

Article 4: “We are not ‘The Warehouse’”

The 1987 stock market crash spelt the end of the ‘golden years’ of sex work and ushered in a new era of precarity.¹ Neoliberal restructuring, pushed through by the Fourth Labour Government and then continued by their National Party successors from 1990, had left the economy vulnerable and exacerbated the impact of the slump. For Aotearoa, this meant the beginning of a decade-long financial slog, and the foundation of the contemporary economy. For the labour market in the sex industry, this was equally significant. My research in this area sheds light on the realities of living without the protection of commercial regulation. In many ways, the experience of the sex industry stands as a microcosm for the past forty years of our city’s – and our country’s – history.

The commercial sex labour market

Prices for commercial sex tumbled in the 1990s – in some cases back to rates not seen since the 1970s² – and continued to fall into the twenty-first century. In 1984, one worker reported earning \$500-\$1000 per week; by 1999, a “good week’s work” could be as low as \$300.³ That same year, an Inland Revenue inquiry found the average income of sex workers to be between \$15000-\$25000 a year.⁴ *Siren* consistently reported incomes sliding backwards, with Dame Catherine Healy of the New Zealand Sex Workers’ Collective (NZPC) stating that most in the industry were just making ends meet.⁵ On top of this, persistent inflation depressed the value of their income further.⁶ As a result, what was once a very lucrative trade became unstable and unreliable.⁷

¹ Val Aldridge, “The business of sex”, *The Dominion*, September 18, 1999.

² Ann Howarth, “Keeping sex healthy, wealthy and wise”, *The Dominion*, June 23, 1992; Aldridge, 1999.

³ Aldrige, 1999.

⁴ Nick Perry, “Sex workers ‘losing the right to say no’”, *Weekend Review*, 1999.

⁵ Lynn Grieveson, “Sex for sale”, *Scope*, June/July 1991.

⁶ *Siren* no. 3, New Zealand Prostitutes’ Collective, May 1991: 4.

⁷ Rob Tipa, “Working girls: sex industry on legal tightrope”, unknown publication, 1992.

The drop in earnings can be partly attributed to broader trends in supply and demand for labour. The stock market crash pushed many individuals into sex work, including those from well-paying jobs that were now unemployed.⁸ General unemployment from the late 1980s impacted women far more than men, inflating the number of cisgender women turning to sex work and pushing prices down.⁹ This made sex work more competitive, fuelling undercutting, which only served to lower prices further.¹⁰ The increasing supply of workers was visible throughout the country: while describing the bloated industry, one worker in 1996 noted dryly that “even Palmerston North has ten escort agencies.”¹¹ In Tāmaki Makaurau, this phenomenon was more extreme. The NZPC estimated around 1000 workers were active in the city in 1993,¹² doubling to at least 2000 by 1999¹³ and increasing to 3000 by 2003.¹⁴ The dramatic increase in sex worker numbers even featured in episodes of political mudslinging, with Labour blaming these numbers on the policies of the Fourth National Government.¹⁵

The 1987 crash hit the clientele simultaneously, causing a dip in demand for services. The recession left many with little disposable income, a drop that persisted throughout the 1990s.¹⁶ As a result, fewer clients could pay the standard rates of the 1980s.¹⁷ Some became less consistent, some made do with lesser experiences, and some turned away altogether. Trade was reduced further due to misinformation around HIV and Aids, which scared potential business away.¹⁸ While there were more workers on the job, a dwindling clientele

⁸ Grieveson, 1991.

⁹ Jennie Fulton, “Pros or Cons? : sex work in Wellington 1950-1989”, *Agenda*, 1989.

¹⁰ “Girls Keep Your Standards High”, *Siren* no. 9, New Zealand Prostitutes’ Collective, August 1993.

¹¹ “Letters”, *Siren* no. 14, New Zealand Prostitutes’ Collective, July 1996: 4.

¹² Lee Umbers, *New Idea* article faxed to Debbie Hagar: ‘Attention Debbie Hagar:’, March 5, 1993, File: “Media 89/92”, NZPC Auckland.

¹³ Perry, 1999.

¹⁴ Prostitution Law Review Committee, *The Nature and Extent of the Sex Industry in New Zealand: An Estimation* (Ministry of Justice: 2005).

¹⁵ Unknown author, “Policies blamed for increase in prostitution”, *Reuter*, January 31, 1992.

¹⁶ Diana Dekker, “Tarting it up”, *Evening Post Magazine*, July 13, 1996, File: “P.U.M.P. Information”, NZPC Auckland.

¹⁷ Howarth, 1992; Grieveson, 1991; Dekker, 1996.

¹⁸ Grieveson, 1991; Howarth, 1992.

meant the rewards were spread much thinner. Despite this financial bind, sex businesses proliferated and increasingly sought to maximise profit. At multiple points throughout the 1990s, the sector was described as a “growth industry,”¹⁹ tripling in size²⁰ and ballooning to the value of \$240 million per year, according to Inland Revenue.²¹ This may be surprising, given that most workers were reporting that they struggled to break even. In some cases, workers even turned away from sex work to the meagre social benefits that remained available.²² Between industrial profit margins and the economic reality of the labour force, there lies a clear contradiction that raises an important question.

Where did the money go?

Vacuumed up the ladder

The broad economic history of the neoliberal policy regime can be boiled down to extreme and compounding inequality. Since 1984, the gap between the wealthy and the poor in Aotearoa has widened due to economic restructuring that favours pre-existing wealth. For the general labour market, this meant a shift in power from employees to employers, with the latter soaking up any excess profitability. In commercial sex, the story is very similar.

Around 1990, the managers of the sex industry began to cut into their employees’ pay.²³ Owners of sex businesses implemented charges for workers, and while there were some cases of negotiation around rates,²⁴ the majority of sex workers opposed them, and only accepted them unwillingly because they became industry standard.²⁵ The most common of these was the “shift fee”, which charged the worker directly for showing up to do their job.

¹⁹ Mark Revington, “Sin city”, *The Listener*, November 29, 1997, File: “Newspaper Articles 97/98”, NZPC Auckland.

²⁰ Stacy Gregg, “The business of pleasure”, *Sunday Star Times*, November 10, 1996.

²¹ NZPA, “IRD gets heavy with sex trade”, Unknown publication, December 1, 1999.

²² Deborah Telford, “The oldest profession in the world”, *Sunday*, May 30, 1990, Folder “Media 89/92”, NZPC Auckland.

²³ Pauline Swain, “Prostitutes demand their rights”, *The Dominion*, February 21, 1990.

²⁴ “Jay’s Story”, *Siren* no. 2, New Zealand Prostitutes’ Collective, October 1990.

²⁵ Swain, 1990.

By working for yourself you have more control over who you see, where you go and how long you work on any given day. You can unplug the phone when you've had enough. You can choose your own back up, you can be sure you won't be ripped off with increasing agency fines and other expenses which suddenly seem to be added to if you've had a good week, or an all-nighter.

This is the only city I've ever worked in that the working girls had to pay for the motel at \$20 per hour, on top of the agency fee. It's not worth working for that amount.

Yes, our expenses are going up constantly and none of the benefits a so called respectable job offers, no sick pay, holiday pay or retirement funds etc.

Ladies keep your pride high and remember it's not meat pies we are selling here. If we are as some people say "selling our souls to the devil" lets be the highest paid sinners that there are. Remember, "good girls go to Heaven (or the aisle)" But bad girls go everywhere. We got into the business in the first place to take control of our lives, earnings and working hours and futures. Don't let any scumbag (*****) make it any other way.

Name and address supplied

A worker vents about exploitation.
"Letters", *Siren* no. 12, New Zealand Prostitutes' Collective, April 1995.

These expenses proliferated across the decade, expanding to cover everything from advertising, renting a room, the use of towels, and laundry fees. Over time, they also increased in price. In 1990, a shift fee could be as low as \$10 per week,²⁶ but by 1993, it could be up to \$20 per day.²⁷ According to research by Jan Jordan in 1991, this practice could earn management an extra \$5000-\$10000 per year, with typically (but not exclusively) male parlour owners benefitting from their female employees.²⁸ By the end of the 1990s, it is likely that proprietors were skimming more off the earnings of their employees.

Commercial sex employers also brought in other forms of financial exploitation. A fine system became standard, explicitly policing the behaviour and productivity of workers. Fines were usually set at \$100, and covered everything from being late, not wearing stockings, wearing

ripped stockings, spending too little or too much time with a client, and wearing jeans that were "too baggy" (for male workers).²⁹ The combined financial weight of shift fees and appearance costs (to avoid fines) could be roughly a quarter of a workers' income.³⁰

Additionally, businesses that followed the traditional model (a door or booking fee separate from the service itself) began upping their cut of the money a client pays to around 50%, and

²⁶ Perry, 1999.

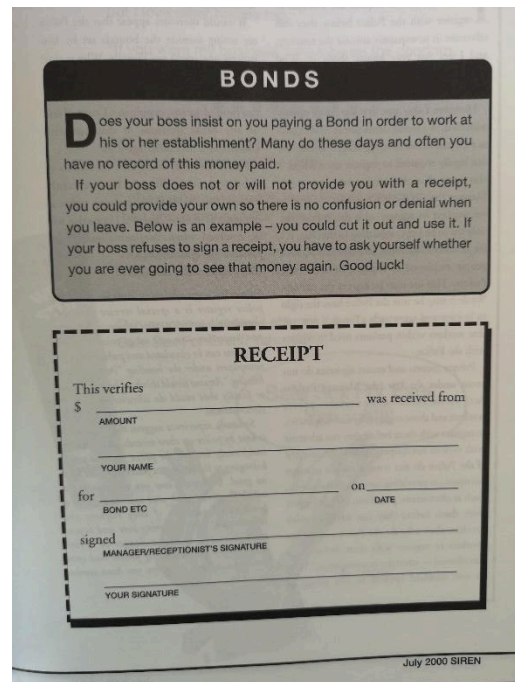
²⁷ Unknown author, "My life as an outlaw", *Wellington City Voice*, May 1993, File: "Media 89/92", NZPC Auckland.

²⁸ Jan Jordan, *Working Girls* (Auckland: Penguin Books, 1991): 10, 268.

²⁹ Perry, 1999; Aldrige, 1999; Wilson, 2000; *Siren* no. 17, New Zealand Prostitutes' Collective, July 2000, File: "P.U.M.P Information", NZPC Auckland; Calum Bennachie, "Hey! It's My Body. Okay?", *OUT* no. 159, October/November 2001: 24-25, File: "OUT. (Auckland) Copy 1 no 114-", LAGANZ.

³⁰ *Siren* no. 15, New Zealand Prostitutes' Collective, April 1998.

in some cases took 60-70%.³¹ A new pricing structure also emerged – that of the “all-inclusive” fee. Rainton Hastie practiced this across his Asian-centric establishments,³² pre-selling a service for \$135 but keeping at least half of it.³³ Not only did this reduce workers’ pay, it also removed their agency in determining the kind of service they performed³⁴ (“extras” used to be negotiated directly between worker and client, providing a high degree of independence).³⁵ This only worsened with the onset of Eftpos/Visa and a cashless economy, further reducing worker agency.³⁶



Siren no. 17, New Zealand Prostitutes’ Collective, July 2000.

The final cost offloaded onto the labour force emerged in the late 1990s in the form of contract bonds. Several managers explained this was a strategy to combat transience among workers, despite short-term work being the norm in the industry. Employers began to charge \$200-\$500³⁷ before an employee started work that would – in theory – be returned when the contract ended. In reality, this money was often withheld, a move justified by various excuses or lack of accountable paperwork.³⁸ This is reminiscent of the bond system in the neoliberal rental market, making it perhaps the most insidious addition to these charges.

³¹ Ron Taylor, “Why I’m available for rent”, *New Zealand Herald*, May 12, 1997; *Siren* no. 13, New Zealand Prostitutes’ Collective, September 1995; *Siren* no. 15, New Zealand Prostitutes’ Collective, April 1998; Perry, 1999; Prostitution Law Review Committee, 2005.

³² Unknown publication, “Guilty plea to brothel charges”, *New Zealand Herald*, July 21, 1993, File: “Media 89/92”, NZPC Auckland.

³³ Perry, 1999.

³⁴ Perry, 1999.

³⁵ Caitriona MacLennan, “Soliciting, Aids and the law: pros and cons”, *New Zealand Herald*, March 4, 1992.

³⁶ *Siren* no. 6, New Zealand Prostitutes’ Collective, June 1992: 23; Prostitution Law Review Committee, 2005.

³⁷ Aldrige, 1999; Tim Wilson, “The whore next door”, *Metro*, December 2000.

³⁸ *Siren* no. 17, New Zealand Prostitutes’ Collective, July 2000: 5; Prostitution Law Review Committee, 2005.

While not every business was run under this model,³⁹ it was the most identifiable thread in the archival material from this period. Throughout the decade, workers consistently referenced increasingly poor compensation in relation to the greed of their employers.⁴⁰ One ex-worker reflected on this exploitation in 1999, stating it had worsened considerably since they left the scene in 1986.⁴¹ Dame Catherine Healy referred to the situation as the use of financial control against employees,⁴² which was corroborated by the Prostitution Law Review Committee in 2005.⁴³ The workers themselves were wise to the situation, openly acknowledging that owners were exploiting them to maintain profit margins.⁴⁴ Although without a union representing them, and with the law working against them, they had little choice but to accept it. Some turned to independent work, but this option was not available to everyone.⁴⁵ Instead, sex workers largely turned their attention to the fight for decriminalisation, viewing it as the only way to regulate their own finances and ensure safety and control over their jobs.⁴⁶

Furthermore, financial exploitation was not the only workplace hurdle. The industry's quasi-illegal status made sex workers ineligible for mortgages, insurance, or ACC (at least until Inland Revenue began pushing for workers to pay tax in the early 1990s).⁴⁷ Chillingly foreshadowing the gig economy, sex workers were also continuously fighting the classification of independent contractor over 'employee'.⁴⁸ Both a Taxation Review Authority and a District Court ruled on this, with the latter case finding workers to be independent

³⁹ "Letters", *Siren* no. 14, New Zealand Prostitutes' Collective, July 1996: 3.

⁴⁰ *Siren* no. 13, New Zealand Prostitutes' Collective, September 1995.

⁴¹ *Siren*, New Zealand Prostitutes' Collective, January 1999: 11.

⁴² Aldrige, 1999.

⁴³ Prostitution Law Review Committee, 2005.

⁴⁴ Perry, 1999.

⁴⁵ Rosemary Vincent, "Green light in red light district", *New Zealand Women's Weekly*, May 15, 1992; *Siren*, April 1998.

⁴⁶ *Siren*, July 1996.

⁴⁷ Fulton, 1989.

⁴⁸ Wellington City Voice, 1993; MacLennan, 1992; Calum Bennachie, *The Male Sex Workers' Handbook*, New Zealand Prostitutes' Collective, 1999, File: "0652-061", LAGANZ; *Siren*, July 2000.

contractors for the purposes of paying Goods and Services Tax.⁴⁹ Because this remained a grey area of employment law, it resulted in sex workers being excluded from regular workplace benefits such as paid sick days, annual leave, and retirement funds.⁵⁰ Ultimately, it



An establishment advertises for workers by highlighting that they do not enforce bonds or fines. File: "Media 2000-2001", NZPC Auckland.

burdened parlour management with far fewer responsibilities to their workers, which placed them in a more vulnerable position, often at the mercy of their employer's ethics.⁵¹ For many, this meant rampant profiteering at the workers' expense. In short, the evidence suggests that the money trickled upward to be absorbed by the managers, owners, and operators of sex businesses. After the recession following the 1987 crash, the sex industry was "booming" by the mid-1990s in Tāmaki Makaurau.⁵² As it diversified, it became less monopolistic – the market was no longer dominated by a few wealthy individuals.⁵³ Parlour and agency owners at this time were not as flamboyantly rich because market competition had whittled

their share of the cake down.⁵⁴ In saying this, some, such as Corporate Affairs, still raked in millions in annual profits (until they were charged with brothel-keeping).⁵⁵ These dynamics suggest that it was necessary in some cases to adjust practices and trim costs to suit a more competitive environment. The central consequence of operating this way was the burden of maintaining a profitable business being forced on the workers. Without solid statistics, it is

⁴⁹ Siren, July 2000.

⁵⁰ "Letters", *Siren* no. 12, New Zealand Prostitutes' Collective, April 1995; Bennachie, 1999.

⁵¹ Stephen Wright, "Hamilton's sex industry", *Nexus*, March 4, 1996; Jan Jordan, *The Sex Industry in New Zealand: A Literature Review* (Ministry of Justice: 2005).

⁵² Andrew Laxon, "Sex acts earn millions", *New Zealand Herald*, 1994; Unknown author, "Slavery case no setback for sex traders", *New Truth*, July 21, 1995, File: "Articles 95/96", NZPC Auckland; Brian Kearney, "Sex for sale", *New Zealand Herald*, October 21, 1995; Gregg, 1996; NZPA, 1999.

⁵³ Kearney, 1995.

⁵⁴ Gregg, 1996.

⁵⁵ Unknown publication, "Officer 'had to act' in brothel case", *The Dominion*, June 12, 1996.

difficult to differentiate between honest and exploitative workplaces, but we can conclude that the latter was widespread. This is a danger of unregulated markets – not only does it negatively impact the workers and their livelihoods, but these people, and the practices that affect them, tend to be invisible to wider society. As a result, a climate of misunderstanding dominates debate and obscures the lived experiences of the people involved. As we have seen, these experiences can be much closer to our own than we might think.

A non-unionised profession with a pseudo-union

Around the time NZPC was formed in 1987, workers in Australia and Aotearoa were openly questioning why they had no representation.⁵⁶ The NZPC stepped into this role, but did not fulfil the traditional tasks of a trade union. Early on they met with police and parlour owners, discussing their goals and intent as an organised collective. This drew support from the police,⁵⁷ and assured owners that the NZPC were not a unionised body.⁵⁸ With HIV a central inspiration for organising a collective, it was essential to bring owners on board to promote safe sex practices. By nature, sex work was very segregated (particularly for street workers, escorts, and independents),⁵⁹ making their employers the fastest avenue for communication. The resulting endorsements – Rainton Hastie among them⁶⁰ – ensured great success in health outcomes for sex workers.

In terms of workers' rights, the picture was more complicated. There were some examples of sex workers independently regulating their prices – one group of street workers held a meeting in 1998 and agreed to raise their fees incrementally.⁶¹ Nonetheless, there were limits on the influence of these minor collectives. Despite calls for industry-wide pricing

⁵⁶ Roberta Perkins & Garry Bennett, *Being a prostitute* (Sydney: George Allan & Unwin, 1985), Jack Goodwin Collection, 197.71, LAGANZ; *Siren* no. 3, New Zealand Prostitutes' Collective, 1989.

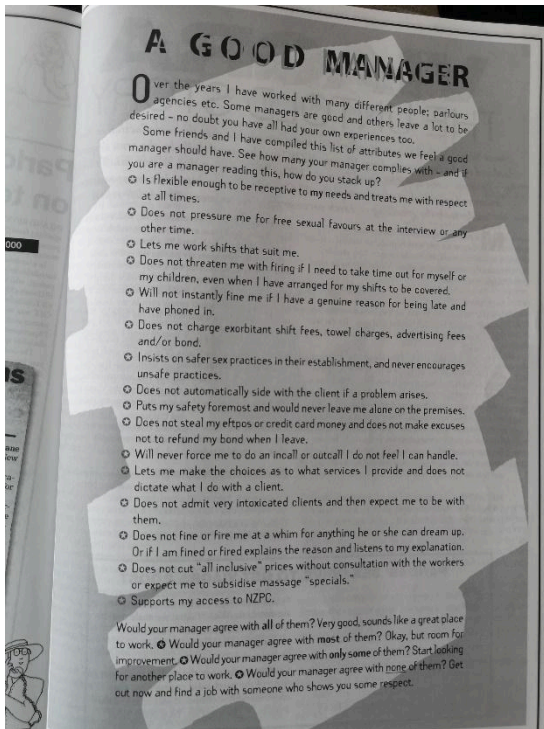
⁵⁷ Victor van Wetering, "Prostitutes – a new image", *North and South*, 1989.

⁵⁸ Swain, 1990.

⁵⁹ Ana Cotter, "Sex workers shunned", *Bay of Plenty Times*, August 26, 1995.

⁶⁰ Michel Roguski, Fax, August 23, 1996.

⁶¹ *Siren*, January 1999.



A list of grievances against poor managers. "A Good Manager", *Siren* no. 17, New Zealand Prostitutes' Collective, July 2000.

standards,⁶² undercutting and deregulation continued.

In response to the lack of collective economic control, one worker in 1999 exclaimed, "We are not 'The Warehouse' where everyone gets a bargain."⁶³

Rather than pursuing arbitration or mediation, the NZPC pushed decriminalisation as the main strategy for achieving labour reform, a move supported by workers. Labour rights were still a prime motivator for establishing the collective,⁶⁴ but because the law functioned against workers, it was impossible to achieve any legislative or industrial gains under the status quo; one cannot simply regulate an illegal trade.

It should also be noted that this was an era of union-busting, with economic restructuring disbanding their power and influence. Legislation such as the Employment Contracts Act 1991 effectively killed national collective organising in Aotearoa. For these reasons, as well as the push for safe sex, the collective was relatively powerless in the short term. Instead, NZPC played the long game. They staunchly opposed legalisation, fearing it would encourage exploitation, and erode workers' agency.⁶⁵ In this sense, while they had a limited impact on employment relations in the 1990s, they achieved a historic and relatively ideal outcome for sex workers with decriminalisation in 2003.

This article presents a broad overview of the experiences shared between sex workers across the 1990s, but this is only part of the story. The sex labour market is not monolithic,

⁶² Oakley, 1997; *Siren*, April 1998.

⁶³ *Siren*, January 1999.

⁶⁴ Caren Wilton, *My Body, My Business: New Zealand sex workers in an era of change* (Dunedin: University of Otago Press, 2018).

⁶⁵ Van Wetering, 1989; Swain, 1990; Tipa, 1992.

with (occasionally stark) differences across ages, ethnicities, and genders. My final article focuses on these contrasting experiences, dissecting the self-labelled 'Whorearchy' of Tāmaki Makaurau.