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**Queensland Government's Submission to the Joint Standing
Committee on the Australian Crime Commission's Inquiry
into Amphetamines and Other Synthetic Drug Use.**

Terms of Reference:

a. Trends in the production and consumption of Amphetamines and Other Synthetic Drug Use (AOSD) in Australia and overseas.

The Illicit Laboratory Investigation Team (ILIT), State Drug Investigation Unit (QPS) attends all clandestine drug laboratories located in Queensland. ILIT officers collect and maintain data in relation to all seizures which is then presented in an annual Queensland Clandestine Laboratory Seizure Report. This report provides statistics and analysis to assist in the development of strategies to reduce the production of dangerous drugs in Queensland.

In 2005, 188 clandestine drug laboratories were located in Queensland. The overwhelming majority continue to be on a small scale, with emerging trends in relation to improvised reaction vessels. The production method of choice continues to be hypophosphorous iodine reduction. Precursor materials used in the production of AOSD is obtained largely from the sale of over the counter cold and flu medications.

b. Strategies to reduce the AOSD market in Australia.

Police use various covert and overt investigative strategies throughout Queensland. To complement this, personnel from the State Drug Investigation Unit actively target recidivist offenders and conduct investigations in partnership with other law enforcement agencies that cross regional and state boundaries.

The Illicit Laboratory Investigation Team investigates persons involved in the illicit manufacture of dangerous drugs on a state-wide basis. These investigations are complemented by the activities of the Chemical Diversion Desk, which liaises with industries involved in the sale, manufacture and distribution of precursor chemicals and laboratory equipment used in the manufacture of dangerous drugs.

The Chemical Diversion Desk also collates data with respect to pseudoephedrine purchases. This information is reliant upon the collection and sharing of information between Police Districts and Regions in an effort to identify persons involved in the "Pseudo Runs" within Queensland.

The Pharmacy Guild of Australia (Queensland Branch), in association with the Queensland Police Service, has introduced *Project Stop*, an initiative aimed at recording suspicious pseudoephedrine sales at the point of sale. This information is accessible to

police through a web-based program, which is currently being used as an intelligence tool to identify people involved in the diversion of pseudoephedrine products.

The Queensland Police Service received funding in 2005 from the National Drug Law Enforcement Research Fund to implement and participate in a proactive awareness program specifically targeting the pharmaceutical industry, motel and hotels, the real estate institute and the chemical and glassware industries. This is being achieved through a state-wide release to the targeted audience with the logo 'Putting the brakes on speed' and other promotional material. The program raises awareness among key stakeholders regarding AOSD and encourages reporting of suspicious activity and the purchases of precursor chemicals. The awareness program aims to elicit information that assists police to identify possible offenders and locate illicit drug laboratories.

c. The extent and nature of organised crime involvement.

Traditionally, Outlaw Motor Cycle Gangs have links in the AOSD market; however, in Queensland the market is generally described as being a cottage based industry.

d. The nature of the Australian Law Enforcement response.

Police use various covert and overt strategies to target persons involved in the production, distribution and sale of AOSD. Police actively target recidivist offenders using covert and overt policing strategies. State and Federal law enforcement agencies communicate openly and share intelligence in their cooperative pursuit and targeting of offenders.

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

The Queensland legislation that deals with offences relating to illicit drugs is the *Drugs Misuse Act 1986*.

Review of the Drugs Misuse Act 1986

The Department of Justice and Attorney-General has been chairing an Interdepartmental Working Group (IDWG) established to review the schedules to the *Drugs Misuse Act 1986* (the Act) and Regulations and report to Cabinet. The IDWG comprises officers from the Queensland Police Service, Queensland Health (including forensic scientists), Department of Premier and Cabinet, Department of Families, Legal Aid Queensland and the Crime and Misconduct Commission.

The terms of reference for the IDWG are wide and include – reviewing the placement of drugs in the schedules and their quantities; advising on strategies to ensure new drugs can be included in a timely manner; advising on effective deterrents for trafficking; and advising on any other aspects of the Act requiring reform. Other issues have been raised

by the members of the IDWG as the review has continued including precursor materials, tablet presses and consideration of MDMA being moved from Schedule 2 to Schedule 1 of the Act. The review is continuing and will result in further amendments to the *Drugs Misuse Act 1986* and the *Drugs Misuse Regulations*.

Recent amendments to the Drugs Misuse Act 1986

The Drug Legislation Amendment Bill 2005 was introduced to Parliament in November 2005. It includes amendments to the *Drugs Misuse Act 1986* that are aimed at the manufacture of amphetamines and other synthetic drugs.

The Bill introduces a new evidentiary aid in section 131A of the Act which removes the requirement for scientific testing of sealed medicines, poisons and veterinary chemical products, unless challenged by the defence. The court will be able to accept, in the absence of proof to the contrary, that a sealed container that purports to contain a medicine, poison, or veterinary chemical product, with no evidence of tampering with the seal, contains the substance described on the label, unless the defence has given notice of a challenge.

A new provision aimed at reducing the need for forensic testing of seized equipment if there is to be no contest that the equipment was used for the production of methylamphetamine and amphetamine is also introduced. The new provision allows the court, in the absence of proof to the contrary, to accept that seized equipment has been used for the production of methylamphetamine or amphetamine if there is no notice of challenge from the defence.

The Bill introduces two new offences. The first is a new indictable offence for the possession of particular substances or things that can be used for the production of an illicit drug (i.e. pre-cursors). The list of items to be governed by this section will be defined in the regulations and will be based on Category I and II of the National Code of Practice (for Supply Diversion into Illicit Drug Manufacture), including items of apparatus.

The second new offence makes it a crime to possess a combination of items. These are items that can be used to produce a dangerous drug. The maximum penalty for the offence will be 25 years imprisonment. The combinations of items that give rise to this offence will be prescribed by regulation, having regard to Category I and II of the National Code of Practice and will reflect that the possession of the combined items can only be for the purpose of production of a dangerous drug, and in particular methylamphetamine.

At its meeting of 14 October 2005, the Australasian Police Ministers' Council (APMC) considered a Commonwealth agenda paper on 'Import and Domestic Controls on Tablet Presses'. APMC resolved that jurisdictions seek to legislate to provide for an offence of possession of tablet presses, precursor chemicals, equipment and drug recipes/documentation without lawful excuse. Accordingly, Queensland is examining

further legislative amendments to the *Drugs Misuse Act* and *Drugs Misuse Regulations* to include possession of equipment used in the manufacture of AOSD as an offence. Queensland already has laws addressing the possession of drug recipes as an offence.

It is also noted that under the auspices of the *National Strategy to Prevent the Diversion of Precursor Chemicals into Illicit Drug Manufacture*, the Commonwealth will fund further research to accurately determine the nature and scope of the legitimate tablet press market, regulatory options to control tablet presses and the impact of controls on business and government. Subject to the findings of this research, a cost/benefit analysis of controls on tablet press diversion will be conducted and the National Precursor Working Group, Chaired by Senator the Honourable Chris Ellison, will provide recommendations on a proposed course of action to the APMC.

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

The Queensland Police Service has undertaken a number of successful joint agency investigations with the ACC targeting the illicit AOSD industry. The collaborative approach of Australian law enforcement organisations in this regard is bringing results that no agency acting alone might expect to achieve. In particular, the intelligence and information gathered by the ACC through the use of its special coercive powers has been used in partnerships with the Queensland Police Service and other law enforcement agencies resulting in major successes, for example:

Operation Soho

On 14 January 2003 a major amphetamine syndicate was closed down and 24 people were arrested following an 18-month joint operation by the Queensland Police Service, Queensland Crime and Misconduct Commission, Australian Federal Police and the Australian Crime Commission with assistance from the Australian Customs Service, the Australian Taxation Office, Insolvency and Trustee Service Australia and New South Wales Police.

Operation Soho targeted the illegal importation and distribution of a bulk precursor chemical from Canada and the subsequent domestic production and trafficking of amphetamine. In a series of raids involving over 100 police, Australian Tax Officers and members of Insolvency Trustee Service Australia more than forty residences and businesses at the Gold Coast, Cairns, Rockhampton, Sunshine Coast and Brisbane were searched. After these searches, the ACC used its special coercive powers to conduct more than 50 special examinations under Section 28 of the *Australian Crime Commission Act 2002*.

On 18 November 2005, Operation SOHO culminated in the conviction and sentencing of an offender to 15 years prison for drug trafficking charges. In total, Operation SOHO has seen 57 individuals prosecuted and \$7 million in assets frozen.

Operation Alpha Mayflower

Operation Alpha Mayflower involved Queensland police detectives from State Crime Operations Command, Rockhampton Police and officers from the ACC. The Operation targeted people involved in the illegal production and distribution of amphetamines in parts of Queensland.

In December 2003 police executed 14 search warrants at addresses of members of the Rebels Motorcycle Group in Rockhampton, Mount Morgan, Moura and Yeppoon. Subsequent arrests were the result of a 14-month joint investigation focusing on the Rockhampton area and extending from Sydney to Mackay and inland to Winton.

In total, Operation Alpha Mayflower resulted in 100 people being charged with over 250 offences. During the operation police seized: 12.5kg of pseudoephedrine; 5,000 ecstasy tablets; 10 illegal firearms; several hundred grams of amphetamines; and in excess of \$100,000 cash.

Project Chillaton

In May 2005 Project Chillaton, an ACC intelligence-led national investigation, targeted the internet sale of chemicals and glassware used to establish illicit drug-producing laboratories.

Project Chillaton, was carried out over three days in collaboration with the Queensland Police Service, New South Wales Police Service, Victoria Police, Tasmania Police, South Australia Police, Northern Territory Police and the Western Australia Police Service. The operation was successful in dismantling two labs in Queensland including a lab of high sophistication and drug-producing potential. In total, Project Chillaton resulted in the arrest of seven people and the seizure of five clandestine labs.