

20th June 2008

Senator Crossin
Chair
Senate Standing Committee on Legal and Constitutional Affairs
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Crossin

**LETTER OF CLARIFICATION – AUSTRALIAN FEDERAL POLICE (AFP)
APPEARANCE BEFORE SENATE BUDGET ESTIMATES HEARING 26 MAY 2008**

During the Budget Estimates Hearing before the Senate Standing Committee on Legal and Constitutional Affairs on 26 May 2008, Commissioner Keelty advised Burma had been providing up to about 70 percent of the heroin that comes to Australia and that this significant drug trade is one of the reasons why the AFP has a relationship with the Myanmar National Police.

I write to confirm the record that Burma has historically been the predominant source of heroin supplied to the Australian market. In the interest of a fuller answer to the Committee to assist its understanding of the current situation I wish to point out that production in Myanmar has been declining since approximately 2002 and now produces significantly less heroin than previously.

AFP drug profiling indicates that in 2007, of the heroin seized at the Australian border and tested, approximately 47.9 percent originated from South East Asia – while 50.6 percent originated from South West Asia. These preliminary statistics need to be qualified however in that results are based on only a partial sample of heroin seized at the border in this period.

For the Committee's interest I have attached a data sheet which may assist in understanding the current situation better.

Yours Sincerely



Roman Quaedvlieg
Chief of Staff

Data Sheet re Heroin

Thailand has been opium free for a considerable time. Vietnam is also generally opium-free. Laos has cut opium production by 94% in less than a decade (down to 1,500 hectares). Myanmar's share of the world opium market has collapsed from 30% in 1998 to under 6% in 2007. A decade long process of drug control is clearly paying off.

However, it is too early to declare the drug problem in Southeast Asia as over. In 2007, opium cultivation in Myanmar rose by 29% while production was up 46%, due to higher yields. These increases are dwarfed by the opium boom in Afghanistan that produces 20 times more drugs than Myanmar. However, they indicate a warning sign that Myanmar is still, by far, the world's second largest opium producer (at 460 tonnes). The increase this year follows seven straight years of decline.

In 2007, area under opium cultivation in Myanmar rose from 21,500 hectares to 27,700 hectares. This increase along with increased yields resulted in the potential opium production increasing from 337 metric tonnes to 472 metric tonnes.

In 1998, opium cultivation in Myanmar accounted for approximately 55% of global production. Aggressive crop eradication in South-East Asia along with increased opium cultivation in Afghanistan has seen Myanmar responsible for only 5% of global production by 2007.

Heroin seizures at the Australian border in recent years are as follows:

- In 2006-07 47.1 kilograms of heroin in 158 seizures.
- In 2005-06 37 kilograms of heroin was seized in 179 seizures.
- In 2004-05 183 kilograms of heroin was seized in 246 seizures.

Not every seizure of drugs at the Australian border is chemically analysed to determine its point of origin so an exact figure of the amount of heroin being seized from Burma is not possible. Despite this, the AFP's Australian Illicit Drug Intelligence Program has conducted analysis on a proportion of these seizures which may be indicative of the amount of heroin emanating from Burma.

Year	% from SEA	% from SWA	% Unclassified
2007	47.9	50.6	1.5
2006	70.1	27.4	2.7
2005	78.9	18.0	3.1