THE UNIVERSITY
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Queensland Alcohol and Drug Research and Education Centre (QADREC), University of Queensland submission to:

The Parliamentary Joint Committee on the Australian Crime Commission Inquiry into Amphetamines and Other Synthetic Drugs (AOSD)

The Committee will inquire into the manufacture, importation and use of Amphetamines and Other Synthetic Drugs (AOSD) in Australia. In particular:

- *Trends in the production and consumption of AOSD in Australia and overseas.*
- *Strategies to reduce the AOSD market in Australia.*
- *The extent and nature of organised crime involvement.*
- *The nature of Australian law enforcement response.*
- *The adequacy of existing legislation and administrative arrangements between Commonwealth and State agencies in addressing the importation, manufacture, and distribution of AOSDs, precursor chemicals and equipment used in their manufacture.*
- *An assessment of the adequacy of the response by Australian law enforcement agencies, including the ACC.*

The Queensland Alcohol and Drug Research and Education Centre (QADREC) at the University of Queensland is a leading research agency on the Amphetamines and Other Synthetic Drugs (AOSD) market in Australia. QADREC contributes Queensland data to the national monitoring systems, the Illicit Drug Reporting System (IDRS)[1] and Party Drugs initiative (PDI)[2]. The most comprehensive study of the ecstasy market in Australia has recently been completed by QADREC staff[3]. This study was commissioned by the National Drug Law Enforcement Research Fund (NDLERF). QADREC is also currently undertaking longitudinal studies of treatment and non-treatment samples of regular amphetamine users. These areas of research, like other current projects analysing drug use among recently released prisoners and among Emergency Department attendees, address the boundary between law enforcement and health system responses to drug related harm.

It is on the basis of this expertise that QADREC submits the following contribution to the Committee's Inquiry on *Amphetamines and Other Synthetic Drugs (AOSD) in Australia.*

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[1] Fischer, J. and S. Kinner, *Queensland trends in ecstasy and related drug markets 2004: findings from the Party Drug initiative (PDI).* 2005, National Drug and Alcohol Research Centre: Sydney.
[2] Kinner, S. and J. Fischer, *Queensland Drug Trends 2004. Findings from the Illicit Drug Reporting System.,* in *NDARC Technical Report No. 214.* 2005, National Drug and Alcohol Research Centre, University of New South Wales.: Sydney.
[3] Fowler, G., Kinner, S. & Krenske, L. (in press) *Containing ecstasy: analytical tools for profiling an illegal drug market.* Adelaide: National Drug Law Enforcement Research Fund.

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a) Trends in the production and consumption of AOSD in Australia and overseas.

Effective suppression of illegal drug markets by law enforcement agencies requires reliable strategic, as well as operational, intelligence. Operational intelligence is predominantly derived from overt and covert investigative activities. These activities are most effective in well managed collaborative operations. Operational intelligence is stored explicitly in information systems like ACID, the AFP's PROMIS and Australian Customs DrugLAN databases. Tacitly, operational intelligence is retained in the experience of individual law enforcement officers and their work teams.

Strategic intelligence relies on data from a much broader array of sources, including those of an operational nature. Strategic intelligence requires a more detached view of illegal drug markets where market participants are assessed by their level and extent of participation in various roles (as supplier and/or consumer). Strategic intelligence incorporates open source material that includes epidemiological data on consumption and qualitative research on drug users as well as internal data of seizures of drugs, precursors and manufacturing equipment.

The ACC has the opportunity to expand the illegal drug market research agenda established in Australia by NDLERF and to learn from the experience of similar collaborative research activities adopted by the UK Home Office[4].

Consumption data sources:

An essential component of this type of market analysis is quality data about consumption. This open source intelligence is currently available from the following epidemiological surveys:

- National Drug Strategy Household Survey (NDSHS)
- Illicit Drug Reporting System (IDRS) and Party Drugs initiative (PDI)
- Drug Use Monitoring in Australia (DUMA)
- Australian School Students on Alcohol and Drug survey (ASSAD)
- National Mental Health Survey
- NDLERF studies of the ecstasy and methamphetamine markets
- Local studies: e.g. in Queensland longitudinal Methamphetamine Treatment Cohort Study (MACS), Prevalence of Alcohol and Drugs In Emergency (PADIE) and Post-Release Experience of Prisoners (PREP_Q) studies

Modelling the size and value of illegal drug markets requires the continuing collection of quality data on both consumption and seizures. This type of market modelling provides both a strategic intelligence function and benchmarks against which to assess the effectiveness of market regulation. It is also important to place the AOSD market in the broader context of markets for other intoxicating drugs, in light of growing evidence that illicit drug markets can and often do interact. The legal drug markets for alcohol and tobacco also overlap with these illegal markets.

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[4] Browne, D., M. Mason, and R. Murphy, *Drug supply and trafficking: an overview.* Howard Journal, 2003. 42(4): p. 324-334 and Bramley-Harker, E., *Sizing the UK market for illicit drugs.*, in *RDS Occasional Paper No. 74.* 2001, Home Office: London. http://www.homeoffice.gov.uk/rds/pdfs/occ74-drugs.pdf

Expanding the sample size and response rate, particularly for the NDSHS, would improve the validity of drug consumption estimates. Over-sampling young urban males, with more innovative data collection methods, would contribute to this quality improvement. In analysing consumption it is essential to distinguish between 'life time use' and 'recent use', with the latter a more accurate indicator of changes in consumption over time. It is also important to be explicit about frequency and quantity of drugs consumed. Likewise, identifying the number of persons as well as population proportions by applying current population estimates is useful in presenting drug market activity.

Table 1 and Figure 1 illustrate this by showing that ecstasy was the second most used illicit drug, after cannabis, in 2004[5], with 3.4% of the population over 14 years, or 556,600 persons, having consumed ecstasy in the previous 12 months.

Table 1. Summary of illicit drug use (ever and recent[(a)]): proportion of the population and actual persons aged 14 years and over, Australia, 2004

| Drug/behaviour	Ever used %	Ever used No.	Recent use %	Recent use No.
Marijuana/cannabis	33.6	5,513,800	11.3	1,848,200
Meth/amphetamine (speed)[(b)]	9.1	1,497,00	3.2	532,100
Ecstasy[(c)]	7.5	1,230,00	3.4	556,600
Hallucinogens	7.5		0.7	
Pain-killers/analgesics[(b)]	5.5		3.1	
Cocaine	4.7	774,500	1.0	169,400
Tranquillisers/sleeping pills	2.8		1.0	
Inhalants	2.5	47,800	0.4	70,000
Injected drugs	1.9	313,500	0.4	73,800
Heroin	1.4	227,400	0.2	25,900
Other opiates/opioids	1.4		0.2	
Barbiturates[(b)]	1.1		0.2	
Ketamine	1.0		0.3	
GHB	0.5		0.1	
Any Illicit	38.1	6,245,700	15.3	2,510,100

(a) Used in the last 12 months
(b) For non-medical purposes
(c) This category included designer drugs prior to 2004
(d) Non-maintenance

[5] Source: AIHW (2005) The 2004 National Drug Strategy Household Survey, pp 3-4

Figure 1 Summary of ecstasy use (ever[2] and recent[3]): proportion of the population aged 14 years and over, Australia, 1993 to 2004
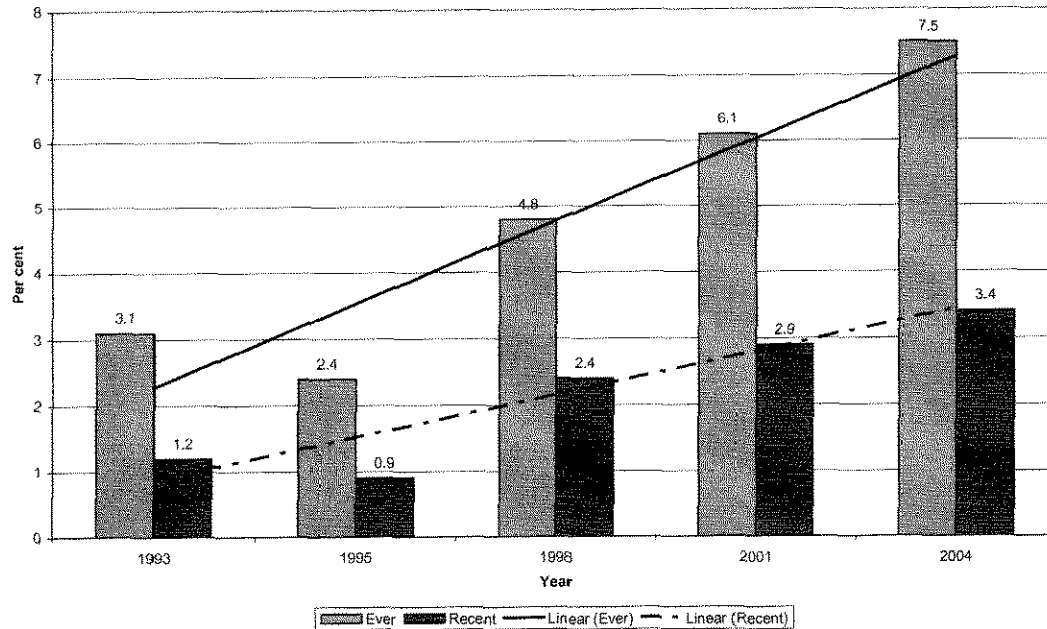
1 This category included designer drugs prior to 2004. 2 Ever used defined as 'tried at least once in lifetime' in 1993, 1995, 1998 survey and used at least once in lifetime in 2001 and 2004. 3. Used in the last 12 months.

Supply data sources:

Supply data may include importation and local production and distribution detections, by weight, by number, by physical form/purity, by route and method of entry for drugs, precursors and production equipment. The supply chain context of seizures is often as important as what is actually seized. It is important to develop a research agenda that gathers this market relevant intelligence from the following seizure/detection and arrest data sources:

- Australian Customs drug detections
- Australian Customs pre-cursor seizures
- AFP seizures (independently and with Customs and with other Police Services)
- State police clan lab detections
- State police drug seizures
- State police pre-cursor seizures
- Tabletting machine and Laboratory equipment seizures
- Arrest data by offences of possession / use
- Arrest data by offences of supply / manufacture by volume

These data sources require the development of a data dictionary for consistent description of drugs and drug related events. Such data should be updated in a timely fashion, to allow analysis of dynamic market trends. This is not currently the case where, for example some State jurisdictions do not distinguish ecstasy seizures and arrests,

from those involving methamphetamines. Also some joint state police and AFP seizures may be counted twice in national seizure estimates.

b. Strategies to reduce the AOSD market in Australia.

Reducing the size, and value, of AOSD markets is currently a key policy goal in Australia. This priority is due less to the size of these markets, as the cannabis market is substantially larger, but rather to the harms, both perceived and actual, that arise from heavy AOSD use. It is important to explicitly acknowledge that it is the harms, or negative market outcomes, that arise from a particular drug market that often implicitly drive law enforcement priorities.

Reducing the size of a drug market is one strategy to reduce the harmful impact of a drug market on Australian communities, families and individuals. There are also a range of other law enforcement strategies to reduce these harms. These may include strategies to reduce violence in supply chain and retail transactions, the suppression of open retail market locations, and the prevention of high risk injection activities.

Notable successes in recent law enforcement regulatory initiatives include:

- Enhanced border protection through international cooperation e.g. Operation Prism
- Enhanced technologies to detect smuggled and dangerous goods
- AFP placement of intelligence officers in overseas posts
- AFP governance programs with the chemical and laboratory equipment industries.
- Importance of AusTrac and the Australian Taxation Office in operational intelligence

Priority in law enforcement regulation of illegal drug markets should include:

Regulation of supply through:
- disruption of supply chains and removal of suppliers of volume, their financiers and infrastructure from the market through targeted policing operations
- containing access to precursors and laboratory equipment
- detection of clandestine laboratories
- rehabilitation of incarcerated suppliers and consumers.

Regulation of demand through:
- preventive education targeting potential new market entrants
- education of consumers on the risks of consumption and prolonged market participation
- research into the impact of street/retail level policing on consumer behaviour and perceptions of risk associated with involvement in various drug markets
- diversion of consumers to mandatory counselling and education
- multi-faceted strategies to reduce overall levels of intoxication in the community, especially among young adult males.

Regulation of negative market outcomes through:

- random and targeted drug driving tests
- *needle and syringe programs (NSP)* for injecting consumers, including a trial of NSPs in adult prisons, consistent with ANCD recommendations
- evaluation of the potential for consumer and harm reduction organisations in *reducing adverse events* through ecstasy tablet analysis and educational interventions.

c. The extent and nature of organised crime involvement.

The following non-operational activities are recommended as contributing to our knowledge of the extent and nature of organised crime involvement in the AOSD markets:

- Strategic intelligence to monitor the extent and potential for international AOSD trafficking
- Strategic intelligence to monitor the extent and potential for domestic AOSD production
- Development of a research agenda and research partnerships that gather market relevant intelligence through applied ethnographic research at various supply chain stages.

d. The nature of Australian law enforcement response.

The ACC has an important role in the National Drug Strategy as the lead law enforcement agency for the production and collation of strategic intelligence on illegal drug markets and related organised crime activities, such as money laundering, corruption of legitimate business activities, and of market regulators in the criminal justice and health sectors. The quality of the ACC's principal public domain intelligence product, the Illicit Drug Data Report (IDDR), has declined in recent years. This has in part been due to major internal organisational restructuring and the loss of experienced intelligence officers. Wider issues though have included:

- Inadequate data collection on drug seizures and clan lab detections by some *state and Federal agencies*
- Unknown degree of overlap in federal seizure data
- Poor and inconsistent record keeping at a state level
- *Lengthy delays in drug seizure and clandestine laboratory analysis and limited* information on clan lab capacity in this data
- Failure to separate data on phenethylamines (ecstasy) from methamphetamine
- *Limited use of open source intelligence on the demand side of the market and on* consumer behaviour in retail transactions
- Delays in building research partnerships for strategic intelligence
- *Inadequate information sharing among agencies and with the research* community.

The overall effectiveness of drug strategies seeking to reduce the size of illegal drug markets requires the development and maintenance of models to monitor change in market size over time. An example of this work applied to the ecstasy market is contained in the NDLERF report by Fowler, Kinner and Krenske (in press) on the ecstasy market. Also, the relative impact and effectiveness of retail market interventions by state police services needs to be independently evaluated

e. The adequacy of existing legislation and administrative arrangements between Commonwealth and State agencies in addressing the importation, manufacture, and distribution of AOSDs, precursor chemicals and equipment used in their manufacture.

The current legislative and regulatory powers available to criminal justice agencies in Australia for the control of illegal drug markets are largely adequate. Greater consistency in laws and regulation between state jurisdictions may improve regulatory effectiveness. Such consistency should however not be sought at the expense of trialling initiatives in the areas of diversion and non-custodial sentencing of consumers.

There may be a case for better regulation of tabletting machines, or pill presses, used in the pharmaceutical and patent medicine industries. This may reduce the use of such equipment in the local manufacture of drugs sold as ecstasy. However the suppression of illegal tablet consumption may force some consumers into higher risk modes of administration such as injecting or intranasal use. The relative benefits of containing the supply of locally manufactured ecstasy must be considered against the potential of increasing the number of consumers experimenting with injecting drug use and the concomitant health and social risks.

f. An assessment of the adequacy of the response by Australian law enforcement agencies, including the ACC.

Compared with many overseas countries, Australian law enforcement agencies have an excellent record of commitment to the multi-sectoral goals of the National Drug Strategy. Illicit drug use is an enduring phenomenon in modern society. It is an inevitable outcome of an internationalised economy and associated cultural change. Marginal sub-cultures cannot be separated from these broader change processes.

A drug-free society is unachievable and an unrealistic policy goal, particularly where regular intoxication with legal drugs is both permitted and, for commercial reasons, encouraged. The policy goal of the National Drug Strategy is to minimize the harms associated with drug use. Supply control for both illegal and legal drugs is essential to achieving this goal. Consumption of many drugs in Australia has remained relatively stable or has declined over the past decade.

This is however not the case for AOSDs. Containing the supply and the demand for these drugs therefore requires concerted effort by both governments and the community. These efforts should focus on the harms these drugs create, not just the existence and expansion of these markets. Past experience has demonstrated our limited ability to suppress these relatively popular activities. Over 500,000 Australians have used AOSD in the last year, and well over a million have some life experience with these drugs. Containing the supply and reducing the frequency and quantity of consumption are more appropriate and realistic policy goals than attempting to eradicate this drug market.

ACC needs to take a leadership role in coordinating the strategic intelligence functions of AFP, Australian Customs and state police services. This requires adequate resources and effective collaboration. Returning the IDDR to its previous high standard would be an obvious indicator of success in this function. The ACC could be more involved with NDLERF in setting and directing a supply-side research agenda that partners with research organisations outside of the criminal justice sector.

The inadequate public investment in forensic science agencies in most Australian states has already been identified as a major issue for criminal justice agencies. The expansion of the National Illicit Tablet Logo Database would be an indicator of successfully remedying this shortcoming.

QADREC staff have welcomed the opportunity to provide a Submission to this important Inquiry of the Parliamentary Joint Committee on the Australian Crime Commission. Further detail of the issues raised in this Submission can be provided on request.

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