

Committee Secretary
Parliamentary Joint Committee on Law Enforcement
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**Inquiry into the challenges and opportunities for law enforcement in
addressing Australia's illicit drug problem**

Please find attached a submission from the South Australia Police.

a) Trends and changes relating to illicit drug market in Australia, including the supply, trafficking, production, distribution and use of illicit drugs;

The use of illicit drugs remains an issue of considerable significance to SAPOL, particularly with respect to the personal and familial harms resulting from drug use and in the vast profits generated by organised criminal networks.

In South Australia the consumption and production of cannabis and of hydroponically-produced cannabis in particular, continues to be widespread. Whilst the nature of this production in South Australia has been described as a cottage industry, the involvement of organised criminal networks in establishing, maintaining and purchasing from syndicates carries with it large sums of money and violence which often plays out publically. Organised criminal networks in South Australia have long been known to traffic cannabis to other jurisdictions, with the resulting profits being used to establish involvement and dominance in other criminal enterprises.

Methamphetamine is a drug consumed in South Australia at rates often exceeding the national average.¹ SAPOL and other law enforcement agencies have been successful on several occasions in reducing the local supply of methamphetamine, but the continuation of what appear to be high levels of demand ensures that consumption has risen again after each intervention.

Methamphetamine is locally manufactured, imported from overseas and trafficked into the state from other jurisdictions. The detection of several large clandestine laboratories in South Australia in recent years indicates the involvement of organised criminal networks in producing large quantities of domestically manufactured methamphetamine, whilst small laboratories are also frequently detected.

Importations of methamphetamine occur either in bulk amounts, such as the seizures in Sydney of 748 kilograms in July 2022 and another 1,079 kilograms in August 2022 or via smaller quantities through the postal system.

The use of the postal system to traffic and distribute illicit drugs has noticeably increased in recent years. Organised criminal networks utilise a methodology of 'scatter imports' whereby a larger consignment of illicit drugs is broken into multiple smaller consignments, of a reduced weight or quantity, and sent to

¹ ACIC (2022). *National Wastewater Drug Monitoring Program Report 17*. Australian Criminal Intelligence Commission Canberra Australia.

multiple addresses and consignors (often in false names or using details from stolen identities).

This methodology reduces losses to organised criminal networks should single consignments be intercepted and also reduces the risk of the network coming to the attention of law enforcement. This methodology should not be underestimated in its potential to facilitate the distribution of significant quantities of illicit drugs.

Methamphetamine is also trafficked into South Australia from other Australian jurisdictions. Investigations arising from Operation Ironside have confirmed it is common for organised criminal networks to transport methamphetamine from the eastern seaboard through South Australia to Western Australia, with consignments often being split between those states.

Cocaine, heroin and MDMA are used in much smaller quantities in South Australia than cannabis and methamphetamine.² Like methamphetamine they are either imported directly into South Australia in bulk quantities, through scatter importations, or are trafficked from other jurisdictions. The consumption of cocaine and heroin is relatively stable, but the use of MDMA has been decreasing since 2019 and is now barely detectable at some wastewater treatment plants.

Fantasy-type substances (FTS) comprise a group of three substances with similar physiological effects – gamma-hydroxybutyrate (GHB), gamma-butyrolactone (GBL) and 1,4-butanediol. FTS act as nervous system depressants and induce drowsiness and relaxation when ingested. Currently it is not possible to test for FTS in wastewater making it difficult to compare levels of consumption with other drugs. However, several indicators, including hospital presentations suggest use is widespread in South Australia.

All three FTS are controlled drugs under South Australian legislation, and GHB and GBL are also border controlled drugs under Commonwealth legislation. The importation of 1,4-butanediol, however, is not currently subject to control and it may be freely purchased online. This has resulted in commercial and large commercial quantities of the drug being regularly seized by SAPOL over the past few years.

1,4-Butanediol is the only controlled drug seized in such quantities at such frequencies in South Australia. The large profits to be made from sales, combined with a reduced risk of detection, has been recognised by organised crime networks who have diversified outside of traditional illicit drugs into importing and trafficking 1,4-butanediol.

The South Australian EDABPT (Emergency Department Admission Blood Psychoactive Testing) Study surveyed blood taken from intoxicated ED patients at four metropolitan hospitals in Adelaide.³ This study showed that 28% of

² DASSA (2002). *Drug use in Adelaide Monitored by Wastewater Analysis September 2022*. Drug and Alcohol Services South Australia
<https://www.sahealth.sa.gov.au/wps/wcm/connect/f801a20045027ebea445f4005ba75f87/2022+Wastewater+Standard+Report+August+2022.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-f801a20045027ebea445f4005ba75f87-oduGdt4> <<accessed 23/11/2022>>

³ Stockham, P; Partridge, E; Alfred, S; Green, H; Mallon, J; Haustead, D; Camilleri, A and Kostakis, C (2022).

surveyed patients had ingested FTS, with 87% of these also positive for methamphetamine.

The results of this study not only provide an indication of the scale of use and adverse health outcomes arising from FTS ingestion, but also illustrate the popularity of its use in combination with methamphetamine.

Traditional methods of selling drugs are gradually being supplanted, particularly amongst young people, by sales through dark web platforms, social media and encrypted messaging applications. Criminal networks conceal their offending in these online environments which present both opportunities and challenges for law enforcement.

These online platforms provide anonymity in cybercrime, which by its nature is borderless and can be used by anyone providing a haven for the sale, supply, distribution and purchasing of an abundance of illicit (and licit) drugs. The use of the internet and postal services eliminates direct contact with suppliers, dealers and buyers. Deliveries can be made to post office boxes, parcel pickup locations, virtual offices or vacant properties. The use of falsified identities and bank accounts provides opportunities for criminals to operate undetected.

Dark Web markets and platforms are not regulated like traditional online market places and hence the type of product, quality and substance can be an unknown composition. Buyers and sellers are reliant on the online feedback which establishes reputation for the entities. Clear web platforms are also being adopted and utilised for illicit activities through encrypted communication applications and various social media platforms. Online platforms used on both the clear and dark web require infiltration by police to detect criminal activity.

Attribution and identification of 'real people' to personas or vendors on different online market places or social media platforms provides challenges to law enforcement to establish who is operating profiles behind a screen of anonymity. This anonymity makes it easier for illicit online marketplaces to flourish. Payment can be made utilising crypto currency providing additional layers of anonymity to criminals laundering funds. Offending can be conducted by persons from the safety of their own house and opens up a global marketplace of potential buyers for illicit drugs and other contraband. Electronic technology is dynamic and continuously evolves as quickly as people embrace and utilise the technology.

In recent years the take up dedicated encrypted communication devices (DECD's) by organised crime networks to enhance their capabilities relating to the supply, trafficking, production, distribution of illicit has increased significantly. These DECD's, whether they be a truly dedicated system such as ANØM or Phantom Secure or an enhanced mobile handset provisioned with an 'off the shelf' hardened operating system and coupled with an encrypted application (Signal, WhatsApp), are being utilised to defeat traditional law enforcement strategies to intercept and capture communications. The use of these devices has allowed activities of organised criminal networks to operate away from the focus of law enforcement and with relative impunity. Current legislation in this regard has not kept pace with the ever evolving technological advancements and places law enforcement at a disadvantage when investigating these networks.

b) Emerging trends and risks, such as new psychoactive substances, adulterated drugs and other new sources of threat;

The illicit drug market is in a constant state of flux, as new generations of users enter the market and new drugs and new methods of distribution become available.

In line with global trends, South Australia is now experiencing an increase in the use of non-medical benzodiazepines predominantly detected in counterfeit pharmaceutical tablets.

These tablets are manufactured so as to be almost indistinguishable from the registered pharmaceuticals they mimic, but may contain one or more substances which have not been approved for human use in Australia. In some parts of Australia similar tablets have been found to contain both non-medical benzodiazepines and synthetic opioids, a particularly dangerous mixture which increases the risk of overdose.⁴ These tablets have recently become readily available in Australia and their use appears to be mainly concentrated amongst young people.

The current opioid crisis in North America has led to an increased awareness of synthetic opioids such as fentanyl, as well as the increased trafficking of newer opioids which may circumvent existing legislation and methods of detection. Although consumption of these drugs appears to be low in South Australia, SAPOL has in place several monitoring schemes for early detection should their use increase.

c) Law enforcement's ability to detect and respond to the trafficking of precursor chemicals and illicit drugs, including the adequacy of screening techniques and the impact of seizures on illicit drug availability and use;

Precursor chemicals subject to regulations are those which can be used in the manufacture of illicit drugs and/or explosives. These chemicals often have legitimate industrial uses in manufacturing, pharmaceutical and agricultural industries and some are widely sold.

In South Australia the sale of specific listed precursor chemicals requires both purchasers and vendors to complete an End User Statement, providing details of personal identification and intended use of the chemical to SAPOL. There are similar requirements in every Australian state. Often vendors and purchasers are in different states which necessitates information sharing between jurisdictions. This is still largely a slow and cumbersome paper-based system.

By far the greater majority of transactions involving precursor chemicals in Australia relate to legitimate trade, so the current outdated means of submitting documentation and assessing sales has the potential to impede both industry and law enforcement agencies. An electronic form for buyers and sellers would streamline the current paper-based system and facilitate data sharing, as well as enable more effective monitoring and identification of potential illicit drug related criminal activity. Loopholes occurring within the current system provide

⁴ eg NSW Health (2022). Drug Warning: Fake 'Kalma' alprazolam (benzodiazepine) tablets found to contain strong opioids. <https://www.health.nsw.gov.au/aod/public-drug-alerts/Documents/public-drug-warning-etodesnitazene-kalma-aug2022.pdf> <<accessed 24/11/2022>>

opportunities for serious and organised crime groups to obtain precursor chemicals for illicit drug manufacture.

The development of a national system to submit, assess and appropriately record information relating to the sale of precursor chemicals was previously agreed to in October 2016 by the Law, Crime and Community Safety Council⁵ and progression of this initiative would be welcomed by SAPOL.

Inconsistent regulation in Australia means that several major precursor chemicals can still be freely imported. These include the 'tranche 2' precursors of 1,4-butanediol, hypophosphorous acid, benzaldehyde, helional and iodine. Such inconsistencies provide opportunities for organised crime networks and create challenges for law enforcement in preventing the manufacture of illicit drugs.

The advent of wastewater analysis as a means to estimate illicit drug consumption has provided insight into the sometimes large-scale fluctuations in use as factors relating to supply and demand change. In Adelaide wastewater analysis has now been conducted on a regular basis for the best part of a decade, enriching understanding of factors affecting large-scale illicit drug use.

Measurements of the consumption of methamphetamine and cocaine in Adelaide showed a sharp decline in the immediate aftermath of the resolution of Operation Ironside.⁶ A reduction such as this has been observed on several occasions since 2012, suggesting that the successful targeting by law enforcement of organised criminal networks, at the appropriate level of the network, can affect the supply of illicit drugs in South Australia.

d) The involvement of law enforcement in harm reduction strategies and in efforts to reduce supply and demand, including the effectiveness of its involvement;

Through policing activities and assisting with community awareness, SAPOL plays a role in delaying the onset of use of illicit drugs. SAPOL also assists with demand reduction with referral of adults found with simple possession offences for illicit drugs (not cannabis) by referring them to the Police Drug Diversion Initiative (PDDI) which links into health interventions. These interventions are likely to influence and encourage reduced demand for illicit drugs.

SA Police adopted the cannabis expiation notice scheme (CENS) in 1987 which has enabled significant criminal justice and public health benefits. The advantage of the CENS is that a significant number of fines are paid, thus reducing the number of those who appear in court.

⁵ Department of the Prime Minister and Cabinet. *Precursor Chemicals and Equipment [Decision]*. <https://oia.pmc.gov.au/published-impact-analyses-and-reports/precursor-chemicals-and-equipment-decision> <<accessed 28/11/2022>>

⁶ DASSA (2002). *Drug use in Adelaide Monitored by Wastewater Analysis September 2022*. Drug and Alcohol Services South Australia <https://www.sahealth.sa.gov.au/wps/wcm/connect/f801a20045027ebea445f4005ba75f87/2022+Wastewater+Standard+Report+August+2022.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE-f801a20045027ebea445f4005ba75f87-oduGdt4> <<accessed 28/11/2022>>

In addition, SAPOL has clear policy that ensures youth who are found with simple possession of illicit drugs (including cannabis) and prescription drugs are referred to options which are likely to reduce or avoid their appearance in court.

SAPOL is also an active participant in the South Australian Drug Early Warning System (SADEWS), an informal interagency collaboration allowing for the rapid and confidential exchange of information about drugs seizures, usage trends and clinical outcomes associated with drug use in South Australia.⁷

Those agencies participating include Forensic Science SA, Drug and Alcohol Services SA, SA hospitals, SA universities, SA Pathology and SAPOL. The information exchanged is primarily focused on those drugs causing or likely to cause significant harm.

Where potential community harm is identified, a formal system of notification exists between member organisations. This system has been used by SAPOL on several occasions to reduce risks faced by illicit drug users, particularly where novel or high purity opioids were known to be circulating in the SA community. It is believed that these warnings have contributed to significantly reduce medical consequences through a decrease in drug overdoses and rates of hospital presentations.

Information from SADEWS also feeds into the Prompt Response Network which is emerging as a national vehicle for the provision of early warnings relating to illicit drug use.⁸ SAPOL representatives regularly attend meetings of the Prompt Response Network.

e) The strengths and weaknesses of decriminalisation, including its impact on illicit drug markets and the experiences of other jurisdictions;

Legislative changes which include the omission of convictions and or penalties as part of court outcomes for possession of simple drug possession, particularly where treatment and education avenues have not been effective, are not within SAPOL jurisdiction. In addition, restrictions introduced in the *Statutes Amendment (Drug Offences) Bill 2018* which amended section 34(1)(c) of the *Controlled Substances Act 1984* to restrict the number of occasions an adult may be referred to a nominated referral service to two within a four year period is outside of SAPOL jurisdiction.

f) Other related matters; Nil.

⁷ Camilleri A, Alfred S, Gerber C, Lymb S, Painter B, Rathjen A, Stockham P. (2021) Delivering harm reduction to the community and frontline medical practitioners through the South Australian Drug Early Warning System (SADEWS). *Forensic Sci Med Pathol.* Sep;17(3):388-394. doi: 10.1007/s12024-021-00381-1. Epub 2021 May 19. PMID: 34013465.

⁸ National Centre for Clinical Research on Emerging Drugs. The Prompt Response Network <https://nccred.org.au/collaborate/prompt-response-network/> <<accessed 28/11/2022>>