits of this type of work varied considerably.

I found it quite hard work because a lot of the guys expected a really good massage as well. And you were standing and it was a half hour standing and then one after the other and da, da, da, da, da. But it, I mean it kept you fit, strong back and you know. And most of the clients behaved and what I would say the difference with illegals and um licensed premises are is that the facilities in illegals usually aren't very good, simply because they're only temporary.

Deborah, worker

Rates of pay per service in these premises were considerably less than bookings in licensed brothels but higher volumes and shorter bookings made this profitable work nonetheless.

You only got paid, I think it was \$40 or \$40 for half an hour. But you'd go and you could easily do 10 or 12 so you'd be walking out with nearly \$500.

Susan, worker

3.3.5 Work in unlicensed brothels

The views offered about work in unlicensed brothels also varied considerably. Some workers indicated that the conditions in licensed brothels were much better for workers, while others indicated that conditions in unlicensed premises were satisfactory and some indicated that rates of pay were significantly better.

They operated by appointment only and if a client arrived without an appointment, they wouldn't open the door. They would slide a card under the door and tell him to go away and to ring and make an appointment, and then he'd come back. Initially they only had hour-long appointments. When I started, there were half hour, 45 mins and an hour. It was one of the highest rates of pay in Melbourne, but you were not encouraged to ... you could take tips, but you didn't charge for extras.

Maxine, worker

When I went and worked in an illegal and made a lot more money, there was no way known I was going to go back to that licensed place.

Letty, worker

The higher income was partly due to the higher turnover.

[It]would be about 30% more ... it was busier in an illegal because they only have three girls on, three rooms and you used to just, they'd come in one after the other.

Letty, worker

There were suggestions that some unlicensed brothels have quite strict management practices.

I personally haven't come across many girls in the places that I've worked that have been drug addicts. Um occasionally, I have but not working for the Chinese in these illegals. They won't put up with that.

Rhia, worker

Yes mostly in the illegals because they're run by the Chinese, they love doing long shifts. They stay the whole day.

Maxine, worker

Other workers and licensees identified unlicensed brothels as much more likely to have unsafe practices and there were a small number of reports of worker exploitation. Some suggested that more lengthy negotiation of services between clients and managers, especially in regard to sex without condoms, occurs in these premises.

In Korean shops there is oral sex without condoms. This is required for the girls to attract more customers. If you don't you would make half the money. Most girls get here to make money, so they do it. Some don't even know that it is dangerous.

Shila, worker

Some workers argued that the mobility of unlicensed brothels—involving temporary facilities, preparedness to move quickly and, most significantly, the high rotation of workers between premises—has led to potentially higher levels of compromise in terms of autonomy and safety. It should be noted, however, that these issues of safety, coercion and harm were discussed in the context of licensed brothels also.

It was always happening before, but we spoke to women who would be maybe in one place for six weeks in Melbourne and then they'd move them to Sydney for six weeks and then back to Melbourne in a different place. But now, it seems to be that they're only keeping them in places for four, five days and then moving them.

Maxine, worker

Cleo's story reveals concern about the conditions fellow workers are facing, but shows that overseas workers in some unlicensed brothels do also work in the licensed sector of the industry. This was confirmed by some enforcement respondents, who suggested that women involved in 'trafficking' prosecutions often continued to work in the sex industry. It is inherently difficult to confirm the details of specific cases because agencies exert closely monitored control over access to data.

[In] the illegal brothels, ... I've heard that they hold people's passports. Now I don't know if that's true but they shouldn't be there, you know what I mean. It cuts into everyone else's business and then it's not monitored. So what happens if they don't have to have medical certificates because no-one's going and checking on them? So you really need to—if it's going to be legal and it's monitored and it has to be safe sex, which is very important, then how do you know what's happening with these people and if they're here illegally? It's dreadful in Australia. People are here—one came here and wanted to work on Sundays because they held her passport and kept all the money.

Cleo, worker

3.4 Positive aspects of working in the sexual services industry

3.4.1 Financial independence

Many workers cited the potential for significant financial rewards as a key motivator for entering the industry. As other studies have found, there are no other forms of semiskilled labour that can produce comparable income. The financial independence made possible by working in the sex industry is highly valued by all workers. It is seen as a source of confidence and security. For some workers, financial independence is a necessity as a result of family responsibilities. Many are the sole providers for family members in Australia and overseas and take great pride in their ability to maintain this responsibility. This income enables many workers not only to be financially independent, but also to work towards long-term goals such as saving for a small business, investing in property, travel, or paying for tertiary or technical studies. Many of these goals are intertwined whereby workers undertake short courses in business administration, for example, to prepare for opening a business with the capital raised through sex work (N=15).

I sat down from a business side of view and thought if I work in my job at \$50,000 a year I still can't afford my business for five or six years. If I do this for a year and earn \$200,000 or \$300,000 that's my money.

Fleur, worker

This income also facilitates the attainment of short-term goals connected with the sudden onset of difficult financial circumstances. Many of the workers interviewed stated that they had specific goals in entering the industry and would exit upon fulfilling these objectives.

So for my own self, my daughter is in private school and she will be for the next 10 years, so it's a daunting thought, but because I'm working with mature women who know how to look after themselves, and, you know, there's plenty of mature clients, lots of mature clients, so I think if I can look after myself, that's what I'm going to have to do.

Trudi, worker.

The pattern of return found in worker employment histories suggests that sex work is used to support specific financial goals but also that sex work may become a permanent avenue for financial management and achieving specific goals or a desired level of financial security.

I keep steady jobs, I do my normal thing, I do this on my day off just for my extra spending money. I told my mum because she's going to find out sooner or later, you can't lie to your mum. Mums know these things and like I said we grew up in St Kilda, mum grew up in St Kilda as well so she's like, "Just don't take drugs and you're right."

Melanie, worker

I had a house which was paid off but I decided to buy a Mercedes instead of investing in something so I'm hoping that I can invest in some more property so later on in life I don't have to do that. So properties I'm going to invest in or maybe commercial will give me enough money to be able to work a normal job and not have to do this.

Rhia, worker

These goals are affected by the potential for worker earnings to fluctuate wildly within the space of one week. To an extent, training in financial planning and budgeting already occurs informally through peer education. More experienced workers expressed their concern that younger workers do not fully appreciate these fluctuations or guard against them with careful budgeting. Yet workers of all ages and varied experience indicated a desire to obtain assistance with financial planning to achieve specific financial goals through sex work and to develop longer term financial plans. Even workers who considered that they had achieved their key financial goals of home ownership felt their lack of superannuation would prove to be difficult for them in the future.

3.4.2 Flexibility

Parents and students who have other non-negotiable commitments are likely to continue to find sex work an attractive option. Survey data from the Australian workforce indicates that flexibility is unevenly available and is a significant barrier to the employment of mothers (OECD 2002). This is intensified when mothers are the sole carers of their children. In this employment context, sex work offers significant, clear benefits. This flexibility enables workers to balance their work in the industry with other commitments such as family responsibilities, education and employment in other industries.

My son just started school this year and ... and I was freaking out what I'm gonna do for like school holidays and she goes, "Well why don't you do days here because I can tell you right now, look my son's sick, I've got to go." You know, and they're quite fine with that, and even two weeks you know, I've gotta take two weeks off, I'll see you in two weeks, "That's fine. I'll see you then." It's so easy and it's flexible. There's not one job I can think of that would allow me to do that four times a year.

Elsie, worker

That was, for a single parent, that's one of the biggest drawcards, is the fact that you can pick and choose your hours, like around Christmas or New Year or whatever, my family's always juggling, who can work, who's at work, who's not, what day? With me it's like, yep, whenever, so I like that. And I like, if my kids are sick, not coming into work and all those sort of things, you know? I think it suits single parenthood.

Marika, worker

Workers described the efforts of some licensees to make employment in the industry genuinely compatible with family responsibilities.

We had a phone, a free phone, in a phone box that we could use and that was answered under a pseudonym in case family or whatever wanted to call. There were a lot of mums calling, working there, and their kids would call and it would be this other business so that they would never know.

Eva, worker

Some workers indicated that familial and cultural responsibilities combined to make this the best form of work.

This is normal for Thai people. You have to help maternal/paternal aunts. It's not like in Australia where you move out when you are 17 or 18. You have to look after your grandchildren. When I think about my parents, I'm happy about what I'm doing.

Lina, worker

This flexibility of entry, combined with the ability to set working hours enables workers to meet certain short- or long-term financial goals, and manage their own health and wellbeing. This flexibility may be responsible for the prevalent trend which sees workers leave and subsequently return to the industry, even after professional qualifications and experience in alternative industries have been obtained. This has been a particularly noticeable trend for workers who have entered caring professions like social work and nursing, where remuneration is considerably less than that offered by work in the sex industry. Moreover, many workers combine work and travel opportunities, using sex work to see Australia and work interstate, or work internationally.

I arrived yesterday from Hobart and I'm going away next week as in a small holiday in Queensland and on the way back I'll stop and probably work three days in Coffs Harbour or somewhere on the coast and I'll make the money I will normally make in a parlour here in two or three weeks.

Shanti, worker

Misty

Misty works concurrently in two legal brothels in Melbourne and as an independent worker. Prior to being a sex worker Misty worked in beauty therapy, real estate and in a medical clinic. She has been in the sex industry for 10 years. For approximately one week per month she travels interstate to work independently. She believes the money is better when you work for yourself and she likes the opportunity to travel and see Australia. Misty is originally from Malaysia. She also likes the flexibility and being able to control her work in terms of hours and clientele. Over time she has developed a regular client base. A disadvantage of being an independent worker is the added pressure of having to pay expenses in advance, and the safety risk.

The stigma attached to sex work is a significant burden for Misty. She says she hates the fact that she cannot tell people what her occupation is for fear of their reaction. To cope with this mental toll she sees a counsellor. As a single mother of two and a grandmother, Misty highly values the financial independence made possible by working in the sex industry.

I would love to stop in a way but then my financial independence it's very important. And once you've been financially independent, it's very, very hard to go back to someone to control your life.

She plans to invest her money in property so that she can set herself up to leave sex work. She would like to see more financial and legal advice available to sex workers, and more peer education on business skills and liaising with financial institutions.

3.4.3 Peer support

Workers identified peer support or assistance as one of the key benefits of the industry. Given the specific nature of sex work, the importance of peer support cannot be overstated.

I like that, the camaraderie and the social dynamic of a parlour. It's definitely good and there's a lot of ladies there that have been there for more than 10 years. Some ladies that have been there for 16 years, and that just boggles my brain because I've never worked anywhere where people have been there that long before. I mean the last place I was there three years and I was the longest serving service provider there after three years. So 16 years is like, "Oohh," but it's good.

Georgia, worker

There's so many intelligent women in this industry and you know um and they're all, they all self support themselves. Own their own homes, cars and you know don't need a man to do it all for them and it's such a great feeling being able to financially look after yourself.

Tess, worker

As well as camaraderie and respect for fellow workers, many workers reported receiving training for effective sex work practices from older, more experienced workers. This varied from informal induction to comprehensive manuals and information sets.

Some of it can be influenced by the workers who first trained you or who you first interacted with, so probably the worker that was most influential for me probably worked the same way that I ended up working. You know, she was single, so there was some different stuff there, but very much in the caring, nurturing, that side of things. But then, I've picked up other things that I saw that worked and just incorporated them. Then I have one of my very best friends, and I'm the godmother of her kids, I was sort of her mentor kind of. Well, we were buddied, we were buddied up when she first started.

Beth, worker

No proper training but we had a thing to show us how to look for disease and stuff like that. So it's all very safe. I had someone show me what to do like setting up the room so it's all clean. Putting a clean sheet on the bed and their towel in the shower and stuff.

Rhia, worker

I've got flashcards for my Asian clients. I can speak a little bit of Japanese but my Mandarin speaking clients I have flashcards for. I go you must have a shower and I let them read it, you must let me conduct a health check and these are the reasons. Then we start with a massage, we then go to oral sex, we then go to sex so they know there's no confusion. There's nothing that they can say, oh you didn't tell me, I didn't know. The owner actually wants to use it on reception for the other girls.

Melanie, worker

These intersecting vectors of support and information reinforce the potential of using peer education, not only around sex work practices—which occurs in some brothels with the assistance of RhED, for example, or with businesses such as Ansell as an effective sales technique—but also to achieve other forms of training outcomes. Workers leaving sex work talked of peer support for study, for example, which indicates the potential of programs that support worker study through peer collaboration. This is relevant to student populations who often cluster at particular brothels identified by word of mouth as good for student workers.

3.4.4 Autonomy

Workers stressed the importance of autonomy, and were concerned that discussion of coercion would lead to perceptions that workers are 'forced' into sex work. This was a particular concern for Asian workers for whom the language of 'trafficking' was felt to reduce worker agency. Workers in all sectors (massage, brothels, escort, independent) expressed enjoyment of their autonomy. They were vehemently opposed to practices adopted by management in some brothels that might serve to curtail worker autonomy. Where this did occur, some workers stated that they would move workplaces or confront management. Autonomy was linked to protecting and enhancing worker independence and flexibility.

There were several different forms of autonomy identified. The first was that workers were able to maintain autonomy in each shift and over their working practices. As Marita indicated, the right to refuse clients is vital to ensure satisfactory working conditions and she was prepared to move brothels in order to maintain this.

This parlour is very good because it's so busy and there's so many girls that there's no pressure on you to do intros or bookings or anything like that. So I can, you know I might have a maximum of doing four bookings physically and no-one's going to make me do anything else. Whereas I've worked in other parlours that there's a small number of girls and they'll want you to meet every client and you know, if you're not comfortable with a client or they turn your stomach, why are you going to do it? Like that takes away the choice because I think if you've got choice, you can, there's nothing wrong with doing it, you know but as soon as they take the choice away, it's really, yeah disgusting.

Marita, worker

If I get tired I always go home early, that's what's good here they don't force you to stay or, "You said you were finishing at this time so you have to stay." If you're tired they're like, "Alright." Whereas the other place was like, "You've put yourself down to this time, stay."

Shila, worker

The second form of autonomy was the opportunity to change life circumstances using the financial independence and flexibility of the sexual services industry. As Danielle's story suggests, sex work can offer clear pathways to independence and security.

Danielle

Danielle began working in the industry at age 21. At the time she was homeless and living in her sister's lounge room with her young son. As she says:

No money, no qualifications, no choice.

She has worked in the industry for the past 11 years, four of them in unlicensed massage parlours and the past seven years in the same legal parlour. She finds working in parlours more convenient and more lucrative than massage. Danielle says she notices that nowadays there are many young women in the industry and fewer older women. She says the financial incentive is significant but also recognises that the amount you can earn makes it hard to leave the industry. She has left the industry twice to pursue two 'normal' careers but returned to sex work for financial reasons. She is a single mother and has supported herself to study while employed in the industry.

For Danielle, the advantages to sex work are:

Freedom all-round, I can go for a smoke when I want. If I'm going to do prostitution, Australia's the best place in the world even though I've done it nowhere else but Australia. But I watch movies and hear things and see documentaries, sex slavery and whatever and I think, "Oh my God" I have so many bloody rights, it's wonderful, I love my rights. I like all that, of course I like the money side of it.

The social stigma makes sex work difficult. Danielle would like to see more respect for workers and consideration given to this being one of the oldest professions. Danielle has the support of her family so can talk about her work with some people. She thinks the work can be mentally and emotionally draining because of the stigma.

3.4.5 Communication skills

Communication, negotiation, presentation, conflict resolution and interpersonal skills were seen as skills acquired or improved by working in the sex industry. Many workers said their ability to negotiate with clients, colleagues and management, and to handle conflict, had greatly improved as a result of their work in the sector. Interpersonal skills were seen as integral to maintaining a regular client base for some workers. Moreover, these skills were identified as being highly transferable. For those who have entered or worked concurrently in care professions, their ability to talk and relate to patients, customers and clients was seen as an asset developed by working in the sex industry. One worker attributed his increase in self-esteem and confidence to the communication skills learnt as an escort. Allira felt she had become much stronger.

I think as a person I've changed myself because I used to hold myself back for a lot of things, and I knew there was so much in me that I wanted to get out, like whether I was dancing or whether it was my talents or talking to people or saying what I want to do kind of thing, it made me a strong person because I was alone for the first time and I knew that whatever decisions I make, if they don't work, then I will know that it's my decision, so you know, so I wouldn't be blaming anybody but myself.

Allira, worker

I get to do some really, really nice things for some really lost, lonely people that have absolutely no avenue for social interaction, let alone female contact, that have very low self-worth and I can make them forget about that for a minute, and that's a really, really nice feeling.

Rhia, worker

Other workers remarked that they had benefited from all kinds of advice and information sharing from clients in relation to finances and investment, tax matters, property and construction.

3.5 Challenges for sex workers

3.5.1 Social stigma attached to sex work

The single biggest issue for sex workers is the challenge of stigma. Workers resented perceptions of sex workers as diseased, criminal, victims, drug addicts, promiscuous and without a moral code or values. They felt they are looked down upon by the broader community. Negotiating disclosure to family, friends, colleagues, health professionals and others was cited as a difficult issue for most workers. Strategies to deal with stigma varied among workers. Some workers avoid discussions about work and others actively conceal the nature of their work by substituting another type of work like cleaning, childcare or hospitality. For some workers this impacts upon their ability to socialise with people outside of the industry and to enter relationships; for others, it enhances close bonds in the workplace.

If that stigma wasn't there and if it was a job like any other, then for me it also wouldn't hold the same ... yeah, there's also something about being part of this amazing marginalised close-knit group of people that you have a shared experience with, and the one thing that I love about it is that it's such an amazing leveller.

Jerry, worker

You're more socially isolated because you can't be honest with people and the people that, you know, you learn over the years that you can really fuck yourself up. Like, wanting to share that information with someone who then turns around and can threaten you or use it against you.

Lara, worker

When you say you're an escort people look down at you at times. And I believe that everybody should take it as any other job. I mean, we are working like any other person out there, and we are doing this because we want to earn and we want to make a life, and so does everybody else, but um, that's the sad part of it, they don't look at it as any other profession, when you say escorting they always look down at you, or they would probably think that it's not the right thing to do.

Mickey, worker

The relationship between stigma and discrimination is an issue for workers, especially in relation to financial matters such as housing loans and insurance.

[For] any insurance one of the questions is, "Have you been a prostitute?" Whatever, now if they pulled your health records and they saw how many tests you'd had, you can't lie about that one and I think it should be totally illegal. And I would like to see them do a bit of a study on girls in the sex industry who have worked, that aren't on drugs and how many diseases they actually have, so see if this kind of discrimination is warranted, because it's not.

Mickey, worker

This research found two intertwined effects of stigma: one is personal and includes fear of disclosure and reactions from others; and the other is social and inhibits full access to services and support, and may lead to direct or indirect discrimination. In considering these possible responses, it seemed from respondent data that an emphasis on professionalisation could generate change in both these effects. Workers who perceived themselves as professionals would struggle less with questions of their own work value, and the broader community and social and economic institutions would be less likely to practise direct or indirect discrimination.

3.5.2 Lack of adequate health services

Workers revealed variable access to good, effective health care. There were two main avenues for managing sexual health specifically and the practical need for medical certificates while working. The first is the use of general practitioners, who require disclosure in order to conduct the necessary tests with the required frequency. Workers reported variable responses from general practitioners, with some offering excellent support. Workers who maintain these relationships were more likely to access comprehensive health support.

My health is great. I see my doctor once a month for all my health checks. I see my optometrist once a year, my dentist every six months. I have my pap smear every six months. I also see a psychologist and I see my psychologist once a month just to discuss everything that's happened at work.

Grace, worker

The second avenue comprises specific services, the most frequently mentioned of which was the Melbourne Centre for Sexual Health (MCSH). There were positive accounts of the service offered at MCSH and appreciation of the ongoing attention given to psychological health and opportunities for health education in this clinic. There was, however, recognition of the significant pressure on services which meant many workers experienced some difficulties gaining the necessary certificates.

I use the Carlton Clinic and Melbourne Sexual Health Clinic, which is good. I find the services good, it's just time. Like I go once a month and it sets aside, well it takes generally half a day to do that because just the waiting time is phenomenal.

Romy, worker

Every time when you go there they sort of do talk to you about safe sex, and they keep reminding you and make sure that you stick to it and things like that. And then they keep saying if you've got problems you can always come back and talk and they've got pamphlets all over the place, and now they've sighting notices, because I think as the day passes by they've come across a lot of cases where they are seeing many, you know depression going on, and some people are doing this because they are not happy about it, but they are just doing it for the sake of doing it. That is why now they've changed, sort of, every time you go to a doctor or a nurse they keep telling you, "If you need counselling, if you want to talk things..."

Ella, worker

For overseas students, who cannot access Medicare, the costs and management of certification were higher.

[These] girls are overseas students and they've got to pay upfront \$90. For me, right for me to make sure that these girls have got all their certificates I have to get up early, come in here, get the girls up.

Licensee, 11 years

In Section 20 of the PCA a monthly health check is a key defence against the offences listed. In industry practice this has been translated into a requirement for a monthly certificate to be shown to managers. The monthly check is seen as 'punitive' by some workers. Others, however, felt that the monthly time commitment was primarily about ensuring their own long-term health, and as such was well worth the investment. Staying free of disease was obviously important to be able to continue work. The medical certificate health checks carried out by DHS were not mentioned directly by workers, as they took responsibility for their own checks. Workers recognised the importance of good information about all forms of sexual health in enabling them to conduct effective health checks on their clients.

The older men kind of get it, everyone gets them, they just kind of like hang off the skin and you can get them all over your body but some people get them there. You know you can always do a second opinion with the girl who has been here a bit longer but yeah it was really good actually visually seeing what the STDs look like whereas I think there's a, the latest books that are distributed by the government.

Romy, worker

Workers noted that the responsibility for sexual health was very inequitably shared in the sexual services industry.

It's unfair that us working girls have to get swabs once a month and clients don't have to get any real health checks.

Rhia, worker

Health services responses to the sexual service industry are necessarily complex and intertwined. Workers form a crucial part of the **health service provision** in this industry as they conduct health checks on clients. They take extremely seriously the responsibility of maintaining their own health as workers and ensuring clients do not bring disease into the industry. General practitioners and health services are responsible for assisting workers in this and for providing certification. This certification is then examined by licensees and managers within brothels and DHS is responsible for checking and ensuring compliance. The low rates of STIs reported in the industry (Chen et al 2008) suggest that this system is working effectively to prevent STIs. Workers feel most supported when they experience health services as a partnership focused on their own health as a critical part of the provision of a healthy sexual services industry. This is demonstrated by the generally positive worker response to the monthly health check and their desire for greater training in client health status inspection.

Medical certificates are [assumed to be] about policing and getting people into trouble, but that whole, "You must present a medical certificate," isn't because the Health Department or Consumer Affairs wants to see a medical certificate; it's there to ensure the person is every month, going and being checked, so it's their own personal protection so there's a really bad message out there about that.

Licensee, seven years

However, there were suggestions by a number of workers that this consistent focus only on sexual health means there is less opportunity to focus on broader health questions. Workers described having to manage physical problems themselves, like cystitis and Chlamydia. They talked about the strategies they used to manage physical 'wear-n-tear', including structured breaks and refusal of certain services. A number of workers described unmet psychological health needs. Many workers rely on other workers for health advice and expertise. CALD workers recounted less health service use and because of language barriers less access to peer support and education in this context.

A number of workers described the proactive invitations by licensees to RhED to visit licensed brothels and offer health education and other forms of advice; a smaller number indicated that doctors had been invited to their brothels and that this system of checks worked particularly well. These small but successful instances of health service provision on premises point to the opportunity to engage workers using licensing processes for licensees as part of the development of a broader health map for workers.

3.5.3 Demands for unsafe sex: client attitudes

Many workers cited the attitudes of clients as presenting a challenge in their work. Workers said some clients repeatedly ask for unsafe sex or more extras in a service, or talk or behave poorly towards them because they are providing a sexual service. Some workers said the 'Ugly Mugs' scheme initiated by RhED was an effective way to identify individual problem clients.

Licensees were clear that unsafe sex was readily available in the unlicensed brothel sector and in premises offering unlicensed sexual services. Partly they know this because of requests for their workers to provide these services in licensed premises.

Women are pressured by owners [in unlicensed brothels] to offer unsafe sex.

Licensee, six years

And the thing that attracts a lot of clients to that illegal prostitution is the unprotected sex. There is evidence and it is evidence which is given to us by ladies who work in those areas of unprotected sex, and a lot of the operators dictate those terms. So if you want to earn your \$1000 a day then.

Licensee, 11 years

Workers also reported these requests, but were clear that workers **in both the licensed and unlicensed sector** would offer unsafe sex for the right price.

Some girls do stuff, I don't and I make that clear to them but they expect that because they say, "Oh, this girl does it," so I'm like, "Well go book her, I don't do it."

Terry, worker

On a daily basis. On a daily basis you get guys and you could be in a room for half an hour and they're arguing with you for 20 minutes and as I say to them, "Look you know you're paying for this so we can sit and argue all you want." I say, "This is my job, I'm sorry but I have to think of the other people as well as myself and I can't take the risk and that's all there is to it."

Melanie, worker

Yeah, look, safe sex is, it drives me fucking mad that we still get constantly asked. I'll get asked by half the clients I see to do oral without a condom, which I absolutely refuse doing and for 22 years refused to do.

Rosalie, worker

Issues of unsafe sex were identified as problematic in premises offering add-on services as well.

You have to bring [your own condoms]; if you were going to do it you would have to bring your own. Yeah. I've known girls who have hidden them; you hide them like in your bra. Because you used to find them sometimes. You know or they'd hide them in the room. They'd come and they might have a couple in their bra, but obviously if they do a nude massage...

Maxine, worker

A number of workers argued that this demand for unsafe sex is rising.

Years ago no-one ask with oral without a condom. Never, never. Now every second one. So it's obviously us because there are girls providing them and either they're silly or I don't know what's wrong with them, they desperate for money or I don't know, I really don't know.

Rhia, worker

3.5.4 Tax and the inability to claim for work-related expenses

In discussing financial matters, many workers did not directly reveal how they managed issues of tax and disclosure. Of those who did discuss tax directly (N=8), most indicated that they did not directly disclose sex industry-related income, preferring to adopt generic occupations such as hospitality as the source of income. Some did have accountants who had helped them effectively claim work-related expenses.

The 'independent contractor' status of workers further complicates this situation, although it was generally supported as a principle by licensees. Thomas, a licensee with many years of experience, recognised the complexity of the current situation.

Employee Relations: Thomas

The law says the girl is, well naturally, the client pays the room rent and the client rents the room and he pays the girl separately. So naturally in a way yes the law is that way but that's purely and simply a taxation thing for the girls. You know, if it wasn't a taxation thing, if the girls would pay tax and do everything right that system wouldn't work. The system would be that the guy would pay the house and the house would then pay the girl. But because then the house then has to pay super and all the trimmings it's not negotiable, you just can't do that. As soon as you pay tax and all for the girls the girls will throw their hands up in the air and go off, they won't work. The girls just don't wanna pay tax and I don't know. Look there's a problem here for a simple reason, there's a lot of girls in this industry that will sit all day and make no money and there's a lot of girls that will make one or two bookings and there's other girls that will make eight or nine bookings. Now the girl that is making the one or two she shouldn't have to pay tax you know but she's classed in the same class as the rest of them.

Thomas points to the fluctuation in earnings and to the necessarily interconnected financial relationship between licensees and workers as barriers to the effective use of the taxation system. Workers often described work conditions in this research, such as the obligation to work a full shift or to provide certain types of services, which indicate that these workers are treated as employees and not as independent contractors.

There are a number of income and tax-related issues that arose in worker interviews.

Economic contributions through sex work

The majority of the workers interviewed inject significant amounts of capital into other industries as a result of their employment as sex workers. The purchasing of services such as hairdressing, beautician, tanning, massage, waxing, natural therapies, chiropractic, physiotherapy and plastic surgery, and items such as clothes, make-up and shoes, supports the cosmetic and beauty industries. Some workers expressed frustration at not being able to claim a tax benefit for these expenses.

Unwillingness to declare due to fear of disclosure/discovery

Some workers feared that declarations to the tax system would heighten the likelihood of unwanted disclosure.

Inability to use income levels for housing loans

As is common for other casual employees but intensified here by issues of disclosure, workers were frustrated by the inability to ensure their incomes could be used to obtain housing loans. Even those who earned relatively high average weekly incomes (over \$1500) faced additional barriers when seeking loans, due to direct discrimination.

The difficult thing is getting a loan. I don't tell them. I say hospitality. I say hostessing. They won't even look at you if you say sex worker.

Michela, worker

Working in a 'cash in hand' economy

While some workers did not declare, and stated that they would not declare, income earned through sex work, this is a similar pattern to other forms of service work where there is a high proportion of work undertaken for cash in hand.

There was expressed willingness to pay tax by some workers, but recognition that stigma has certainly diminished the likelihood of this for others.

And so it was interesting for my accountant when I'd say, "Could I claim this?" and she'd say, "What are you? What are you, a sex worker?" because as a consultant, you can claim these things, because I'm not one for breaking the rules unless I see that it's a really stupid rule, you know? And one of those things with paying taxes, I don't believe that you can complain about the government, you can complain about health, education, anything, if you're not paying tax. Yeah, and I was always rigid with that stuff. But then that's just my own personal belief. And then other workers I know who have never paid tax would say, "Well, I don't see why I should pay tax when I'm not offered the same rights and whatever, that society has set me aside and marginalised, so why should I?" and I can understand that 100% too.

Eva, worker

Sam

Before coming to Australia nine years ago, Sam had worked in the Canadian sex industry since he was 17. He became involved in the industry after being approached at a gay bar when he was 16. It took him a year to develop the courage to attend the interview and begin working. He has left the industry a couple of times when he has entered a relationship. He is now 28 and plans on remaining in the industry for a maximum of 15 years in total.

Sam has worked as an escort, in a brothel, and privately as an independent worker. He has experience working in both Adelaide and Melbourne. He prefers the escort agency work because it is safer and there are higher financial rewards compared to brothels. He also finds it a better fit with his social life.

So you're at home with your friends, you just leave for an hour and a half, you come back. It's more of a lifestyle.

In order to keep a sense of 'normality' and routine, Sam has always maintained a fulltime day job, in addition to working in the sex industry. He is studying at university to be an accountant and now works full-time in the financial services industry. He works from 7pm until midnight, five to six nights a week. He estimates that he spends approximately \$1500 per week on clothes and shoes.

Sam believes the industry has been in a steady decline over the past four years because of the increased availability of gay sex. Sam says being a sex worker has made it more difficult for him to enjoy a personal sex life. He says the social costs of being a sex worker are less intense because his flatmates have escort experience. He has also disclosed his worker status to his mum.

The lengthy waiting periods at the Melbourne Sexual Health Clinic are too inconvenient so Sam uses his local GP to obtain medical certificates. When he worked in Adelaide he was able to get all vaccinations and check-ups for free when he informed health practitioners that he was an escort. He found this a great support. Sam would like to see more information available to workers on tax liability and wishes financial institutions were more receptive to approaches by sex workers for loans.

“ Specific Worker Groups ”

4

4.1 Student workers

The interviews revealed that female and male domestic and international university students are involved in the sexual services industry. Overall, estimates of the percentage of workers in brothels who are university students vary from 10% to 25%. In our cohort, 16 workers were students who were currently doing or had recently completed some form of study. Types of study ranged from university enrolments at the postgraduate level to short courses in massage and beauty therapy. There was another significant group (N=10) who had gained a professional qualification and undertook a combination of sex work and other work.

Particularly from the Asian background that there is, there seems to be a lot of students and a lot of students on the visas and from Asian backgrounds that are in the managerial group as well, applying for manager status.

Enforcement /regulation officer

Local students very much so, but international students in so much as they're here to learn, not here to have a quick course and go home again, like an English course or whatever, but foreigners who come here to fit into the education system and invariably they are Middle Eastern or Asian, yes they get in the industry, quite promptly in a lot of cases.

Licensees, 18 years

Both female and male international students are found in sex work, and there is evidence that male international students are working as managers within the industry. This is supported by a small trend in approved manager applications by international students (BLA 2009).

Sex work offers the flexibility required for study and adequate pay to cover living and study expenses that were often higher than anticipated when study was planned.

Many interviewees suggested that younger students are well placed to work in adult entertainment venues such as strip clubs and peep shows where they may well perform sexual services but will not be required to do so; these venues may be preferred by domestic students in particular. Respondents suggested that student workers are unlikely to be found in any part of the unlicensed sector as their youth makes them desirable workers, and they are able to attract good clientele in the licensed sector. Student workers currently in the unlicensed sector said it was the ability to offer hand relief rather than a full service that makes this sector attractive.

Student Views on Sex Work

I study full-time so these hours suit me because I get good working hours and the pay is really good. I'm not limited.

(Local student worker)

My Masters is a professional qualification. I have no scholarship for it so the fees are expensive. It is a coursework program. This work fits in well with the university schedule. Except one time I actually met my tutorial teacher in a brothel. I could only talk about this amongst my sex worker friends.

(International student worker)

I mean I knew that there was going to be things that I wouldn't be able to support and afford and things like that, but I hadn't like planned it. And when I came here and with time it was hard finding jobs and I went through issues of racism and races and there was so much going on and I just needed something that where I don't have to sort of be what I'm not, and you know, just have an easy life. And I didn't know I can do this, but when I did I just thought, you know what, this is what I want to do and there was no looking back. It was about being happy and enjoying yourself I guess. I didn't work, I didn't look at myself as a worker, but I looked at myself as this is something I enjoy doing.

(International student worker)

I have a few days free, like I only have classes two days a week. It's a lot of work for two days because you have so many subjects to keep up with, but then I look at the brighter side and you've got so many days that you're free and that gives me time to sort of do my assignments during the day and work in the night and things like that.

(Local student worker)

Licensees generally found student workers to be articulate and capable.

The girls that are coming in are mainly university students to work, they're intelligent, articulate girls and they just happen to make a hell of a lot of money out of working one or two days a week or working the week when they're not studying, and that facilitates the exorbitant cost they have to pay in rent and student accommodation and that gets them through the course.

Licensee, eight years

According to licensees, international students appear to have some concerns about whether sex work itself is genuinely legal, which may inhibit their willingness to access support services. For international students, sex work is often suggested through contacts at the point of arrival (often by students from their home country who are already in the industry), with some enforcement respondents suggesting that English language colleges may operate as points of entry. However, there was no confirmation of this from worker respondents.

The younger [Asian university] girls are scared to do it. They're always worried that someone's going to come in that knows them, their lecturer ... They'll try and go far afield to do it but they're still nervous.

Licensee, two years

They are all Asian or Thai. Asian and Japanese. I mean they come over here and their friend says to them, "You're not doing too well, come and work with me I'll get you a job." And they take them down and introduce them to the bosses; the boss then shuffles them around to four or five different places. They work one week somewhere, another week somewhere else, or in some cases, they work two days for them here and two days in the city, you see. And this is where they've got control of the girls you know.

Licensee, 15 years

There were some suggestions that these student workers had limited autonomy, but this was not confirmed by the student workers interviewed for this study.

Sanjit

Sanjit is undertaking a Masters program at an Australian university. He began escort work fairly quickly after arriving in Australia, realising that the funds offered by his family would not suffice and that the living costs had been considerably underestimated by the education agent who had assisted with his passage.

Sanjit has not revealed to his family that he is escorting but suspects they are aware of what he must be doing. He plans to continue his escorting until his education is completed.

And I was getting a scholarship here, so I thought why not. So I just further my studies here and I was really looking forward to it, and I have to say I'm not disappointed at all.

Student workers from overseas did report that the lack of alternate employment was sometimes a driver for entry into the industry (see *Overseas Student Education Experience Taskforce, 2008* for further discussion of issues in student employment).

I went for this call centre job in the city, they had applications all over the place. I mean, we went to seek.com, me and my friends and they had call centre interviews to be done, and we went there and it was really upsetting for me because when I went and got interviewed and everything went well and the next day I called them up and they said that, "Oh, we can't hire you." And I said, "Why, what was the reason?" And they said sort of, "Well we don't think your accent would go along with the Australians." They said, "We don't think the Australians would like your accent." And I sort of felt so offended, but I just sort of said, "Okay, that's alright." And then the next day I went to them, actually because I just felt it was not the right explanation to give me.

Maila, worker

Overall, students found sex work an effective mechanism to manage study, work and finances.

4.2 Underage workers

The workers interviewed for this project did not raise the issue of underage workers, although some support workers identified this as an issue within the industry. The researchers note that there was a recent prosecution of a brothel manager in 2008 for employing an underage worker in a legal brothel, but the data gathered here suggests that underage workers are generally unlikely to be found within either licensed or unlicensed brothels.

When asked about underage workers, respondents from all sample populations reported that street work is the likely location for underage workers. However, some enforcement agencies note problems with accurately ascertaining the age of workers in both licensed and unlicensed brothels due to the paucity of data recorded about workers, and the difficulties in effective cross-cultural communication experienced with NESB workers. Enforcement and regulatory agencies estimate that there are 10 underage workers engaging in street work at any one time.

There were some suggestions that younger workers lack the requisite skills for sex work, which means licensees actually favour older workers.

No. Never seen underage. Youngest, is Chinese student, 19 years old. Another 18 or maybe 19. Is too young. Nice young girls, how to say, they know nothing, they do nothing.

Licensee, 10 years

4.3 Drug affected workers

The perception that workers are drug addicts was keenly refuted by workers and licensees. Drugs were acknowledged as present in the industry, but no more than in any other workplace. The presence or acceptance of drugs was reported to be a trigger for workers to shift brothels, as different brothels had different standards. The number of workers addicted to drugs (both illegal and prescription) who are working to support a habit was generally said to be minimal, although there were some strong contrary views expressed.

Overall, 21 of the workers expressed strong views about drugs in the sexual services industry; some felt it is not a widespread problem (N=11), affecting only perhaps 2% of the working population, while a smaller number felt it is a significant problem (N=6) affecting around half of the workers currently working. There is no clear picture on the use of prescription drugs. Other workers pointed out some specific problems, including some licensed brothels that have a more 'drug-friendly' culture than others and a growth in the availability of 'Ice' which has very serious impacts on users.

Worker respondents expressed concern that these workers are compromising their own safety and contributing to the reputation of sex workers as being drug users, which they see is not an accurate picture of workers in the industry.

Worker views were significantly diverse about the prevalence and effect of drugs, as the following statements indicate.

Worker Views on Drugs

Because you get a lot of like, you know a lot of the young ones on drugs these days, they're all on that ecstasy and they come in with their, their eyes are like flying saucers and...

I'd say here, not even 2%, that's like illegal drugs. I would say a lot of people are, not a lot but some people have legal drugs, you know like...

Oh, disadvantage probably for girls, especially girls with drug habits, for them it's impossible to work in the parlours.

4.4 Overseas workers

This research revealed that global labour, education and migration patterns are significant in understanding the relationship between the licensed and unlicensed sexual services industry in Victoria. As this support worker's comments make clear, working women move in response to global and political patterns:

As a result of September 11, when the Korean Government tried to make the US happy, they decided to make illegal prostitution, which had been a status, cultural status for women for hundreds of years, very generational. And no sooner had that occurred did I meet my first lot of much older Korean women who were travelling through Australia within six months of that happening.

Support worker

Overseas worker involvement in the sex industry is driven by the ability to make remittances and to fund study and travel. Victoria's legalised sexual services industry offers an attractive destination for sex work for some overseas workers. For others, a lack of alternative employment that does not require English skills, and can offer equivalent remuneration, also funnels workers into the industry. Visa restrictions which limit the amount of time international students to 20 hours per week are eligible to work can make the sex industry an attractive source of employment. For other overseas workers evidence suggests they spend a short amount of time in the country and are highly mobile while in Australia.

Most of them, they're just here on working visas and then they buzz back overseas in three months because they 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.

Licensee, two years

English, no English and didn't have a choice. You know you come to the country, you want everything, and I had a son, five years old then, so I started to do first massage after that, was trying for the job in my field for the year or something, but I always been working only part time. I always have a normal job as well.

Shila, worker

And they could come over and work, say if they got a three-month visa, you know, come over and work and go home. Because the Australian girls don't want to work anymore in this industry, that's fair enough. They want to go with the, the young Australian girl starts off in the table top dancing.

Licensee, 17 years

I think more workers are coming here because it is legal. You are also not expected to do as much. Australia is legal, people can be open about the business. In Korea it is not open. Most Koreans would go to Australia, America, Japan and Canada. But Australia is the most attractive because it's legal and because in the other countries it's not. Australia is considered good for that reason.

Maxine, worker

There was recognition that the language barriers that may inhibit worker autonomy in licensed and unlicensed brothels may inhibit licensees too. As one of the enforcement and compliance interviewees suggested:

Developmental and outreach. And I think that if you've come from Beijing or wherever where your regulatory law enforcement activity and relationship with the state is just so radically different. Why would you ... engage in other, a distrusting way and therefore find herself being accused of misleading and deceptive conduct with the regulator or engage with them at all because it's far too scary and it's legal and costs a fortune and whatever?

Enforcement /regulation officer

There was significant concern that non-English speaking Asian sex workers do not have parity of access to information, education and resources to enable them to effectively negotiate their work conditions in compliance with the regulatory framework. Moreover, there was significant concern that non-English speaking Asian sex workers are unlikely to report serious breaches of regulation or illegal practices and work in less safe establishments, due to fears about their migration status.

The Asians will employ Asians because they know that they won't talk. They stick to their own because they know that they're in the shit if they get caught and they're going to get fined and whatever, and the chances of, the chances that they can control their workers if they stick to Korean or Asian or whatever they are, they can control them. Whereas if you have Australian girls and Asians and everybody in there, you haven't got the same level of control. I mean, Australian girls don't put up with the same that an Asian does. You know, that same level of control, they don't get stood over the same. Not that they're standing over all of them, but you know what I mean? They trust their own more not to talk, not to say anything, and they don't understand English so they've got the control.

Enforcement /regulation officer

Trust their own more not to talk, not to say anything, and they don't understand English so they've got the control.

Licensee, six years

Respondents from enforcement and regulatory bodies indicated they had made limited inroads into brothels that have non-Anglo identities. In brothels with predominantly or completely non-English speaking Asian women these respondents indicated that they lacked the skills or resources to effectively communicate with the workers. There were diverse views about worker autonomy and about the system's capacity to respond effectively in this area among enforcement and regulatory officers.

It's a shocking area to go into to investigate, because people who are being, if you're being stood over, and I use the word 'stood over' rather than 'trafficked' because they're being stood over, it's not an offence that's going to be reported; it's an offence that you're going to come across. And there's no assistance in legislation for police to come across it.

Enforcement /regulation officer

Accounts of overseas workers' experiences and conditions presented by overseas workers themselves and by those workers working with them emphasised that these overseas workers faced many of the same benefits and challenges as other sex workers. Accounts offered by enforcement interviewees were much more likely to stress coercion and pressure. However, among the worker group of respondents, many stressed the autonomy of overseas workers as global economic migrants, and noted the significantly higher levels of pay available for sex work in Australia. None of the workers from overseas directly described being coerced by brokers or agents but rather indicated that the drivers for entering sex work were social and economic.

There was emphasis on the potential for improved outreach in terms of translated material and assistance with interpretations; some licensees were genuinely concerned about not being able to communicate effectively with their workers and stressed the importance of receiving help in this regard. There were also very positive accounts of strong relationships between all workers.

Celina

Celina has worked in the sexual services industry in Korea and in Australia. After her first experience of sex work in Victoria, she made the decision to return, because the work conditions were much better than in Korea. She also made the decision to learn some English and successfully enrolled in and completed an English language course. She has identified a course that she is interested to enrol in.

I have been here for one-and-a-half years. I have been studying English for the last seven months and will then change to study hairdressing after that. I have been here twice. I went back to Korea but then I came back here and I want to stay forever. I want to live here because it is more relaxed. There is no stress. There is more potential to make money here also because Asian girls look young. I am 32.

Our Thai women are really hilarious ... they really get involved with everybody and are really funny and very caring and oh they're so happy to see you, and it just makes you smile. You can't help yourself so it is, it's a really good environment to work in.

Michela, worker

4.5 Support Services and Advocacy Groups

In this research, RhED received consistent praise from workers and almost all licensees. They are the *only advocacy and support group* mentioned by workers; their magazine was seen as a useful resource, and there was very positive feedback on RhED's brothel outreach interactions. Some workers stressed that this was the best aspect of RhED's services. Sex workers interviewed for this research said that on-premises assistance and engagement are vital for workers.

Well they were always available to us, you could always call them, I would call them personally myself if I had concerns about a particular person. They would call me if they're looking for someone that they know is on the move, you know that they believe needs help so actually they work very well. They are educating and information. Like one of the owners at one of the brothels was dead against RhED because they ... used to not like them on the premises. I didn't find them like that and they worked with me. They helped me, they were like a tool.

Maxine, worker

5.1 Entry into the sexual services industry

Entry into the sexual services industry generally occurred as a result of a recommendation by a friend or family member. In some cases (N=10), advertisements for sexual services premises were cited as the trigger for entry, but in many such instances these advertisements were looked up in the phone book, suggesting that the potential worker was already considering sex work. While massage in premises offering add-on, unlicensed sexual services were an entry point for some workers, the transitions between these types of premises, licensed brothels and private work characterise worker employment histories. A number of workers entered because they were introduced to brothel culture and conditions and thereby identified the significant benefits of sex work compared to their existing work.

I actually used to work at a sandwich shop. I used to deliver food into a brothel and every time I went in there they were like, “Oh you’d do very well in here,” and I was like, “Oh yeah maybe not.” I mean I grew up in St Kilda plus kind of grew up with prostitution, you know say “hi” and you would give them a leftover sandwich after school so you don’t get into trouble so I’ve never had anything against prostitutes. I’d never actually been into a brothel until I was delivering food and it was just so much nicer than where I worked. It was like it smells nice and everyone was really nice. I mean I work two days a week anyway as it is and I’ve got normal jobs and stuff to do but yeah so then one day I said, “You know what? I think I might come in and just try it.” So yeah I came in and tried it and I was like, “You know that’s not that bad.”

Deborah, worker

I’m an exhibitionist, I’m very out there when it comes to people. I’ve always been an entertainer, dancing and cabaret. I like to dress up and do cabaret. For me, one thing led to another.

Romy, worker

As stated earlier, many of the workers interviewed maintained lengthy involvement in the sexual services industry, with many working more than five years in sexual services (N=32). In these attachments, there were often multiple movements in and out of sex work.

I’ve only just started back here, back in the industry I should say, just at Christmas. It took me two years nearly; well it’s been nearly two years. Because I was going to go get a normal job and just you know I had to get resumes done and once owning your own business it’s really hard to go work for, especially for such little money. I just, that’s the bit that I find hard you know.

Susan, worker

There was no single dominant pattern of entry into the sexual services industry.

5.2 Exit

Exit from the sexual services industry was identified as a highly individual process by all respondents. Importantly, while exit in public discourses of sex work is taken to mean a permanent departure from the sexual services industry, this research revealed that entry into and movement out of sex work was much more complex. There was no single pattern of leaving sex work that predominated, but there are a number of observable trends for workers leaving sex work. These centre on: 1) education levels and opportunities; and 2) opportunities for professionalisation within the industry.

1) Education levels and opportunities

Students who had been identified in the stakeholder phase as likely to achieve easy transitions out of the sex industry were often found to maintain some shifts even as they transitioned into alternative professions. The high rates of pay combined with flexibility of working hours and options of moving in and out of shifts make the sex industry an attractive ongoing employment option for such workers. As indicated in the student worker section, students found the combination of sex work and study effective, and used sex work to cover education costs and further their career pathways.

2) Professionalisation within the industry

For other workers leaving sex work, the strongest pattern was found in the transition from workers to managers within the industry, as part of a transition out of sex work and often out of the industry. The opportunity to identify and utilise skills in management such as communication, organisation and effective people management within the supportive working environment of the brothel allowed a number of workers to build confidence and skills. This pattern suggests the possibility of using training for managers as a platform within the industry from which to support other opportunities for workers.

Twenty-one of these workers confirmed that they had left the industry and returned to sex work at least once. A number of these left and returned three or more times. This pattern of return reflects two important aspects of our findings. The first is a methodological outcome where recruitment of sex workers or ex-sex workers is likely to attract a population still networked into the sexual services industry. A number of respondents in the worker and support worker groups indicated that some ex-sex workers do not maintain any form of contact with the industry for fear of discovery. These accounts of 'total' exit revealed the slow building of skills, targeted individual support for workers as they transitioned out and then a pattern of cutting off contact with all former associates in the sexual services industry.

Well, what happens is when workers become ex-workers you kind of lose contact. You start talking to them for a little while and then, you know, they go off into their mainstream lives. It's amazing, the kinds of people in the different professions that have come in here. Just need to go out to the railroad stations and say, "Anybody been a prostitute?"

Eliza, exited worker

The second reason for this pattern is the relative ease of re-entry and the high level of monetary rewards that can be found in this industry compared to other forms of work. Many workers, especially those who maintained or participated in some other form of employment, used sexual services industry work as a supplement or break from other forms of employment. As outlined above, many students used sex work to support study and a number of these continued sex work in conjunction with employment after graduation. A number of workers used sexual services to develop small businesses; as some of these other business ventures did not succeed (50% of all small businesses fail in the first two years), the worker returned to the sexual services industry. In some instances, sexual services industry employment supported the business in its fledgling stages.

I wouldn't involve myself in reception or managing or owning brothels. It would be too major to do that. I'd want to start small. Maybe I'd go into the entertaining area of the sex industry. I've got a business background so I'd prefer to do that. I'd like to accomplish something that way. It's a matter of achieving and surviving and doing well.

Fleur, worker

5.3 Licensee support for exit

Only two licensees discussed the ways they support worker exit. These two licensees indicated that they actively responded to worker queries about other employment with advice, information and often by offering opportunities for reception work or hostessing that allowed for the identification of skills. Some licensees indicated willingness to support exit if better resourced to do so. From the respondent responses, it seems there was willingness to draw on information about training and development to support workers.

5.4 Support programs for exit

Support workers struggled to identify any programs that had been effective in assisting workers seeking to leave the industry.

We did a lot of work around [trying to identify] specific exit programs for women because it was so hard to exit. ... And there are none it seems to me.

Support worker

Overall, support workers suggested that individual attention focused on assisting workers in their lives offers the best opportunity for supporting workers seeking to leave sex work. Such individualised assistance allows workers to recognise and build on their skills, identify likely achievable training targets and make gradual progress towards exit. This relationship and confidence building was also identified as important by workers.

I'd like to see also some sort of, I'd like to see these kind of organisations doing some sort of training to get girls out if they want to get out. That's a big deal, it's like, even for me, and I have a degree, but I don't have the confidence now to get out in the work force. You know, it's like, this is ... I'm so used to this sort of thing that the thought of going out and working in mainstream work is just daunting.

Susan, worker

Previous studies have identified lack of employment history, concern about skills, fear of exposure and lack of confidence as barriers to exit (RhED 2004). Respondents suggested that there are no simple training structures or support programs that can address these issues; successful stories of exit are marked by considerable individual support which gradually allows the negotiation of these barriers.

A number of successful exits were achieved within the context of a large supportive business where a relationship had been established between support workers and outreach officers within the organisation. This allowed for the placement of workers in a new environment with targeted support. These processes of relationship building (support worker–sex worker, support worker–organisation, or sex worker–organisation) appear to be necessarily slow and individual.

5.5 Moving on from sex work

Rosalie

Rosalie has worked in the industry for more than 16 years, but primarily as a manager/receptionist. Three years ago, she had saved enough capital to set up a small café and catering business that she ran for 12 months. Unfortunately, the business did not succeed, leaving Rosalie with a significant debt. She returned to reception work but also began doing a couple of shifts a week in the rooms in order to reduce the debt.

Samantha

By the time I was 20 I had three properties, that's only cause of the help of my family, I probably would have squandered it, didn't get into the drugs, stayed very focused. And actually in my time, there was more drugs than what there is now, there was heaps more. Now you only get one or two, a couple; in those days, there was a lot more. And so they worked for their kicks and we worked to get ahead. So you said to yourself, "Okay, I'm 18 now, by the time I'm 30, I'm out." A lot of us did that at that time because once you start, you're trapped; you're trapped until your 40s into your 50s and that's what we didn't want. A group of us didn't want that, it's like do it now, make your money and get out.

Briony

Briony began working in the sexual services industry when she was in her early 20s; she didn't complete her university studies. She worked in brothels for more than 10 years. In her early 30s, she struck up a relationship with an outreach worker. Over a number of years, she did some training programs with the support of this outreach worker using the outreach program, and finally transitioned to a TAFE business development course. Her attempts to get her small business off the ground (focused on catering) were not successful; Briony felt she was unable to take the financial risk to commit to her business fully, and maintained shifts in order to keep her head above water. Briony decided to look for work in an area that attracted her and currently works in a florist, which allows her to express her creative flair. Briony's new work colleagues don't know of her past employment and she doesn't keep in contact with any former colleagues.

“ Size, nature and drivers of the illegal brothel industry ”

6

6.1 Terminology

While conducting this research, we encountered diverse and often conflicting definitions of unlicensed and/or illegal activities. The findings of the research suggest that the terminology used by key stakeholders needs to be more precise and associated with specific activities and outcomes to develop a more accurate picture of the sexual services industry.

6.2 Summary of estimates of the size of the illegal industry

In the absence of a comprehensive database on illegal brothel activity in Victoria, respondents from the sample populations offer very different estimations of the size of the illegal brothel industry. Federal agencies, including the AFP and DIAC, are mostly concerned with aspects of illegal brothel activity related to alleged migration offences and sexual servitude. Councils and Victoria Police offer relatively low estimates, while industry representatives offer the largest estimates. Respondents also pointed to the variability of breaches and forms of illegality further complicating estimates.

Regulatory breaches are quite widespread. In the second category around what we might colloquially call licence lending or aiding and abetting unlicensed activity ... this is an intuitive accumulation of experience, gut feel, and nothing more so we can't invest too much weight on it. You know, 25% of the licensed component, I'd say. But look that could be as low as 10% but significant enough for that to be an issue although you have to say that if there's no demonstrated community worker harm coming from that, what is the regulatory issue?

Enforcement/regulatory officer

All of the sample population were asked about their estimation of the number of establishments and/or individuals provisioning sexual services outside the bounds of the regulations, Act and licensing provisions as of March 2009. The estimation provided by each sample group (sex workers, licensees, regulatory/enforcement officers and support workers) is based on the median number given (this allows for significant over- or underestimation of activity which compromises the use of an average figure).

Table 1 documents the extent of unlicensed or illegal work as estimated by the respondent groups interviewed for this research (licensees/managers, sex workers and regulation and enforcement). Their estimation of unlicensed or illegal work is important for considering the ways those involved in the industry view the size of the unlicensed sexual services sector in Victoria.

Table 1: Estimation of the size of the illegal brothel industry

Sample population	Estimation of no. of unlicensed brothels	Estimation of add-on services	Private work (including private escort)
Sex Workers n=55	40	100	450
Licensees-managers n=10	400 ** ** (Licensees -managers did not distinguish these categories)		No estimates given
Regulatory/enforcement officers n=10	7	60	100

We also asked respondents to identify unlicensed and/or illegal activity of which they had direct knowledge or experience themselves. Table 2 represents the most common forms of breaches of the law (other than running an illegal brothel) reported to the research team, utilising the mean number for each respondent group.

Table 2: Knowledge or experience of breaches and illegality

Forms of breach/illegality	From workers N=55	From enforcement/regulatory officers N=10	From licensees N=10
Worker constraint re. hours/shifts/services to be offered	Around 50% of all brothels	Unknown	Lack of recognition of shift-based coercion, issues around services with preference for full service
Financial exploitation of workers	All workers	Unknown	15 incidents reported by respondents as being observed or offered arrangements based on financially exploitative arrangements (e.g. holding money until shift end, taking more than nominated share)
Restricted freedom for workers	Located in specific segments of the industry	Located in specific segments of the industry	18 respondents reported observed or offered arrangements based on restricted freedom
Unsafe sex	Half of all clients request and around 15% of workers provide unsafe sex	Unknown	Frequent requests reported
Breaches of licence conditions by onselling/not in effective control	10% of licensed brothels	15-20% of the industry	3 had direct experience of purchasing their licences or use of their licence by a secondary party
Breaches of licence conditions by accepting workers using agents or contractors that 'managed' groups of women.	10% of licensed brothels	15% of the industry	15 incidents reported by respondents

Table 2: Knowledge or experience of breaches and illegality (continued)

Forms of breach/illegality	From workers N=55	From enforcement/ regulatory officers N=10	From licensees N=10
Other breaches of licence conditions or OHS regulations (e.g. certificates, health & safety)	Intermittent	Routine	25-30% of licensed brothels in breach

6.3 Prosecutorial data

Currently the only reliable, verifiable data on the size of the illegal brothel industry comes from police statistics and prosecutorial outcomes, which estimate very low levels of activity. This data has limitations as it largely reflects policing priorities rather than actual levels of illegal activity; however, it remains the only available verifiable and ongoing data source. While CAV has developed a database of activity it was viewed as limited by the regulatory and enforcement respondents who were aware of its existence (including CAV respondents).

The research team accessed Victoria Police data via the Victorian Police Corporate Statistics. Data was retrieved for the years 2005/06, 2006/07 and 2007/08. It was analysed in relation to major offences relating to illegal brothels and unlicensed prostitution.

The recorded statistics indicate a relatively low level of prosecutorial outcomes (indeed most of the clearances relate to prosecution of a single offender in 2006/07). The statistics evidence enforcement activity across 12 local government areas with illegal activity occurring either in a brothel or a home or apartment. The limited figures indicate that the most likely outcome is summons, indicating that when police resources are directed at the policing of such activities prosecution is the most likely outcome. They also indicate that enforcement activity has increased since 2005/06. The majority of offenders across the identified offences are male.

**No. of Offences Recorded with Offence Codes
595BN, 595CB, 595DA, 595DE, 595DH AND 595DI
2006/07 – 2007/08**

Offence Code	Offence Description	2005/06	2006/07	2007/08
595BN	Owner/Manager-Allow Child Prostitution	0	78	0
595CB	Prostitution Advert-Use Word Massage	0	1	0
595DA	Offer Enter Agreement Child Sex Service	1	12	14
595DF	Know Carry On Bus-Prostitutn Prov- Unlic	1	5	4
595DH	Allow Child Over 18 Months Enter Brothel	0	1	0
595DI	Carry On Business-Prostitutn Prov-Unlic	0	1	0

** Note that all of the above offences have been cleared. Cleared offences are those that have resulted in: one or more alleged offenders being processed for the offence; or an investigation reveals no offence occurred; or the complaint was withdrawn or the perpetrator was known but for legal and other reasons could not be charged (e.g. underaged or deceased).

**No. of Offences Recorded with Offence Codes
595BN, 595CB, 595DA, 595DE, 595DH AND 595DI
by LGA (Local Government Area)
2006/07 – 2007/08**

LGA	2005/06	2006/07	2007/08
Bayside	0	0	8
Casey	0	0	1
Frankston	0	6	2
Glen Eira	0	1	0
Greater Bendigo	0	4	1
Greater Dandenong	0	0	4
La Trobe	1	0	0
Maroondah	0	3	0
Melbourne	1	4	1
Moonee Valley	0	1	0
Moreland	0	78	0
Port Phillip	0	1	1

**No. of Offences Recorded with Offence Codes
595BN, 595CB, 595DA, 595DF, 595DH AND 595DI
by Location
2006/07 – 2007/08**

Location	2005/06	2006/07	2007/08
Unspecified	0	0	1
Brothel	0	83	1
Flat/Unit/Apartment	1	2	9
House	1	7	5
Parkland/Reserve	0	0	1
Restaurant/Fast Food	0	3	0
Street/Lane/Footpath	0	3	1

**No. of Alleged Offenders Processed with Offence Codes
595BN, 595CB, 595DA, 595DF, 595DH AND 595DI
by Gender
2005/06 – 2007/08**

Offence Code	Offence Description	2005/06		2006/07		2007/08	
		Female	Male	Female	Male	Female	Male
595BN	Owner/Manager-Allow Child Prostitution	0	0	1	1	0	0
595CB	Prostitution Advert-Use Word Massage	0	0	0	1	0	0
595DA	Offer Enter Agreement Child Sex Service	0	1	0	4	0	9
595DF	Know Carry On Bus-Prostitutn Prov- Unlic	2	1	2	2	4	0
595DH	Allow Child Over 18 Months Enter Brothel	0	0	0	1	0	0
595DI	Carry On Business-Prostitutn Prov-Unlic	0	0	1	0	0	0

**No. of Alleged Offenders Processed with Offence Codes
595BN, 595CB, 595DA, 595DE, 595DH AND 595DI
by Method of Processing
2005/06 – 2007/08**

Offence Code	Offence Description	2005/06		2006/07		2007/08	
		Arrest	Summons	Arrest	Summons	Arrest	Summons
595BN	Owner/ Manager-Allow Child Prostitution	0	0	0	2	0	0
595CB	Prostitution Advert-Use Word Massage	0	0	0	1	0	0
595DA	Offer Enter Agreement Child Sex Service	1	0	1	3	3	6
595DF	Know Carry On Bus-Prostitutn Prov- Unlic	0	3	1	3	1	3
595DH	Allow Child Over 18 Months Enter Brothel	0	0	0	1	0	0
595DI	Carry On Business- Prostitutn Prov-Unlic	0	0	0	1	0	0

**Major forms of unlicensed
or illegal activity**

Interviews across all sample populations revealed four major areas of unlicensed and/or unlicensed brothel activity:

- 1) Add-on services to massage
- 2) Legal brothels operating in breach of regulations
- 3) Organised illegal brothels and escort agencies
- 4) Exempt workers working outside the conditions of their exemption

As found in the stakeholder consultations, there is a lack of consensus about the size and nature of the unlicensed sector. However, these later phases of the research project highlight widely held perceptions across all sample groups of a greater prevalence of unlicensed and illegal activity than the stakeholder consultations had suggested. The interview data suggests that there are a significant number of unlicensed brothels, premises offering add-on sexual services without a licence and significant independent unlicensed activity. There were reports of activities in the legal brothel sector that could be defined as illegal activity since they are activities that breach the regulations governing sexual service provision and reduce or negatively impact worker autonomy and security. There is disagreement about the predominant type of unlicensed brothel (worker driven, add-on or organised). It is clear that different forms of unlicensed activity in particular are geographically clustered in central Melbourne and in a number of suburban centres and may have links to specific ethnic groups.

6.4 Information, knowledge and definition

In collecting and analysing the information presented in Tables 1–2 it was apparent that the central problem in establishing the size of the unlicensed industry and the amount of unlicensed activity is the lack of clarity about what constitutes unlicensed and illegal activity among key stakeholders, as well as divergent views about what types of irregular activity produce harm. As noted in the Report on Stakeholder Consultations, these issues of definition contribute to, but do not fully explain, the lack of concrete information on the size and nature of irregular activity.

Licensed sexual service providers demonstrated varying levels of knowledge of the relevant regulations, Act and licensing arrangements. The compliance aspects of engaging with regulators and enforcement were clear (such as requiring certificates, panic buttons, etc.) but the broader remit of the PCA focused on harm minimisation particularly in relation to protecting workers from exploitation was not so well understood.

Agents and agencies involved in the regulation and enforcement of various aspects of the sexual services industry, as well as worker support agencies, demonstrated more consistent knowledge of the framework. Relevant agencies are responsible for different aspects of regulations and enforcement and are therefore interested in specific elements, rather than the whole. Compounding these structural disconnections are (often shifting) pressures faced by enforcement agencies on resource allocation for enforcing regulations, law and licensing provisions. With the exception of CAV, all other enforcement officers interviewed indicated that their agencies view irregular sexual service activity as *low to very low priority*, although this varies with the frequency of illegal activity in their area of operation.

The lack of systematic recording and sharing of information on illegal brothels makes the task of ascertaining the size of the illegal brothel industry difficult. Because each enforcement and regulatory agency (including local councils, CAV, Victoria Police, AFP, DIAC and the BLA) is interested in different elements of the illegal

industry there is a need for a composite database to comprehensively establish the size of the illegal industry. On the basis of the interview data and quantitative and qualitative data supplied to the research team by the various agencies, analysis reveals significant differences in the quality of data being recorded, anomalous classificatory and recording systems, and questions regarding the timeliness of data collection. Respondents considered that a shared inter-agency framework for the collection and management of regulation, licensing and enforcement data would facilitate better data sharing between agencies. This could result in a more systematic, current and comprehensive picture of both the size of the illegal industry and enforcement and regulatory activity.

The type of information collected on irregular activities differs across regulation and enforcement stakeholders. Each of the main stakeholders (Victoria Police, CAV, councils, and the BLA) collects and organises information in two main ways: intelligence oriented information; and information on activity/outcome relevant to PCA responsibility. A few months prior to the interviews conducted with regulators, CAV initiated a pilot project across five LGAs, based on MOUs with the Municipal Association of Victoria and Victoria Police. Key enforcement and regulatory agents indicated that were at the time of interview (Nov2008-May2009) either unaware of the relevant MOUs and arrangements, or unclear about how they would change current practices.

Respondents reported on attempts to enhance information sharing across agencies, particularly in relation to the sharing of 'intelligence'. While there remain significant cultural, bureaucratic and legislative barriers to such sharing efforts, there also seems to be some lack of clarity about the role of intelligence within a regulatory framework, including its application and its accountability. Respondents felt that discussion of 'intelligence' is used as a broad catch-all by most regulatory and enforcement agencies and is routinely offered as a panacea to current inter-agency communication shortcomings. There is an opportunity to comprehensively consider and clarify the purpose, nature and use of intelligence in relation to the sexual services industry.

In addition to the perceived lack of a framework for sharing information, respondents reported that there are currently few incentives for individuals to share information across regulatory and enforcement agencies. For

example, local councils do not share information about unlicensed brothel activity or premises offering add-on services, producing a significant information deficit about illegal and unlicensed operations that relocate. As one respondent noted:

One of the problems is obviously councils don't have a common database of information on the illegal brothels and the people that they're dealing with. Really the only common ones are your state police and your immigration ones that go across. We're like islands without that interface.

Enforcement/regulation officer

Respondents reported this silence works against establishing estimates of illegal brothel activity in proximate areas.

Some respondents felt the mismatch between purpose, approach to and outcome of the collection of intelligence and activity/outcome data is the result of a segmented enforcement and regulatory framework. It is reasonable to expect that the current situation will remain unchanged in the absence of a formalised and ongoing interagency taskforce with clear tasking and resource allocation. This suggests an opportunity to consider a significant re-organisation of the regulatory and enforcement effort around the sexual services industry.

6.5 The growth and harms of unlicensed sexual service provision

The debate about illegal brothels is misconceived. When people talk illegal brothels they tend to think of the grotty house with the Chinese Triad importing the repressed Asian women, blah, blah, blah. The reality of illegal prostitution is, the woman in the burbs, who is using the internet. That's illegal prostitution.

Licensee, two years

Respondents offered a range of views on the levels of harm produced by different forms of unlicensed activity. While beyond the terms of reference of this study, respondents routinely cited street prostitution as the most harmful form of unlicensed sex work, specifying underage workers and those with addictions as most vulnerable in this type of sex work. Respondents noted an increasing trend towards small operations working without licenses. Generally, small operations are not seen as presenting significant issues in terms of worker safety. There is acceptance among licensees that workers cannot be prevented from setting up client lists and that such workers generally operate safely with a high degree of autonomy. There is widespread acceptance that these small-scale operations pose little threat to either workers, licensed brothels or the community. Some respondents suggested that other groups (such as bikie gangs) might be accumulating small cohorts of workers and providing unlicensed escort services which are exploitative of workers. We have not been able to substantiate such claims with direct informant or prosecutions data.

While respondents did not agree on the size of the illegal industry, there was some consensus among respondents that illegal activity has been steadily increasing over the past 5–7 years. A number of factors were seen as contributing to this trend: *perceptions of over-regulation and lack of effective enforcement; rising licence fees; and the decrease in profitability of legal brothels*, which has driven some operators out of the licensed sector.

Premises offering add-on sexual services without a licence were identified as significant providers of unlicensed sexual services in Victoria. Respondent views on harm in this context varied considerably. Hand relief was identified as the most common form of sexual service and was identified as a low-risk activity. There were respondents in all groups who indicated that this form of sexual service is the predominant form of unlicensed sexual service provision.

Larger scale, loosely networked operations are seen as a significant threat to the licensed industry by licensees, since worker safety was often perceived to be compromised (pressure for unsafe sex, for example), wages are lower and turnover is higher. Many small licensed operators felt they were in direct competition with these unlicensed brothels and attributed significant revenue downturns to the growth of such operations. Licensees suggested that these operations are not structured to promote worker autonomy or able to deliver effective worker safety.

Licensed operators reported that the lack of enforcement is a key reason for the growth of the unlicensed sector, suggesting there are no real barriers to illegal activity and significant financial gains to be made. Interviewed operators pointed to people who had moved out of the licensed sector but were still active in the sexual services industry.

There is no reason for [illegal operators] not to be there, there is nothing to make them think oh I shouldn't do this or I'll finish up in jail.

Licensee, 12 years

Many respondents (licensees, managers and enforcement/regulatory officers) perceived problems in the regulatory and enforcement framework which shape the nature of illegal activity and contribute to the growth of the unlicensed sector. While a range of enforcement responses were described, many interviewees were of the view that there is knowledge about illegal operations that may not be effectively shared.

6.6 Specific findings for unlicensed sexual service provision

There are different reasons for, and patterns of, unlicensed sexual service provision.

6.6.1 Add-on services to massage

PERSON X started doing massage a friend said to her, "I've got to tell you something, I've made all this money. "What do you mean, what's you talking about?" and she said, "I told you I went, I've done my massage course and I got a job in a massage place and I'm doing this massage," and she said, "As it's going on" she said, "All of a sudden, up it comes" and he says to me, "Do you want to completely massage me?" And out come the dollars. It is a lot of cash but they're outdoing us in the legal brothels 'cause we can't, we can't compete with that, right, because see they're only paying a small amount for their massage. Now it would vary what they'd offer. It was up to the girl whether she wanted to do it or not, but in the end Kathy used to—she was as happy as a chook going down there.

Enforcement/regulatory officer

For customers, fee structures and costs overall are considerably lower in the add-on sector. One respondent suggested that \$30 would purchase hand relief or perhaps oral sex in a premises with add-on services—a considerably cheaper fee than any licensed brothel could afford to charge.

We can't compete with their price. You know they are doing half our price. You can't compete with them. There's no way of competing. My prices here 10 years ago, or 11 years, was virtually the same as it is today. We started here at \$165 an hour and today we are \$160, \$165. So we started at \$160 10 years ago, so we've virtually gone down and down. Now the illegals, where we charge \$95, which is cheap in the industry for half an hour, ... the illegals are charging \$45. And that's just the rub and tug service right. But they can have extras if they want them in the room sort of thing. So that's where they compete directly with the brothels. The owner takes, most of those places the owner takes \$45 sort of thing, the owner takes the \$25 and gives the girl \$20. So she makes more money in the room or she doesn't make more money.

Licensee, 15 years

This higher sex worker turnover is a driver of operator involvement and worker involvement as both are benefiting from increased custom. It is impossible to estimate the extent of unsafe sexual practices in these environments. Respondents suggested that these venues are favoured by clients as they are more discreet and attendance involves a certain degree of illicit excitement. Different hours of operation (such establishments are more likely to be open during the day) may also have an influence. They may be more conveniently located close to busy shopping or residential areas as they are not complying with the planning restrictions applied to legal prostitution service providers. These services are highly transient and frequently advertised as 'health massage'. Supporting media analysis, however, indicates there is consistency in the advertisements in local papers over several months, which indicates that there is an opportunity for enforcement action if it were prioritised.

The benefits of these working environments for workers are identified as: the opportunity not to offer full service; high turnover; and the ability to negotiate services directly with clients. Sex without condoms is offered in some establishments; if workers wish to use condoms, they generally supply their own. The benefits for clients arise from the high levels of competition among operations, which keeps prices very low and greater discretion.

It's \$100 for a full service for 20 minutes, on average. The other thing is, it doesn't look like a brothel. It doesn't look like a brothel. You can walk in and out of the front door, no-one's going to look at you and say, "He just got a root". No-one's going to look at that.

Enforcement/regulatory officer

If you walk into a business that might be, I don't know a fish and chip shop, no-one's going to know that you're going there for sex. You go to a normal brothel there's no mistaking what it is. So you know, you've just gone to get a massage.

Enforcement/regulatory officer

For operators, overheads are low as these establishments are designed to be temporary. The high rate of turnover means they are immensely profitable. Licensees are aware of council and police enforcement priorities and close down after a certain number of warnings are received. They are able to relocate easily to other council jurisdictions. As outlined earlier, worker views of the benefits and problems of add-on premises as a working environment varied considerably.

6.6.2 Unlicensed brothels

Respondents reported that there are a number of Asian operators who manage unlicensed brothels. Interviews revealed that a key driver of unlicensed organised brothels is the entrepreneurial drive of operators. The research also revealed the geographic clustering of such operations as well as specific ethnic/racial identities. There were strong suggestions that many of these operators have some presence in the licensed industry, through licence transfers or payment arrangements with licensees where the actual licensee takes a fee for giving over effective control. Respondents reported being 'courted' by such operators.

Chinese and Russians coming in, the Chinese they're in pretty bad you know because they're coming in, buying a cheap brothel and they're still using illegals on the side as well. They've come out of an illegal industry right. Now the way I'm told by Chinese, it's what I'm told right, the money goes over to China from these illegals then it comes back into Australia to buy illegal brothels. Now when that happens the guy that normally fronts the legal brothels is not really the owner because it's all concerned with the umm, believe it or not there is a Chinese market in Melbourne so and normally one person or two people are controlling the whole five or six brothels which is highly illegal because you are only allowed to have one. But not only are they

doing that, they're also breaking out into illegals are putting faces into those places and then they can advertise under mobile phone numbers and people are going through these illegals as well and it's all controlled by the same people you see.

Licensee, 15 years

Interviews suggested a convergence of migration and labour opportunities in the absence of enforcement which makes subleasing licences an attractive financial opportunity for the legitimate licensee as well as for the unlicensed entrepreneur. Respondents documented cases where organised illegal brothels were linked to legal brothels operating in breach of regulations.

Let me tell you something about the networking. We know that there is two that are run by one person over in [location]. Very well set up, very well operated, but the networking between all of them is there. They feed girls off each other. Especially with the last one here, we found intelligence in a raid that we did in one, and then a week later we do a raid in another one and the same business cards were there, the same agent cards were there. And I'm not talking about immigration cards in terms of the girls, like immigration agents, solicitors, the Asians are well organised. Very well organised.

Enforcement/regulatory officer

There seems to be links, and from the information I've received, there seems to be links in terms of providing the girls, there seems to be links in terms of the financial arrangements ... I think that there seems to be either a common pool of organisational, the way it's organised and there seems to be some sort of remittance and links to major people who seem to have the organising ability to set these people up.

Enforcement/regulatory officer

As is the case with add-on services, respondents also consistently reported location convenience, cost and anonymity as key drivers for unlicensed brothels.

They're a bit cheaper. I think that's the main thing, and they open up in places and up and down and all that all the time. So they're in your area. You see, legal brothels aren't allowed to be in a residential area, whereas illegal brothels, they can open up in the flat next door to you or the house next door to you, so it's more convenient.

Enforcement/regulatory officer

There is high staff turnover as well as high client turnover.

And we have found, we only go once a week but we found the amount of new staff, and we go the same day every week, so it would lend me to believe that you would run into the same women, but it's never, we always run into different, somebody different.

Support worker

Licensee respondents reported knowledge of operators moving from licensed to unlicensed brothels because they believed there was no effective enforcement (deterrence/punishment) and there were no regulatory costs. While these operations are set up to maximise their mobility in case they eventually attract the attention of the authorities, the business response is to relocate the operation rather than shut down.

6.6.3 Legal brothels operating in breach of regulations

Data emerged from all interview groups which indicate that some legal brothels are engaged in practices not fully in accord with the terms of their licences. There are significant disparities between brothels in terms of worker treatment. In some licensed brothels, workers are able to leave as they wish and to refuse clients. In others, workers do not enjoy such autonomy. Some reported having to work a full shift before receiving payment. There are two specific issues identified in the data: 1) practices that compromise the objectives of worker autonomy; and 2) breaches related to licence holding.

6.6.4 Practices compromising the objectives of worker autonomy

The majority of licensee and enforcement and regulatory respondents detailed knowledge of practices whereby groups of Asian workers, primarily from Korea, China and Thailand, were working in and being provided to licensed brothels by 'brokers' or agents. This data emerged from interviews with licensees who indicated that they had been offered groups of workers by brokers or agents who approached them. Licensees indicated that on occasion managers brought particular groups of workers into brothels with whom they appeared to have some prior relationship. Such patterns were also observed by some brothel workers, where particular managers offered shifts to specific groups of workers. One such example was offered by a worker who had recently moved from one licensed brothel to

another because she observed that her previous brothel had begun accommodating groups of workers in locked rooms. Language issues mean that communication between existing workers and these new workers can be near impossible, and the information about the conditions of legal sex work in Victoria cannot be communicated between these workers; even licensees are unable to communicate with some of their workers. This was identified as a significant problem for these workers—respondents said they 'felt really sorry' for these workers whom they observed to be exercising limited, if any, autonomy. Others suggested that the agents or brokers treat their workers well, but noted that these women experience restricted freedom of movement.

He was saying I'll bring you a couple of Japanese ladies, they need to live on premises for a month and I want some \$10 or \$20 per booking, or \$100 a night or something, yeah it's out there, not big, in my opinion.

Licensee, six years

[I asked] "Is there another way you know is there a better way to connect with these women than coming to their place of work?" Because he said, "Actually we own residences." And I said, "What do you mean, you own residences? Like explain it to me." So he said, "Like the brothel owns houses and the women come and stay in the houses and we charge room and board in the houses."

Support worker talking to manager

And then he said to her, "Once you say yes to that supplier it's very difficult to untangle yourself from that."

Manager

Licensees reported that such approaches by agents or brokers occurred at intervals. Often such contact was initiated at the time the licence holder received her/his licence. While the licensees interviewed generally indicated that they had not accepted such offers, they observed that legal licensees sometimes do accept such offers. The prohibition on advertising was suggested as one of the reasons for accepting such workers. Many licensees reported difficulties in obtaining workers, especially younger workers and ethno-culturally/racially diverse workers, which made these offers of groups of workers on high rotation attractive. Many suggested that these workers are supplied to brothels for periods of several weeks or a month and then are moved on. Sometimes these workers return to their home countries; at other times, they simply move to other brothels.

One day you're desperate for girls—you might get 20 men walking in the door and you've got one Asian girl sitting there, and then another day you've got 14 girls in there and you're not supposed to [accept these offers], but if you knock them back, they won't come back when you're down.

Licensee, two years

I got into this job through a friend and not an agency. There are a lot of Korean-owned shops here owned by Korean owners. A lot of Korean workers end up in them. The treatment there is not very good compared with the other shops. When I compared them I realised. In other shops you can choose freely like in this one. Korean shops are not like that. You have to provide more for a service, you get less money, "you can't go out freely." Girls get to know that they can do that at other places then and they leave. Girls are ignorant, they don't know and they are concerned about the debts they have to pay off through the agent. These are legal brothels. They are very strict and a lot of people work there [to pay off debts]. You have to provide more of a service. And the owner keeps half. Here, if the customer pays \$240 per hour, the girl gets \$150. In these brothels, they charge \$200 and the girl gets \$100 and \$100 goes to the owner.

Shian Lee, worker

Licensees who revealed details of these contacts were most likely to indicate that they had not availed themselves of this service, although some observations on premises indicated that groups of workers were arriving and leaving in an organised fashion..

I know two legal brothels that have illegal immigrants. A lot of these girls are illegal immigrants, I'm not talking about the slave trade, I'm just talking about girls who come here on holiday, knowing full well that there's this and they work freely, they move around freely, it is not the sort of thing that Scarlet Alliance would suggest that it is, but and that's a lot of them are Asian a hell of a lot of them are Asians, that's a popular breed, a popular culture and nationality that clients like.

Licensee, seven years

Respondents generally considered that these workers are transported to Australia in the knowledge that they will work in the sex industry. The arrival of Korean workers, for example, was linked to changes in the enforcement of sex work laws in Korea. There was a general perception that 'debt bondage' rather than 'sexual servitude' best characterises these workers' relationships with their agents. Many respondents indicated that care and accommodation are provided and that these workers have positive relationships

with their agents. In addition, some licensees did not appear to recognise that such arrangements put them in breach of their licence conditions. Where licensees had taken up these offers, they did not identify these agents with whom they dealt. However, licensees as well as respondents from the regulation and enforcement sample stressed that the prohibition on advertising inevitably made such offers attractive. We expect that such agents were accessing information regarding new brothels from public advertisement of their applications in the Age as part of the BLA application process.

About three, three years ago, some manager guys came with girls and I have to pay money. So I think it's okay, "I can give some commission" and they stayed in the shop. It didn't feel good. ... I found the manager was cheating [me].

Licensee, 10 years

All my girls come through this agency but getting the girls through the agencies is not in the best interests of the girls as they are not 100% free.

Licensee, three years

The migration status of these workers varies; some licensee respondents suggested that workers are here on international student visas, while others are using tourist visas or working holiday visas. These workers appear to be more inhibited than local workers about their status even when their papers are in order, and they were apprehensive about participating in the research process.

6.6.5 Exempt workers working outside the conditions of their exemption

As suggested during the stakeholder phase, there are workers who set up independent client lists. These workers are generally experienced and recognise the opportunity to gain greater financial benefit from their sex work. They often participate in loose networks of workers who share knowledge and sometimes clients. They have a high degree of autonomy, and regular and often long-term clients, which reduces their exposure to risk and harm. These workers are able to set up interstate opportunities which allow for the acquisition of significant income in a period of time.

Almost half of the workers (N=22) interviewed had undertaken unlicensed private work. This type of work did not generate any complaints among workers about security or other issues (see 3.3.2). Of the respondents who undertook private work 11 reported incomes in excess of \$1000 per week. This research indicates a correlation between above average earnings and the effective use of private work.

While it is noted that an industry representative body regularly supplies information regarding alleged exempt workers operating outside the regulations, regulation and enforcement respondents in this research reported receiving few complaints from other sources regarding exempt workers operating outside the regulations. Further, they noted that the spirit of the Act (in terms of maximising worker autonomy and control) and the licensing notification system for exempt workers offered a framework (albeit partial) for such entrepreneurial activity.

They might work in a brothel and then say, "Well I'm not giving half my takings to the house. I'll start my own business. I'm working for myself. Whatever I make is mine."

Enforcement/regulatory officer

6.6.6 Relationship between the licensed and unlicensed sectors

They're not separate things, licensed and unlicensed. The players are sort of interwoven.

Enforcement/regulatory officer

I think that they're all a continuum; some are in the regulated industry and some are in the illegal and they can move between the two.

Enforcement/regulatory officer

What we find these days is that you have people slipping in and out of the licensed and unlicensed industry where they may be working for an unlicensed and a licensed at the same time they've changed their days, here and there. We also tend to find that you'll have a group of unlicensed operators or one person, running about two or three at other locations, and the girls just go from each of the locations by car, they'll spend a couple of days in one location and then transfer to another one that's operated by the same person.

Enforcement/regulatory officer

Overall the research found high levels of interdependence between licensed and unlicensed sexual service provision. The data evidences a high level of mobility of workers and some mobility for licensees between the licensed and unlicensed sectors. This mobility took a range of forms: historical mobility, simultaneous work, entrepreneurial mobility (workers), and opportunistic mobility (licensees).

- 1) Historical mobility: The data evidences that many of the sex workers sampled had worked in at least one form of unlicensed or unlicensed activity during their working lives. Some older workers and most managers and operators interviewed indicated that they had been in the sex industry prior to the legalisation of the industry.
- 2) Simultaneous work: Many workers had simultaneously undertaken licensed and unlicensed activity at some point in their tenure in the industry. Most often this is undertaken to maintain their income while offering more limited sexual services or to achieve the most flexible work arrangements in conjunction with family and other responsibilities.
- 3) Entrepreneurial mobility: A significant portion of the sample of sex workers had worked in the licensed sector before launching into private work. Many used their time in the licensed sector as a means to gain experience and understanding of the industry, develop safe operating practices and attract a small but regular client base.
- 4) Opportunistic mobility: The data evidences that some licensees and managers engage in opportunistic practices to evade the provisions of the Act and regulations, most notably in relation to conditions for employing working, restrictions on advertising for workers and ancillary staff.

“ Regulation, Enforcement and Effectiveness ”

7

Respondents indicated that the complex intersections of regulation and enforcement underpinned challenges for maintaining a safe, secure and compliant sexual services industry in Victoria. In the sections below, we address key issues of licensing, regulation and enforcement effectiveness.

7.1 Regulation

7.1.1 Licensing

The licensing process raises a range of issues. Two of the most significant include the nature of the information the licensing process collects and manages, and the interaction of sex workers and licensees with the licensing process. The following discussion identifies the impact of current licensing processes for licensees, managers and workers.

7.1.2 Accuracy of records

Initial outreach to brothel licensees through the BLA listing revealed a number of anomalies. A small number of letters were returned to the research team as addresses were identified as incorrect. Some follow-up approaches revealed that the identified licence holder was no longer in effective control of the brothel (some had left Australia some time previously, for example). As discussed above, a number of licensees indicated that they had received offers of high daily fees to abdicate effective control of their licence to an organised group that actively courted them.

A more systematic review of the licensing data would provide a clearer picture of the licensed industry. This could act as a secure platform for the accurate identification of operators and managers who act as links between the legal and illegal sexual services sectors. It could also provide a basis upon which to build relationships with the industry.

7.1.3 Licensing process: licensees

There were divergent views about the value and validity of licensing, with some licensees suggesting that the process is acceptable and worthwhile, and others expressing strong negative views. The length of time required to obtain a licence was identified as a significant barrier to the resale of brothels. Exit from the industry for licensees is constrained since business sales are dependent on the provision of licences for incoming licensees and there was uncertainty and dissatisfaction about the time this would take. Limits on the number of rooms, especially in a tight economic climate, reduce the ability of brothels to take advantage of busy times in the week and during the year. This is particularly problematic when some brothels have higher room numbers than others as a result of the time at which they entered the industry. The payment of double licence fees for partnerships is perceived as unjust. There is some perception that the BLA is uninterested in meaningful engagement with the industry; changes in the administrative provision of licences and worker registration may have contributed to this impression. Some licensees questioned whether changes implemented by CAV and the BLA (including membership of the Prostitution Control Act Ministerial Advisory Committee [PCAMAC]) have contributed to the distance between the industry and government.

Millie

The process of getting the licence takes a year, it's utterly ridiculous. For someone who is as clear as me ... I should be granted a licence in six weeks. The bureaucratic stuff is utterly ridiculous. As far as actually running the brothels though, and Consumer Affairs, the only thing I really had to do with Consumer Affairs was they sent me a letter at one stage saying our units that we talk—you know like we have a speaker system that goes to every parlour for the manager to talk to the girls. What are quite—was just slightly out of regulation next to the bed and which would have meant legally I would have had to have gone through and put on a whole new system, which is financially not viable at all. So we moved the bed.

There were suggestions that the most recent rise in licence fees had driven a number of operators out of the licensed sector. In addition, licensees observed that operators previously clustered in the unlicensed sector are now moving into the licensed sector. In the view of these licensees, this 'crossover' is impacting on the probity of the licensed sector and leading to greater downward pressure in terms of pricing, safety and support for worker autonomy. It was observed that for some of these crossover applicants, the granting of the licence did not result in the abandonment of the illegal sector, but rather in the development of new connections between the licensed and unlicensed sectors.

There were people who then decided I'm not going to run a legal one I will go off and run an illegal one. ... I'm not saying that it is related to that price rise, but there was certainly swell around that time ..., around five or so years ago, or it could have been that we were just becoming more aware of it.

Licensee, seven years

It also promoted illegal, in fact I know of people who gave up their legal entity as a brothel owner and opened up an illegal brothel.

Licensee, two years

As discussed earlier, licensee respondents reported direct knowledge of offers for the effective onselling of their licences whereby for an ongoing fee they would absent themselves from the operation of the brothel.

For example they say ... one owner can't own two brothels but some people [are] bad guys, they use the other's licence and involve more than one.

Licensee, seven years

Now when I first started out, I had backers ... they don't want their name down on their documents. They just want to leave a little money and get some interest. And they're all 'squarries' you know, nothing wrong with them.

Licensee, 11 years

Regulatory and enforcement agencies offered diverse views on the practice of onselling licences.

Diverse views on licence trade

I believe we haven't actually come across anything like that that I could see how that could actually result where the licensed brothels could be a front for an unlicensed. Putting the attention on the licensed rather than the unlicensed. At this stage, honestly we really haven't come across any where we've had operators in the unlicensed and licensed.

I think out of 96 brothels, registered brothels, you probably have probably 10%. Well, I know of probably four or five that I could name now, and I can tell you how much they pay. I can tell you. They're paying around the \$16,000 to \$20,000 a year mark.

In the second category around what we might colloquially call licence lending or aiding and abetting unlicensed activity; this is an intuitive accumulation of experience, gut feel, and nothing more so we can't invest too much weight on it. You know, 25% of the licensed component, I'd say. But look that could be as low as 10% but significant enough for that to be an issue although you have to say that if there's no demonstrated community worker harm coming from that, what is the regulatory issue?

I've experienced that firsthand, and one thing that I was finding was really people had a licence and they were lending that licence or selling that licence and were a licensee in name only.

Licensee and regulatory/enforcement respondents reported that there are three conditions driving the onselling or lending of brothel licences. They made the following points:

First, the current licensing framework is partial in its collection and management of data and therefore there is no systematic check on the information licensees are asked to provide in their annual statements.

Second, licensees said that they considered there should be more professional support from regulators (such as clear and definitive answers on licensing questions directed to the CAV hotline, and/or professional development and information seminars). Licensee respondents sought increased contact with regulators outside the enforcement context.

Third, they considered that restrictions on advertising for the sale of sexual service business as well as delays in licensing promotes the onselling/lending of licences coupled with the provision of organised migrant workers. The evidence from both the licensee and regulatory and enforcement officer samples indicates willingness to work within the licensed system if it were able to address these major issues.

Licensees expressed willingness to be more involved in the regulatory practices and frameworks of the industry. Many indicated that, apart from the licensing process, they have had no contact with any regulatory agency, which intensifies their sense that they are only partially considered to be a legitimate industry. One licensee, previously a real estate agent, commented on the total lack of professional outreach. Many felt that CAV does not operate as a resource for advice about best practice and that they receive little advice in response to genuine queries. When pressed for details about the kinds of advice they might seek, respondents suggested that there is a desire for a more robust regulatory engagement to support the increased professionalisation of licensees and enable both formal and informal information exchange and support in achieving both their business objectives and compliance with the spirit and letter of the licensing system.

I haven't had any problems with them, but there is a hell of a lot of people that are not satisfied with dealings with them. Particularly Consumer Affairs and a lot of it comes down to it really the illegal side of things out there you know because the people out in the illegal sector are coming into our industry.

Licensee, seven years

Because that sets up this kind of sense of mistrust and distrust; it's like, we wouldn't even want to ring Consumer Affairs and say, "Is it okay if we're doing this and that?" Cause next thing they'll be down on us like a ton of bricks. So, I perceive a real chasm between [them and us].

Licensee, two years

The current willingness to interact appears counterbalanced by a strong sense expressed by licensees that their status as a legitimate industry is often uncertain. Licensees reported being treated as if they were already in the 'wrong' when they sought advice. This generated fear that negative enforcement responses might arise as a result of genuine questions about responsibilities. Licensees reported 'heavy-handed' responses to minor breaches. They perceived that there is a lack of respect for the sexual services industry among agencies which inhibits their involvement with CAV or the BLA. There is a strong perception of over-regulation that exists alongside this desire for a more collaborative relationship with the regulatory agencies. Many licensees felt that their primary and only contact with CAV and the BLA is when notification of breaches occurs and that opportunities are missed to enhance practices through education and interaction. Respondents suggested that support and education for licensees may thus present an opportunity to alter reliance on brokers or agents through broadening industry networks.

Milos

Milos has owned his brothel for several years; he previously ran a small personnel company offering administrative services. The period of setting up his brothel was stressful; Milos reported issues with obtaining his licence and difficult interactions with various enforcement agencies.

He feels that his business is not in direct competition with unlicensed brothels since his client target market is different (his brothel is one of the higher priced ones in Melbourne). Yet he considers that workers are made more vulnerable by the lack of enforcement across the sector and notes that many of his workers are approached to work in the unlicensed sector. He considers that there are significant safety issues for workers in the unlicensed sector; he bases this on persistent requests from clients for unsafe sex and younger workers.

One of his major concerns is the lack of accessible, effective advice from CAV and the BLA. He reports that he has tried to seek advice on many occasions, with little or no success.

I phoned them up to ask for advice about some changes I wanted to make to rooms. Instead of being able to get advice, I was told to "take legal advice". I pay my licence fees for nothing.

Milos was not alone in his frustration.

As far as they were concerned we were just a thorn in their side previously, and they didn't really want to know, they didn't care they didn't want us there. The public servants at the end of the day they've got a job to do, they are paid enormous amounts of money, or not the usuals but the organisation, licences.

Licensee, 17 years

A limitation here may be the lack of commitment of licensees to the AA EI as the representative body for brothel licensees. A number of respondents suggested that actual membership of the organisation is low (perhaps only 20% of registered brothel licensees although the mailing list is larger), which reduces the utility of using the AA EI as an avenue for consultation within the industry. Some licensees were dissatisfied with the AA EI's high fees and what they perceived to be low levels of professional service. Respondents suggested that direct approaches to brothel licensees from the regulatory and enforcement agencies might be an avenue to build relationships, ensure compliance and develop stronger industry standards.

Conflicting licensee views about the AA EI

It's just something that everyone needs and a lot of people get the benefits, but don't pay. They are not members, but they certainly benefit from the hard work that the AA EI does. We even moved at one stage with tongue in cheek that it should be part of licensing, that part of the licensing cost should be then diverted to the AA EI so that we can function as an industry body. Someone for the BLA, the police, the local councils to talk to and know that we do have a true representation, we truly represent the industry. Currently we probably represent 30 to 40% of the industry off the top of my head.

Now, an industry association has got an obligation. I don't care how hard it is, you get on with the government ... you just get on with the government. [The AA EI's] relationship [with government] has been just poisonous.

I said I've never seen one of these things work and I said certainly I haven't been to a meeting but they were sending me all their meetings and that and I was reading them and everything that happened that they said wasn't going to happen happened anyway. Like the fees went up, my fees went up from \$900 to \$6000. All these things happened and I said, "You want me to pay \$1800 a year?" What for? So I'm not a member of their association, I don't mix with them.

7.1.4 Licensing process: managers

Currently, managers are required to undergo a short test designed to provide them with information about the Act and their responsibilities. Respondents did not consider these conditions onerous or that they prevented likely managers from participating in the industry, except where delays in the issuing of manager licences occurred. Yet the inability to advertise for managers was identified as a critical issue in effective management of a good, safe, compliant brothel. This prohibition limits licensees to undertaking recruitment by word of mouth and limits the ability of licensees to recruit managers who have skills in other businesses and fields who would bring fresh perspectives to the industry. This has the potential to create a 'silo' effect in the industry which further isolates these operations and, **crucially, further isolates workers for whom managers are often a key employment contact point**. Good managers ensured safe and effective brothel operations, they acted as an important safeguard for workers during shifts and they could be responsible for bad conditions and outcomes.

[This manager brought the girls. ... He cheated me] So I said, "I don't want your girls and you leave." After that he smashed the shop.

Licensee, 10 years

Managers manipulate, girls manipulate and manipulate the licensees like myself, more so than if you're an illegal. No, if you're an illegal you're in fact in a much better position, right, because the girls can't manipulate so much.

Licensee, two years

They were given a provisional licence to act as a manager to earn a dollar, and that's the thing until their licence goes through they can't earn any money, and that is almost unfair from a business practice point of view. So that's a problem today in so much as we are always desperate for managers, and the reason we are desperate for managers, is the age old issue of the advertising, which is another one which everyone will talk to you about.

Licensee, 17 years

Managers were identified by respondents as vital to the operation of the unlicensed sector. They are often providers of groups of workers (see above); they set up leased premises and operate within the licensed and unlicensed sectors simultaneously. Given what has emerged from the research regarding pathways for workers leaving sex work and the identification of managers as a key connection between the legal and illegal sectors, the potential benefits of using manager training to achieve desired outcomes in exit and probity in the industry seem high. The number of workers

who also worked as managers was high (N≥12), reinforcing the opportunity to assist workers by professionalising managers.

7.1.5 Licensing process: workers

There is a regulatory deficit with the exempts in that once you register you're there forever, unless you take yourself off. There's no annual statement, no requirement to keep a regular updating of the information without losing your exemption and therefore it's very difficult for a compliance and enforcement activity around a targeted number of individuals. Because, is it 2000 or is it 300?

Enforcement/regulatory officer

Currently, for workers to be exempt to operate as 'small owner-operators' under the rems of the Act, they are simply required to seek registration. These records are not reviewed systematically. Given the concerns about social stigma and identification expressed by workers, a more systematic approach that encourages workers to keep records up-to-date would assist in professionalising the industry and might also support workers seeking to exit the industry with the knowledge that their information will be removed from registers when they cease working in the sex industry. As with managers, this interaction could operate as a point of service delivery and a point for the development of support and identification of training opportunities. As indicated in section 3.3.2 on private work, many workers did not register as exempt.

I hate that in Victoria you need to have PCA licence. If you get PCA number so they know where you stay. A lot of trannies want to do in-call and a lot of guys want to do in-call. ... [They say don't register]. Definitely you can get busted, but the government is making the rules [and] no-one follows.

Jeanie, transsexual worker

As noted, licensees expressed concerns about business support in the current management of the exempt worker category.

7.1.6 Advertising

The issue of advertising was raised by many respondents across the three sample populations. We note that previously there has been discussion of this issue and a recommendation made by the PCAMAC to the Minister for Consumer Affairs (PCAMAC 2008). For licensees, this was identified as one of the biggest barriers to managing a good, safe brothel.

Ten years ago we could advertise for people with office experience and it's these sort of people you need running the place. We need normal office people. You can't rely on former working girls to pick up on things. They don't. It's normal office people that will notice things. You can't advertise legally, just through word of mouth. For efficiency and for safety you need to advertise. We don't want working girls on the phone. They don't flag things that are unusual. Normal office girls will pick something out.

Licensee, 17 years

These restrictions just push people outside into underhand activities or word of mouth [and] it discourages professionalism in the industry.

Licensee, 11 years

Advertising for managers is a big obstacle to business. Laws are so tight we can't advertise for even fixing the roof. I can see the point in that people use this as a recruitment method but when this does happen they shouldn't get a monetary penalty and should just get a jail sentence.

Licensee, two years

We don't want to advertise for girls, we know that it's a moral issue and there are all sorts of things around that, but to be able to advertise for anything in anyone else who works for us or with us, whatever, is vitally important and it just has to happen. Once again it's almost Trade Practices stuff to not allow us to advertise for a cleaner, manager or accountant.

Licensee, 20 years

There was a strong sense that the ban on advertising was emblematic of ambivalence about the industry within licensing and enforcement agencies and the government more generally.

It's a restraint of trade issue. We are a legal industry; how can they justify this?

Licensee, 17 years

Workers who commented on the issues raised by the advertising prohibition also focused on the mixed message (legitimate versus illegitimate industry and form of work) this prohibition sent about the industry.

You can't advertise at all, it's all word of mouth. And there's other people out there that really need work. There's 50 something thousand out of work and I said, "Yeah, but we can't even advertise to get a cleaner or a hostess" and I said, "We have to go through Red and they don't have cleaners and hostesses and everybody on their books all lined up saying we got one for you." I think that for a legal business, that's wrong, they should change that Act. You'll find most managers or owners I speak to, that's their main thing.

Marcia, worker

Some workers suggested the lack of advertising contributed to danger for overseas workers.

By forbidding us to you know advertise, we're a legal business, we're not allowed to advertise, forbidding us to advertise for girls you know like you hear of these Russian girls, like that girl that was murdered over in Bosnia or, you know they can please themselves then where they went. You know if I want to get a job I pick up the Age or go on the internet and say, "Oh there's a job there."

Rhia, worker

Overall, the inability to advertise was understood by respondents to contribute to: 1) uncertainty for some groups of workers (international students, for example) about the legal nature of sex work and adequate conditions; 2) reliance on word of mouth by managerial staff, leading to increased opportunities for intersections between the legal and illegal sectors; 3) an inability to attract skilled professionals into the managerial side of the industry which in turn limits professionalism within the industry; 4) the feeling among licensees that their industry is not supported or engaged by government, in sharp contrast to other industry groups; and 5) the promotion of conditions for the brokerage of workers in an environment of worker shortages.

7.2 Enforcement

Many licensee and worker informants reported that enforcement actions (such as CAAV inspections) were their only direct contacts with regulators. Many indicated they had limited insight into the link between these enforcement activities and the stated objectives of regulation and of the PCA.

For respondents in the regulatory and enforcement groups and licensee respondents, the diffuse nature of the regulatory and enforcement structure was perceived to be the key limitation on effective enforcement. There is no single coordinating agency that has the capacity to engage with both enforcement and regulation. This means that complaints or issues raised must move between key actors. As a result, respondents felt that active enforcement is very limited and that current enforcement measures are not effective.

Some interviewees suggested that an inter-agency working group led by CAV would offer the best solution to the enforcement limitations currently besetting the industry, but there was concern that CAV has not stamped its authority decisively in the industry and also over adequate resourcing for a coordinated enforcement and regulatory effort.

7.2.1 Licensee views of enforcement

Licensee reports of enforcement reflected strong dissatisfaction, and most perceived a notable change over the past five or so years which resulted in an increase in unlicensed premises and unlicensed activity. Many licensees and managers observed that the complex map of enforcement responsibilities (involving Victoria Police, councils, and CAV as the lead agency) did not support positive enforcement outcomes.

I remember when the law just the government introduced the law, licence stuff and they really shut down lot of illegals, now government don't care anymore. Past the maybe three or four years people just open.

Licensee, 17 years

There's been a stalemate for 18 months. The police don't want to do anything about it, councils go in gung ho with private investigators, spend big bucks and it's a waste of money.

Licensee, 7 years

Now it's up to CAV to be the lead agency and they're just farming it out to others. They should be able to prosecute a few. They should be taking two or three per week through the courts.

Licensee, 20 years

These licensee comments were echoed by some enforcement officers, who recognise the message sent by the lack of prosecutions.

It's just like getting enough evidence. We want to be able to prosecute for an indictable offence. We would like to be able to imprison someone, only because, I think it's gotten to a stage where we need to get the message that Consumer Affairs and all the other agencies are taking it seriously.

... With the indictable offences, we really haven't done a conviction where it's resulted in imprisonment.

Enforcement/regulatory officer

Licensees and managers noted that their main contacts with enforcement or compliance measures were about what they perceived as very minor issues. This compounded frustration around the perceived unchecked growth of unlicensed premises. Licensees identified this perceived lack of active enforcement as a key cause of dissatisfaction with the licensing process; they felt that they are paying for nothing. While there was some appreciation of the harm minimisation drivers of the current regulatory approach, they retained concern that there were not avenues to enhance the legitimacy of the industry and reduce illegal activities and operators. Respondents working for regulation and enforcement agencies echoed this sense that the focus was not firmly on the important issues of illegal activity that compromise worker autonomy.

CAV don't go there for any other reason other than a regulatory check. So of course, the CAV go in and they say, "Right, I want to have a look at this, this, this. I want to know whether your bloody [promotional] matches have got your PCA number on them and whether the buzzer is close by the bed," and all that. I'm not criticising their role because that's necessary, but you're not going to build up the same rapport with that attitude.

Enforcement/regulatory officer

Respondents in this research indicated that a more coordinated effort at delivering a range of regulatory outcomes including increased professional service to the industry could contribute to decreasing unlicensed and illegal activity. For example:

I think some of the illegals, illegal small sort of operator, some of the illegals could be legal but maybe the information and education needs to be mapped up. Look I think there's always going to be people that breach and people that maybe are forced to breach and you've got all that sexual servitude stuff but there still might be a segment out there that may move into the regulated industry if they were directed correctly.

Enforcement/regulatory officer

Different approaches across different geographical areas in Victoria were observed. In some areas, councils and police were praised as active and engaged; in others, support for the licensed industry was perceived as lacking. This variability shaped illegal activity. A notable exception was reported responses by Victoria Police to disputes in brothels when managers request assistance for

workers. There was significant praise for officers who assist to keep workers and brothels safe. There was also significant support expressed by licensees and sex workers for the former Vice Squad. Indeed, many respondents noted that previous enforcement arrangements (such as the Vice Squad), where knowledge and intelligence could be built up, had ensured better enforcement outcomes.

The research demonstrates that the regulatory effort is currently focused on enforcement and compliance monitoring although it is important to recognise that CAV enforcement and compliance have more recently initiated increased engagement with operators and managers in an attempt to facilitate enhanced communication and understanding. Most licensees indicated that they had little or no contact with CAV outside compliance visits. Evidence suggests that making the enforcement and compliance effort the main interface for regulatory engagement can only have limited, and sometimes negative, impact. *The focus on prosecutions without significant convictions and sentencing outcomes has raised levels of dissatisfaction among industry stakeholder, as licensee respondents also felt that regulators have not been delivering effective professional support to the industry.*

7.3 Worker views of regulation and enforcement

That's what the department has lost focus on, see they are not looking at the intention of the law that created this legislation, it was to clean the service up, it was to clean the industry up and it was to make sure workers are being looked after, that you have good managers and good owners. You know I know people that have thought, they know that I did what I did and they've gone, "I'd like to own one," they could see that it wasn't a sleazy industry and that it can run like a professional business. Those people just gave up, you know the processes and the pain.

Marika, sex worker

Workers expressed a diverse range of views about the regulatory framework and enforcement in Victoria. Many workers indicated that their preference for licensed brothels was linked to the safeguards that were built into these establishments by the regulatory framework. Others indicated that the regulatory system and patterns of enforcement had in fact intensified 'illegal' activity, due to the complexity and

difficulty of obtaining necessary licences. In particular, this was identified as a barrier for workers from overseas.

The truth is, customers want to see international girls. They want to see girls from Asia. There's not a lot of Asian working girls in Melbourne that are Australian. They want to see South Americans, they want to see Europeans, they want to see Russians. Now those girls do come and work illegally but because of the legislation, those girls are working illegally privately. The legislation they have now has actually done two things, it's increased the number of illegal private workers and it's increased the number of illegal brothels because it's too difficult to get a brothel licence and it's too difficult for these people to work. These people, what concerns me though in both these situations and it's the Victorian legislation that's caused these situations, there's nothing else

Misha, worker

Many noted that the changes effected by the PCA (1994) and the PCR (2006) had transformed the culture of worker autonomy in positive ways.

There's no longer, well there is a little element of pimping [background disturbance] but when I first started it was definitely, it was very much you did what you were told, you know, like the girls, the owners had a lot more control over the girls. Like now, it's very much a business within a business, you know, which is much better for the girl, and better for the owners actually, I think. I think that, I've noticed that the girls are getting in for different reasons, they're not; when I got in it was definitely rock bottom.

Leah, worker

There were significant reports, however, of workers feeling punished and stigmatised by forms of enforcement and compliance. Again, non-English speaking workers were particularly disadvantaged by these actions.

The raids are meant to make you feel like a criminal anyway, that's the whole point of them. And they've often had issues of how quickly do non-English speaking background workers have access to an interpreter, for example, to find out what is going on.

Sasha, worker

Yet there was little reporting of enforcement on the whole by workers. Very few described actual raids or inspections and there were some workers who expressed the wish that there could be more compliance activity.

The whole team cause this is a big place and I thought, "Yeah, okay." But only once in six years that I've seen, so that's not very often. They should come in and check medicals, everything, every couple of months. I suppose there's a lot of places they have to do, so who knows? They've got the time, they get government funding.

Theresa, worker

Some workers expressed a desire for more direct engagement with the regulatory system —as Sarah below says, managers and licensees should not be the only avenue for information to be transmitted in the industry.

I'd also like some sort of laws; a lot of the testing or surveys have been done before, on paper through management. And I think I said to you on the phone that we have had, before we had, you know I know them quite well, so I never got bullied by them, but they definitely bullied other people. They were the kind that would only give the surveys to the girls that they knew were going to benefit them, and they would be the kind that would screen those surveys and only hand in the ones that were going to be ... [favourable].

Sarah, worker

Some of the owners out there are dangerous people so you know that owner wouldn't even pay for his legal costs even though he was [good] so you know VCAT went hard at that person and that person left the industry and that person is probably one of the best managers. Owners want managers that are 100% for the owners. I used to do 50/50 and if I found people that were 50/50 you know I thought it was good. Someone who could look after the workers, you've got to mother them a little bit like a big brother, big sister, but when you lose people like that from the industry it only leaves the undesirable ones that are in the industry. It's really wrong the way it's worked out. They assume everybody is guilty, everybody is bad and then you've got to prove otherwise.

Tricia, worker

Workers too noted that advertising and greater acceptance of the sexual services industry would support the needs of more vulnerable workers in particular.

If it's legal make it legal so that these people don't get a hold of these girls. You know and pay them, I had a manager here, Chinese, how I came to get Asian girls, I had a manager here that was Chinese and he um, he had a lot of girls that followed him you know. And after a while I thought he was being very cruel to the girls they should be able to sort of say, "Ooh I'd like to go to Australia, I'd like to go to England. I'd like to travel and if I can get a job over there." Like any other person if you were going over to England you know, backpack or whatever and you want a job and you know what you're doing and you went to a reliable place you know, you know where there's not all these underworld and you know, but um, but these girls you hear about the Russians if they don't do as they're told you know. Cut out that.

Marcia, worker

Angie

Angie began sex work as a young girl in her home country in South-East Asia. She migrated to Australia in her early 20s and began work in the sexual services industry, as her English fluency and life circumstances made other forms of employment difficult to obtain. She is generally appreciative of the licensing structure and the benefits that it brings.

This brothel is very easy and comfortable. You don't have to work overtime if you don't want to. You can also choose the customer, if you don't like them then you don't have to see them. This brothel is good that way. No-one expects you to do this or that. Melbourne is good because it has the laws about the lady. The other thing that is good is the health check. This is a guarantee that all the girls are healthy. This is a good thing. In Sydney there are different rules. All girls can work without a certificate. It's very easy to work in Sydney but some girls don't know if they are sick or not. The certificates are a good thing. Melbourne is very different. Sydney is much cheaper [you don't get paid as much]. They not protect the lady.

“Social indicator modelling”

The following figures are drawn from the interview data where workers were asked about economic and housing security, social support and use of and experiences with health and other forms of ancillary service. A more detailed instrument inviting workers to nominate direct indicators of health, financial security and service use, and to compare indicators between periods of sex work and exit, was not able to be administered as we were not able to gain ethical approval for this variation within the time frame of the research project. This modelling data was developed from the interview transcripts. Workers used descriptors such as excellent, good, average, fair and poor. These answers were then tabulated and are recorded numerically below with **1 representing excellent, 2 good, 3 average, 4 fair and 5 poor**. The bold indicator given is the **median figure**—the response that most workers nominated. The figures in brackets under each heading indicate the number of workers who gave the median response in interview discussion. Where two or more cells are shaded, this indicates that median responses were evenly split across these bands.

The exception is in the Financial Security section where responses were evenly split across three bands; no clear media was ascertainable. In this section, the number of respondents in each band is indicated in the table.

The median income bracket identified was \$1500 to \$3000, an income level which locates workers right within the average weekly earnings band in Australia (ABS 2009a). While there are identified issues with casual work in Australia (such as lack of permanency and holiday pay, and less opportunities for professional development), approximately 25% of the entire Australian workforce are currently casually employed (ABS 2009b), which means this particular condition of employment in the sexual services industry is not unusual. In this context, this variation in the security indicator is likely to represent worker acknowledgment of fluctuating income and the need for structured breaks which were part of working patterns.

The variation in earnings is influenced by: the economic climate; the age of the worker; the type of shift worked; the ethno-cultural background of the worker; the location of the workplace; the number of rooms available; the management; and the health of the worker.

Some groups of workers considered their financial security to be less than optimal. Workers with dependent children, especially single parents, were more likely to indicate poor financial security (N=7), reflecting greater pressures and expenses. CALD Workers were more likely to be clustered in the income brackets below \$1500.

8.1 Financial security

1 (N=12)	2 (N=12)	3 (N=10)	4	5
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(N=37 – the number who provided information about this)

This indicator varied most significantly across the worker population with a wide range of views expressed on financial security.

8.2 Housing security

(N=33 – the number who provided information about this)

Generally, workers interviewed indicated they currently lived in secure housing as a result of their access to a reasonable income. There is one significant variation that is notable here. In the Australian population, home ownership sits at approximately 60%, with higher ratios of home ownership found in urban centres (81%) (ABS 2003). In the worker group represented in this study, there was a considerably lower ratio of home ownership found (N=11). Given the high median age of workers, this may be an area where targeted assistance in financial planning and in achieving loans (see above discussion of casual labour) might assist to build more positive social outcomes for workers. Even workers on relatively high average weekly earnings indicated that obtaining loans from banks presented challenges.

1	2	3	4	5
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8.3 Health status

(N=26 – the number who provided information about this)

Approximately half of the workers identified as having very good health. There was clear adherence to the regime of health checks as a guarantee of personal sexual health, although there were varied views on the necessity of monthly testing. A significant number of workers maintained comprehensive health regimes during their employment in the sexual services industry (N≥10), with some including psychological assistance as part of their personal health care package. As indicated in the health services discussion, there were some unmet health needs revealed by workers.

1	2	3	4	5
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8.4 Social networks and support

(N=28 – the number who provided information about this)

The high levels of satisfaction with social support point to strong brothel cultures and supportive peer environments. This is particularly important in the context of some evidence of social isolation arising from fear of disclosure. This indicator points to the potential for enhancing worker social outcomes through on-premises engagement and services.

1	2	3	4	5
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8.5 Comparing exited worker and current worker self-assessment

In tabulating this data, it is possible to make comparisons between the health, housing security, financial security and social support networks assessments of current and exited workers. There were *no notable differences* as fully exited workers (N=7) and partially exited workers (N=5) described their health, housing and financial security in the same terms as did current workers. Indeed, in the measures of housing and financial security, exited workers were more likely to consider their position to be good, rather than excellent. The health status and service use indicators varied but this was found to be an effect of the greater service use necessary for current workers to maintain their certificates.

The following case studies are drawn from interview data, although personal details have been changed to protect identity. They offer a more thorough account of the intersecting social and economic pressures faced by workers.

CASE STUDY: Alice

After completing secondary school Alice worked briefly as a stripper and then sex worker before beginning escort work. She exited until she was 25 when she went abroad and worked in the sex industry for two years, averaging between \$15–20,000 per week. She undertook work abroad because it was highly paid and she needed to support her two small children back in Australia. Alice exited the industry when she remarried and worked for 15 years in another industry until her husband died, after which she needed to maintain her level of income. She currently works two day shifts per week. Alice currently earns around \$1200 for two six-hour daytime shifts.

Alice enjoys the camaraderie of the workers and values the flexibility of her working hours as she juggles the demands of raising her teenage children. Alice does not work night shift as she finds the clients more difficult to handle. She has worked to build up a regular clientele. Her husband was a former client. While Alice did some private work when she was younger she does not do so anymore, preferring a clearer demarcation between her working and personal life.

When Alice exited the industry to work in her own business she capitalised on her interpersonal and communication skills. She has never accessed Centrelink benefits. Sex work has provided Alice with a relatively high regular income but she has not been able to develop superannuation which she is currently working to accumulate.

Alice’s family are aware of her work and she is not ashamed of her capacity to financially support her family.

Financial security

Alice reports a high level of current financial security but expresses reservations regarding her longer term financial security.

1	2	3	4	5
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Housing security

Alice has a mortgage and has always enjoyed stable housing.

1	2	3	4	5
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Health status

Alice has a monthly medical check-up which is bulk billed. She spends very little on ancillary health services.

1	2	3	4	5
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Social networks and support

Alice has two dependent teenage children, a supportive family who are aware of her work and maintains a network of friends and acquaintances both inside and outside the industry.

1	2	3	4	5
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CASE STUDY: Eva

Eva entered the sex industry out of curiosity and the need for flexible work during tertiary study which she successfully completed. While she exited during a pregnancy, she has maintained work in the industry over a 15-year period working concurrently in a brothel, as an escort, as well as seeing clients privately. In addition she has spent short periods working as a receptionist/hostess in the brothel. The most satisfactory working arrangements were informal networks of coworkers who worked privately and shared clients.

She re-entered the industry after her pregnancy in order to financially support her family while completing postgraduate studies. Eva is married and has a teenage son, and her family are aware of and supportive of her work. She has also maintained constant non-sex work employment throughout her career.

Eva has always declared her income to the ATO. She averages \$1500–3000 per week for maintaining a few regular private clients and maintains other permanent part-time work.

Eva attests to the importance of peer support and education within the industry to ensure safety and security as well as maximising worker autonomy and control.

Eva describes her ongoing sex work as a long-term professional relationship with her clients. She is not interested in exiting the industry.

Financial security

Eva reports a high level of current financial security.

1	2	3	4	5
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Housing security

Eva currently rents her home but has maintained a high level of housing security throughout her work in the industry.

1	2	3	4	5
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Health status

Eva uses her local GP to get regular check-ups but does not regularly utilise other ancillary health services. She has never suffered from an STI.

1	2	3	4	5
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Social networks and support

Eva has the support of her family and maintains wide professional and friendship networks.

1	2	3	4	5
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CASE STUDY: Minh Ha

Minh Ha works in the sex industry two days a week at a licensed brothel. She's only worked in the sex industry for nine months. She works four or five nights a week in the hospitality industry. She works days at the brothel, picks up her children and oversees homework, then works at the restaurant in the evening.

Minh Ha was born in Laos and migrated to Australia after she married. In Laos, she had worked as a dancer and in a family beauty business. She is 41 years old. Her marriage recently broke down because her husband was violent; she currently has an AVO against him. She has talked to Centrelink about whether there would be support for her to study beauty therapy in Australia but her husband's income, even though he is paying no support, made her ineligible. She is now responsible for supporting her five children.

She approached a customer she knew at her hospitality job to ask for a loan because her mother had recently fallen ill in Laos. On top of her Family Court bills, she couldn't find any money to remit for her mother's treatment. The customer she approached offered to loan her the money but said Minh Ha would need to commit to working in 'massage'; but Minh Ha suspected that sex work was being proposed. She transitioned reasonably quickly to full service in a licensed brothel.

While she says "some workers enjoy this job," Minh Ha does not. She feels she has no choice as her marriage breakdown has left her without support and without the prospect of retraining. She can't see that a relationship is possible for her. Her main objective is: "I want to help myself."

Financial security

Minh Ha must currently provide for her children, but this is a week-by-week proposition. She is fearful about the lawyer's bills and the impact they will have on her family.

1	2	3	4	5
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Housing security

Minh Ha is still in the house she lived in while married and is working hard to keep it.

1	2	3	4	5
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Health status

Minh Ha has the monthly health check, but does not use any other ancillary health services. She feels she is suffering some psychological stress which makes her angry and upset.

1	2	3	4	5
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Social networks and support

Minh Ha has five dependent children, the oldest of whom has just turned 13. Her extended family, mostly located in Laos, are not aware of what she currently does to earn a living.

1	2	3	4	5
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CASE STUDY: Melissa

Melissa has worked in the sex industry for a long time and has worked in many different sectors. She doesn't work the street any more although she says the money is much better on the street and the service is quicker; she is concerned that someone from her daughter's school community might recognise her. She worked in an illegal brothel for a while, but the pay was poor and the work was really hard. Melissa has also worked as an escort, but didn't feel particularly safe doing that work. Even though she used a driver, she felt vulnerable and so prefers to work in the brothel.

Melissa has worked in the industry for seven years this time around; she also worked when she was younger. That experience was a difficult one because Melissa was battling drug addiction at that time. When she became pregnant, she decided to deal with her addiction and stopped work during the pregnancy. After her daughter was born, she started work again.

Melissa has good family support: they help take care of her daughter and are supportive of her work. Her mother and her sister have both worked in the industry. She currently has a boyfriend, but he doesn't know that she offers full service; she feels uncomfortable about not telling him the truth.

She says that "people ask why you would work in a brothel as if you can't get a normal job, but you can"; sex work allows her to pull in someone's weekly wage in a day. Her best brothel experiences have been where support services have been brought into the brothel. One of her owners organised for a doctor to come and obtained medical certificates for the whole group, which made it much easier.

Financial security

Melissa earns a reasonable amount of money for her day-to-day needs and her daughter's needs.

1	2	3	4	5
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Housing security

Melissa is working toward obtaining a first home owner's grant and is hopeful her mother will loan her some money also.

1	2	3	4	5
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Health status

Melissa says it is difficult to get good health care, as it is embarrassing to interact with doctors you don't know. She is currently connected to a pharmacy and clinic that are helping her manage her methadone program.

1	2	3	4	5
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Social networks and support

Melissa's family are supportive and she works with another friend who also has a child.

1	2	3	4	5
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CASE STUDY: Genna

Genna moved to Melbourne from New South Wales and worked in the sex industry while supporting her son through school and then through a TAFE course. After several years working in the brothel, she began to combine her sex work with managing.

Once her son was close to adulthood, she began an education degree, keen to do something for herself. She took on studying, sex work and reception duties in combination for several years and completed her study successfully. Genna now has a full-time job as an adult education teacher.

She doesn't have a relationship and does feel that there are some lingering psychological effects of her time in the industry.

Financial security

Genna earns a reasonable amount of money to cover her day-to-day needs and helps her son with the costs of his study.

1	2	3	4	5
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Housing security

Genna is working toward obtaining a first home owner's grant and is hopeful her mother will loan her some money also.

1	2	3	4	5
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Health status

Genna indicates that her general health is good. She feels she may have some unmet psychological needs that are yet to be addressed.

1	2	3	4	5
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Social networks and support

Genna has good family support and maintains contact with some working friends.

1	2	3	4	5
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“ Appendices ”

Appendix 1: List of initial key stakeholder contacts

Name	Contacted	Outcome
Sharon Maccaul (Head of AAEI and brothel owner)	Yes	Consultation Completed
Spokesperson William Albon (Australian Adult Entertainment Industry)	Yes	Consultation Completed
Marilyn Webster (Good Shepherd)	Yes	Consultation Completed
Danny Csutoros and Roger Nixon (DHS)	Yes	Consultation Completed
Gabby Skelsey (RhED)	Yes	Consultation Completed
Christopher Fairley (MCSH)	Yes	Consultation Completed with Alternate (Marcus Chen MCSH)
Alison Arnot-Bradshaw (Head of regulatory affairs at Ansell)	Yes	Consultation Completed
Project Respect	Yes	Consultation Completed
Southern Edge	Yes	Permission refused by the Office for Women
MAV perspective from officers at MAV	Yes	Consultation Completed **Several councillor contacts followed up—no responses
Scarlet Alliance	Yes	Did not want to contribute to consultation phase
Christian Vega	Yes	Consultation Completed
Victoria Police	Yes	Consultation Completed
AFP	Yes	Consultation Completed

Appendix 2: Respondent Summary

Interview Group	No.	Comments
Licensees	10	Covered licensees affiliated with AAEI and those not affiliated; included large and small operators with/without escort agencies attached; accessed licensees of two 'Asian' brothels in this group.
Enforcement and Regulatory Officers	10	Covered the following agencies, departments and authorities: Consumer Affairs Victoria; Victoria Police; Department of Immigration and Citizenship; local councils; and the Business Licensing Authority.
Support Workers	4	Covered agencies that provide advocacy and agencies that provide direct support.
Current Workers	48	Covered workers in the following sectors: legal brothel; illegal brothel; escort and independent; unlicensed independent; and street work. Accessed 21 students. Accessed eight workers from NESB (Russian, Romanian, Thai, Indonesian, Filipino and Malaysian). Accessed 14 workers from overseas (Philippines, Thailand, Ireland, England, Romania, Russia, Indonesia, Malaysia and New Zealand). Accessed female, male and transgender workers.
Exited Workers	7	Covered workers who are still employed in the sexual services industry although not doing sex work and those who have left. Accessed three students in this population.

Appendix 3: Illegal Brothel Sector: media analysis

Respondents from all sectors indicated that local newspapers were the primary way the unlicensed sexual service providers advertise services. Analysis of local newspapers from different suburbs and different publishers has added weight to this contention. This project conducted a review of the classifieds section in local newspapers in key geographic areas. Those areas are: Melbourne CBD; Brunswick; St Kilda; Oakleigh; and Northcote. The corresponding local newspapers were the: *Melbourne Times*; *Melbourne Leader*; *Moreland Leader*; *Emerald Hill Weekly*; *Oakleigh/Monash Leader*; and the *Northcote Leader*. The time period analysed was 1 March 2009 to 30 April 2009. The focus of this was to draw out any supporting data for the qualitative data.

Monitoring was focused on those sections in the classifieds which relate to the provision of physical services with an emphasis on adult services or services that suggested additional unlicensed sexual services would be available. These sections include: 'Personal Services'; 'Adult Services'; 'Massage Therapy'; 'Health/Fitness'; 'Health Alternatives'; and 'Mind, Body & Spirit'. Advertisements which have a PCA and those advertisements without a PCA but which appear to offer a sexual service were monitored. The following were included:

- Included: Advertisements which contained the words 'sensual'; 'Chinese'; 'eclectic'; 'relaxation'; 'new female staff'; 'males only'; 'tantra'; 'full body care'; and which advertise as having private or rear parking.
- Excluded: Advertisements which appeared to be of a non-sexual nature that do not contain the terms above or which emphasise the qualifications of staff and a professional, therapeutic service.

Key Media Review Findings Informing Report

- Adult services, both premises and individuals, generally carried a PCA number, suggesting effective engagement with industry in this context.
- Massage parlours in central city areas that had websites sometimes linked patrons to escort sites and services and adult discussion boards. This **suggested organised links between licensed and unlicensed sectors**, especially add-on premises and escort services and brothels.
- There were three observable patterns in the advertisements: 1) change of name or description of massage service (for premises and individual listings) with consistency of phone number; 2) consistency of advertisements across two months, including for single massage workers (with words like *sensual* included); 3) single week entries and/or identified closures. These patterns **suggested that although these businesses/listings are transient, a systematic review and follow up** could allow the identification of individuals operating without a PCA exemption (although this may not be a priority) and most importantly, given our other findings, would offer an avenue for the identification of organised unlicensed sexual service providers.

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