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Our Ref: 14/111309

Ms Sophie Dunstone
Committee Secretary
Senate Legal and Constitutional Affairs Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Sent via email to: legcon.sen@aph.gov.au

Dear Ms Dunstone

Inquiry into the *Crimes Legislation Amendment (Psychoactive Substances and Other Measures) Bill 2014*

The Australian Crime Commission (ACC) welcomes the opportunity to make a submission to the Senate Legal and Constitutional Affairs Legislation Committee's inquiry into the *Crimes Legislation Amendment (Psychoactive Substances and Other Measures) Bill 2014* (the Bill).

As Australia's national criminal intelligence agency, the ACC has developed an extensive and comprehensive understanding of the large, well-entrenched, and lucrative Australian illicit drug market, which represents more than half of the organised criminal market and is the primary source of profit for serious and organised crime in Australia. Australians are among the world's highest per capita consumers of illicit stimulants and drug prices in Australia far exceed prices internationally, making domestic drug production and importation highly profitable. The major illicit drug markets in Australia are multi-billion-dollar enterprises that provide an opportunity for significant numbers of syndicates to operate.

Drug use and addiction causes considerable social harms, impacts on the health, financial and social welfare of users, and perpetuates both street-level and organised crime. Problematically, drug taking with friends and associates on social occasions and drug dealing within social networks has become accepted behaviour in some areas of Australian society. This involves, in particular, illicit stimulants such as methylamphetamines, MDMA, cocaine and new psychoactive substances that mimic the effect of these stimulants. A 'pill culture' has evolved along with this shift.

In recent years illicit new psychoactive substances, which include a range of substances that mimic the effects of illicit drugs and/or have a similar chemical structure to illicit drugs, have increased in popularity, both nationally and internationally. This market has developed rapidly in Australia. The evolving nature of this market, the high levels of innovation being displayed by vendors, and the key role

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being played by the internet are presenting new challenges for law enforcement agencies and increasing risks for the Australian community.

The rapid development of the new psychoactive substances market has partially been due to a corresponding decline in the availability of MDMA. Many substances are being pressed into pills and marketed as 'ecstasy' to unsuspecting, or otherwise uninformed, illicit drug users. However, the market also includes a range of substances that mimic cannabis and lysergic acid diethylamide (LSD).

The Internet is playing a key role in the evolution of this specific market. The ability to source new psychoactive substances through the Internet has created a truly international drug market with buyers and sellers from anywhere in the world able to directly interact. This online proliferation of 'party-pills', which mimic the effects of illicit drugs, but which have chemical structures that are different to currently legislated substances, has resulted in the development of a 'legal high' market. The 'legal-high' market has been operating for more than ten years in numerous countries including New Zealand, Israel, and the United Kingdom.

Manufacturers and vendors of new psychoactive substances are using various strategies to exploit legislative and regulatory loopholes, and are actively anticipating legislative controls, creating new generations of products ready for release once legislative controls capture existing substances. Intelligence has confirmed that manufacturers and vendors are methodically searching scientific literature and various other open sources in order to identify compounds which are likely to be psychoactive and not subject to regulatory controls. Vendors are tenaciously marketing the fact that new products fall outside of legislative controls and will use this as a selling point for new products as they are released.

Of significant concern to the ACC is the fact that these new substances, which mimic the effect of established illicit drugs, may pose significant harm to the health and wellbeing (including mental, financial, and social wellbeing) of the consumer and greater community. Some of the substances have proven to be lethal, including in very small doses. Despite the number of substances available, there is limited research of information available to government or consumers regarding the health implications of these substances. The potential for harm as a result of inadequate user information and understanding about potentially fatal doses, risk of dependence, and possible adverse effects, is significant and requires appropriate government response.

The ACC notes that distribution of these substances is being carried out by a wide variety of groups and individuals, from organised crime groups to entrepreneurial groups that are seeking to take advantage of legislative loopholes, to members of social groups and even school-children. The market is diverse; however the ACC is concerned at increasing evidence that organised crime has recognised the profits to be made in this market and is becoming more actively involved. Should sophisticated organised crime groups become involved in the new psychoactive substances market, and should the market continue to fall outside of Australia's legislative framework, there is a risk that the market could rapidly expand, thereby exposing the Australian community to significant health and sociological risks from psychoactive substances that are marketed as "legal", and by extension "safe", due to the ambiguous nature of existing legislation.

At this time, the health implications of new psychoactive substances is unclear. For this reason, the ACC recommends that the Government maintain a zero-tolerance approach towards new psychoactive substances, and believes that it is appropriate to place the onus on importers of psychoactive substances to establish that the substance has a legitimate use. The Bill, which focuses on the psychoactive nature of the substances in this market rather than on individual chemical structures, provides an effective and sustainable legislative response to this complex and ever-evolving market. The Bill will prevent individuals and crime groups from importing new psychoactive substances until such time as the

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Government is satisfied that the substance does not pose a significant risk to the Australian community, taking into account health and sociological risks. The response has been developed following wide-ranging consultation with Commonwealth, state and territory agencies and is considered and appropriate. For this reason, the ACC strongly supports the implementation of the Bill.

On behalf of the ACC, I thank you for this opportunity to provide comment on the Bill. Should you wish to discuss any aspect of this submission further, please contact Ms Amanda Carter, Acting National Manager, Strategic Intelligence and Strategy Priorities,

Yours sincerely

Chris Dawson APM

5 August 2014

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