



**Inquiry by the Parliamentary Joint Committee on the
Australian Crime Commission**

**To Examine Australian Crime Commission's Response to Trafficking in
Women for Sexual Servitude**

**Submission by the
Australian Crime Commission
June 2005**

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Terms of Reference

The Parliamentary Joint Committee on the Australian Crime Commission's inquiry into trafficking in women for sexual servitude is focussed on three areas:

- The ACC's work in establishing the extent of people trafficking in Australia for the purposes of sexual servitude;
- The ACC's relationship with the relevant State and other Commonwealth agencies; and
- The adequacy of the current legislative framework.

This submission supplements the ACC Submission provided to the Committee's inquiry on 29 September 2003 and the evidence provided at the Committee's public hearing in Canberra on 26 February 2004.

The ACC's Work in Establishing the Extent of People Trafficking in Australia for the Purposes of Sexual Servitude

On 4 December 2003, the ACC Board authorised an ACC Special Intelligence Operation to gather intelligence on people trafficking for sexual exploitation (PTSE).

Since this date the ACC has undertaken extensive intelligence collection activities focussed on filling identified intelligence gaps in law enforcement's understanding of PTSE, particularly as they relate to the following areas:

- Identification of source countries;
- Influence of international events;
- Developing profiles of persons trafficked to Australia to assist with off-shore screening measures;
- Offshore recruitment and transfer methodologies;
- Australian entry points;
- Geographical incidence;
- Identification of Australian based trafficking syndicates/groups;
- Structure and changing methodologies of trafficking syndicates/groups;
- The psychology of people who may have been trafficked;
- Financial arrangements between trafficked women and their traffickers;
- Working conditions;
- Visa abuse and the impact of DIMIA compliance action; and
- Links to organised criminal activity and other criminal activities.

Since the authorisation of the PTSE Determination, the ACC had summonsed 107 people to 93 examinations. These examinations were conducted in Sydney, Melbourne, Adelaide, Perth, Brisbane and Kalgoorlie. Examination witnesses included brothel and karaoke bar operators and employees, sex workers alleged and suspected to have been trafficked, suspect migration agents and associated persons. The following diagrams demonstrate the break down of persons examined by location and role.

Figure One: Location of Examinations

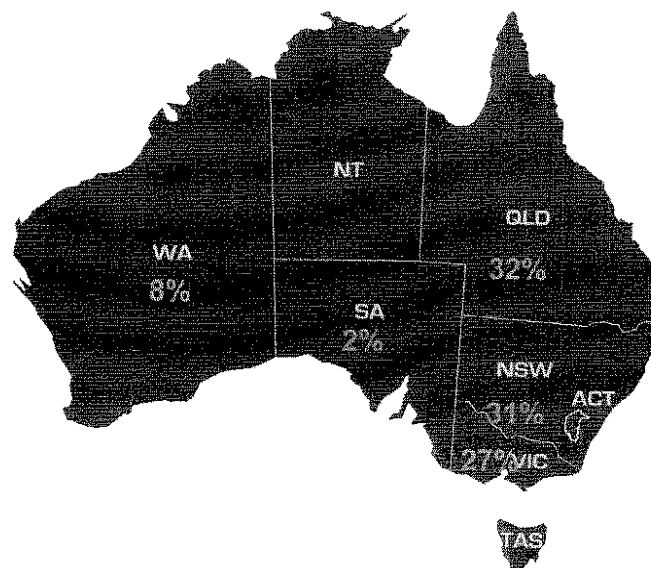
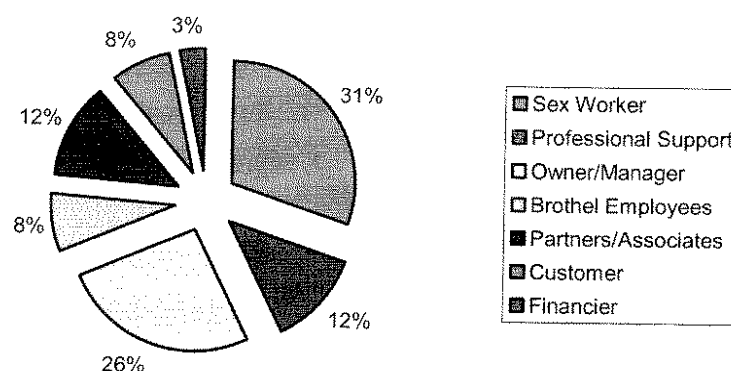


Figure Two: Profile of Persons Examined



In addition:

- Over 50 interviews were conducted across Australia with persons who have preferred to provide information outside of the formal examination process;

- Eight notices to produce documents, pursuant to Section 29 of the *Australian Crime Commission Act 2002*, (ACC Act) have been served and answered;
- Six search warrants issued pursuant to Section 22 of the ACC Act have been executed on relevant premises in four states and a large quantity of documentation seized. Several related state search warrants have also been executed.

Preliminary Findings:

Intelligence collected by the ACC through these processes and use of powers, supports preliminary findings that:

- Most intelligence collected about people trafficking into Australia relates to adult women;
- In order of probable numerical significance, the three predominant source countries for women allegedly trafficked¹ into Australia are South Korea, Thailand and the Peoples Republic of China, with the most concerning cases involving Thai women;
- Australians and Australian based South Korean, Thai, Malaysian, Indonesian and ethnic Chinese organisers or brokers of trafficked women have been identified by the ACC. Whilst the South Korean and Thai organisers are generally only involved in the trafficking of their countrywomen, ethnic Chinese and Australians have been identified trafficking or managing trafficked Thai, South Korean, Indonesian and Malaysian women;
- Current ACC intelligence indicates that organised crime groups involved in crimes such as drug trafficking, credit card and identity fraud activities may also be involved in PTSE;
- Incidences of deceptive recruiting, i.e. deception about the nature of work to be undertaken, are believed to be reducing. They have been experienced exclusively by Thai women;
- Incidences of deception about the contractual terms and conditions and financial arrangements surrounding coming to Australia to perform sex work is becoming more common;
- The previously reported prevalence of Thai women working in the Australian sex industry is now reported to be falling;
- There has been a reported increase of South Korean sex workers in Australia. This may be contributing to the reduction in Thai sex workers;

¹ In using the word 'trafficked', the ACC is not making a criminal finding.

- Although many South Korean sex workers coming to Australia may not fall within the Australian definitions of trafficking, some of these women may fall within the broader UN Protocol definition;
- Sydney remains the most significant entry point for trafficked women and NSW and Victoria remain the states where most trafficked women and associated crime groups operate;
- The methodology of traffickers and organisers has evolved to minimise the appearance of coercion or physical control over trafficked women. Increasingly, various forms of contracts or debt bondage arrangements, with oppressive terms, are being used to exert financial control and secure the ongoing consent of trafficked women to the completion of their contracts;
- Women who have been trafficked into Australia often do not perceive themselves as victims. Many view the prospect of being trafficked as an opportunity to address their indebtedness or earn money to improve their own and their family's lives. As such these women are often ambivalent or even hostile to Australian law enforcement and may display feelings of obligation and gratitude to their traffickers;
- Foreign nationals working in the Australian sex industry, whether trafficked or not, are sometimes subjected to working conditions that are exploitative. In some cases, women will actively seek out these conditions in order to increase their financial returns;
- Unsafe sexual practices may be required of, or voluntarily performed by, trafficked women in debt bondage arrangements.

The ACC's Relationship with the Relevant State and Other Commonwealth Agencies

The ACC has developed close collaborative working relationships with both Commonwealth and State law enforcement agencies in investigating people trafficking issues. At a Commonwealth level, the mutual co-operation that has developed between the ACC, DIMIA, the ATO and the AFP has been particularly productive. From the ACC's perspective these relationships have been underpinned by the use of the ACC's coercive powers and the development and dissemination of relevant intelligence.

The Use of the ACC's coercive powers

Of the 93 examinations conducted to date, 23 have been conducted to complement existing AFP and state police force investigations. Representatives from DIMIA have also attended these examinations. Three of the Notices to Produce were also issued in relation to these investigations.

Of the remaining examinations, representatives from the AFP, state police forces, DIMIA and the ATO have been invited to attend where possible, and have attended on numerous occasions. DIMIA and the AFP have also been present at the execution of ACC Search warrants.

Dissemination of Relevant Intelligence

The ACC has published a number of intelligence products in relation to PTSE activities, including 4 Alerts, 1 Current Intelligence Report, 1 Operational Intelligence Report and 1 National Criminal Threat Assessment.

Seventy-one disseminations to specific agencies have also been made, comprising 26 to the AFP, 23 to DIMIA, 8 to the ATO and 14 to state police forces. Formal and informal evaluation of these disseminations has been highly complementary.

The ACC's national examination program on people trafficking has also contributed to raising an awareness of PTSE amongst state and territory police officers who, with DIMIA, are often the first point of contact between a trafficked woman and Australian law enforcement.

The Adequacy of the Current Legislative Framework

The Commonwealth Attorney-Generals Department is the lead agency in addressing legislative matters, however the ACC has been consulted and, through the intelligence and information derived from the ACC PTSE Determination, has contributed to the review and development of the current legislation.

The Determination has identified the following areas of potential law reform which may assist in mitigating the impact of PTSE. .

1. The need for comprehensive complementary PTSE legislation in all states and territories;
2. Options to progress regulatory reform within the Australian sex industry, to detect, address and prevent the exploitation of foreign sex workers.
3. Options to detect, and prevent tax avoidance by those who recruit and exploit trafficked persons, and to identify, opportunities to use taxation legislation and compliance mechanisms as a means to make the operating environment more hostile for traffickers.

Next Steps

There are a number of objectives that remain to be achieved by the ACC prior to the completion of the PTSE Determination. These include:

- Completion of planned intelligence collection

- Completion of planned examinations in north Queensland, the Northern Territory and the Australian Capital Territory.
- Production of a classified final report on the outcomes of the PTSE Determination for ACC Board consideration.

The ACC is currently liaising with its key stakeholders in relation to the future of the PTSE Determination beyond September 2005.