

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN FEDERAL POLICE

Question No. 223

Senator Stott-Despoja asked the following question at the hearing on 31 October 2005:

- a) Can the AFP explain how it calculates the Drug Harm Index?
- b) Is it correct that the Index is calculated by multiplying the number of kilograms of seizures where the AFP played a significant role by an estimate of the money value attributed to the harm associated with a kilogram of the drug concerned as described in *AFP Research Note no. 5* issued in March 2004?
- c) Can you explain how a money value is attributed to each type of illicit drug and how this is then converted into a harm per kilogram measure?
- d) How accurate is the data that you use to estimate the proportion of the total social costs of illicit drug use that are allocated to each type of illicit drug?
- e) How accurate are the estimates of the total amount of each illicit substance that are used to calculate the harm per kilogram measure?

The answer to the honourable senator's question is as follows:

a) The AFP Drug Harm Index was developed to provide a single measure that encapsulates the potential value of AFP drug seizures to the Australian community. The index represents the dollar value of harm that would have ensued had the seized drugs reached the community. The index includes both domestic drug seizures and international seizures destined for Australia where the AFP played a significant role.

The original Index was based on United States (US) research which suggested that the total price paid for illicit drugs in the US in 1991 was roughly equivalent to the economic harm caused by those drugs. This amount was calculated in Australian dollars and converted to year 2000 values using the Consumer Price Index (CPI) to form the basis of the original Drug Harm Index. The original Index was limited to major drugs of importation, i.e. heroin, cocaine and amphetamines. It was realised at the time that it would be preferable to develop estimates using recent Australian data. The new Index was designed to overcome the limitations of the original method. It was expanded to include cannabis, and economic values were converted to June 2003 equivalents using CPI movements.

The principal criticisms of the original method were the over-reliance on US data and the use of street value as a surrogate for harm. The revised methodology for the Index is based on Australian data with one exception: in some cases, due to the absence of consistent estimates in Australia, average consumption per user was based on overseas studies. Australian data is drawn primarily from *Counting the cost: Estimates of the social costs of drug abuse in Australia in 1998-99 (2002)*, by DJ Collins and HM Laplsey's, as well as various publications by the Australian Institute of Health and Welfare and the National Drug and Alcohol Research Centre.

The new study estimates the impact on the health and well-being of the Australian community of illicit drug seizures made by the AFP and its national and international partners. The study uses estimates of total consumption of illicit drugs and estimates of the economic harms associated with that drug to derive an economic cost per kilogram of drug consumed for cannabis, opioids, stimulants and others (following the classification used by Collins and Lapsley, 2002).

It should be noted that the Drug Harm Index has been subject to external scrutiny including by the National Drug and Alcohol Research Centre and the Australian National Council on Drugs. Turning Point, a major drug and alcohol treatment centre in Melbourne, has chosen to adopt the Index's methodology. The methodology has application to all illicit drug interventions and is not restricted to law enforcement.

A detailed report of the study is due to be published in an upcoming edition of the international journal *Addiction*.

b) Yes.

c) Refer to answer a).

d) The information was sourced from reputable authorities including the Commonwealth Department of Health and Ageing, the Australian Institute of Health and Welfare and the National Drug and Alcohol Research Centre. Generally data did not include confidence intervals and reported point estimates were used in all cases.

e) Estimates of the mass of illicit drugs seized are extremely accurate as they are the result of forensic analysis.