# Parliamentary Joint Committee on Law Enforcement

Australia's illicit drug problem: Challenges and opportunities for law enforcement

May 2024

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# **Executive summary**

There are no easy answers to the challenges posed by illicit drugs. Australia is a highly attractive market for transnational, serious and organised crime (TSOC) organisations which are importing illicit drugs on an industrial scale due to the exceptional profitability of the drug market.

Australian consumers are willing to pay some of the highest prices globally for illicit drugs, and data sources such as the National Wastewater Drug Analysis Program, the National Drug Strategy Household Survey and the Illicit Drug Data Report reveal that consumption within Australia continues to grow, returning to pre-COVID-19 levels.

The harms caused by TSOC involvement in the Australian illicit drug trade are significant and extend far beyond individual users to a myriad of crimes and harm to the community. In 2020-21, TSOC cost Australia up to \$60.1 billion of which \$16.5 billion was specific to illicit drug activity. Chapter 2 provides the context for the inquiry and outlines the current trends in seizures, supply and consumption of illicit drugs.

As the Parliamentary Joint Committee on Law Enforcement, in undertaking this inquiry, the committee aimed to focus on the challenges and opportunities that illicit drugs create for Australia's law enforcement agencies. While the committee understands that this is a multi-faceted issue requiring an integrated response from multiple sectors, this report pays particular attention to the role of police and its partner agencies in dealing with illicit drugs. Broader issues are considered with reference to their impact on law enforcement.

Australia's law enforcement agencies are at the front line of taking action across the spectrum of the illicit drugs business model. Using international partners, in 2022-23, 66 tonnes of illicit drugs were seized by overseas police with assistance from the Australian Federal Police (AFP), which equates to \$10.9 billion in harm avoided. Domestically, in 2022-23, the AFP seized 30 tonnes of illicit drugs and precursors domestically, resulting in \$11.8 billion in avoided harm.

However, law enforcement cannot meet the challenge of illicit drugs alone, and Australia's national drug policy recognises this. The leading policy document for addressing illicit drugs in Australia is the *National Drug Strategy 2017–2026* (the Strategy). The Strategy's guiding principle is harm minimisation, which is supported by three pillars: supply reduction, demand reduction and harm reduction. The Strategy envisages a multi-faceted response, bringing together both the law enforcement and health sectors. However, the committee has found that issues have arisen in the Strategy's implementation.

The governance structures that existed at the current Strategy's commencement brought together Ministers and officials from both fields under the umbrella of the Council of Australian Governments (COAG). When COAG was replaced by National

Cabinet, these integrated structures were not re-established. Further, the review and evaluation approach set out by the Strategy has not been fulfilled. Consequently, some describe the current policy approach as lacking coherence and siloed.

The committee is of the view that a clear governance structure should be re-established under the National Cabinet architecture, and that a comprehensive evaluation of the existing Strategy take place before the creation of the next Strategy. As part of this evaluation, the committee suggests that a re-evaluation of the funding under the pillars takes place to ensure that demand and harm reduction strategies are appropriately funded. However, this should not come at the expense of resourcing law enforcement's supply reduction efforts. Chapter 3 details the current policy settings and the areas for improvement raised with the committee.

Law enforcement agencies have key responsibilities in relation to supply reduction measures which the committee acknowledges must occur alongside demand and harm reduction efforts. Supply reduction is covered in Chapter 4. Law enforcement draws upon partnerships with other agencies to seek to disrupt supply and distribution networks both within Australia and offshore. Aside from the scale of the supply, there are a number of challenges that make this task more difficult, including: the use of anonymising technologies and the dark web for communication; ever evolving concealment methods; the importation for criminal purposes of precursor chemicals which also have legitimate industrial uses; and the threat posed by trusted insiders along the illicit drug supply chain. The ongoing, and multipronged effort by TSOC syndicates highlights the need for financial and non-financial investment in personnel and technology as well as international and domestic partnerships to improve detection and disruption pre, at and post border.

Chapter 5 covers demand and harm minimisation strategies. While recognising there is a spectrum of harm associated with drug use, the committee emphasises that all illicit drug use attracts risk and can result in devastating impacts on individuals, families and communities.

Strategies under the demand and harm reduction pillars target the behaviours and factors leading to, and the risks arising from, drug use. The regulation and policing of drug consumption is largely a matter for the states and territories, and demand and harm reduction strategies have been introduced to varying degrees around the country. A number of specific strategies were discussed, including decriminalisation of personal use, as well as the establishment of drug checking and safe injecting facilities. The focus of the committee, however, has been on outlining the challenges for law enforcement arising from the various policy settings.

The committee reviewed the evidence in jurisdictions overseas which have decriminalised the use and possession of some or all drugs. The committee sees merit in the Australian Institute of Criminology, or a similar body, undertaking research to understand the impacts of decriminalisation in overseas and Australian jurisdictions

on individuals, communities and law enforcement over time to ensure policy settings in the Australian context are evidence based.

What was clear to the committee was that decriminalisation cannot occur alone and must be supported by a robust and sustained health and education response, otherwise it risks an even greater burden being imposed on law enforcement.

The use of medicinal cannabis has been legalised around Australia. In this context, and in discussions about decriminalisation, important questions have been raised for law enforcement as currently there is no roadside impairment test for cannabis. In Tasmania driving with any detectable amount of THC (the major psychoactive compound in cannabis) in your system is an offence unless the product was obtained and administered lawfully. However, it may still be an offence if the person's driving is impaired. Issues arising from the lack of impairment testing will likely increase as states and territories take steps towards decriminalisation of the personal use of cannabis. While there is some work on this underway in states and territories, the committee has recommended that the Australian Government support research to develop an effective roadside cannabis impairment test to be used by law enforcement.

In addition to the areas highlighted in this executive summary, this report considers other issues and contains eight recommendations. The committee thanks all those who contributed to this inquiry. This inquiry was greatly enhanced by the expertise and personal experiences so generously shared with the committee. The committee trusts the evidence received and recommendations will provide an opportunity to improve the overall response to reducing the harms of illicit drugs.

# List of recommendations

### **Recommendation 1**

6.15 The committee recommends that the Australian Government re-establish a governance structure under the National Cabinet architecture, bringing together representatives with responsibility for law enforcement and health across the Commonwealth, states and territories, to oversee the implementation of the National Drug Strategy.

### **Recommendation 2**

6.19 The committee recommends that the Australian Government undertake a comprehensive evaluation of the National Drug Strategy 2017–2026 as a matter of priority to measure the successes and shortfalls of the existing Strategy and inform the development of the next National Drug Strategy.

### **Recommendation 3**

6.23 The committee recommends that the evaluation of the National Drug Strategy 2017-2026 (recommendation 2 above), include a review by the Australian Government, in consultation with state and territory governments, of the current resourcing for the three pillars of the Strategy. Should the differences still be substantial, consideration should be given to increasing funding for demand and harm reduction measures. Any additional allocation in funding should not come at the expense of funding for law enforcement's supply reduction efforts.

### **Recommendation 4**

6.46 The committee recommends that the Australian Criminal Intelligence Commission undertake research to clarify what proportion of people arrested for possession of illicit drugs are concurrently charged with another criminal offence and would not have come to law enforcement attention but for the concurrent (non-drug related) offence.

### **Recommendation 5**

6.51 The committee recommends that the Australian Government commission research to understand the impacts of decriminalisation in Australian and international jurisdictions where reforms have been implemented. Such research should, where possible, evaluate the longitudinal impacts on individuals, communities and law enforcement agencies to provide an evidence base to inform future policy decisions.

### **Recommendation 6**

6.56 The committee recommends that the Australian Government support research to develop an effective roadside cannabis impairment test to be used by law enforcement, including the current work being undertaken in Victoria.

### **Recommendation 7**

6.68 The committee recommends that future drug awareness campaigns run by the Australian Federal Police be evidence-based and subject to evaluation.

# Chapter 1 Introduction

## Initiation of inquiry

1.1 On 26 September 2022, the Joint Committee on Law Enforcement (the committee) resolved to inquire into and report on the challenges and opportunities for law enforcement in addressing Australia's illicit drug problem.

### **Terms of reference**

1.2 The terms of reference for the inquiry are:

Pursuant to subsection 7(1) of the *Parliamentary Joint Committee on Law Enforcement Act 2010,* the committee will inquire into and report on the challenges and opportunities for law enforcement in addressing Australia's illicit drug problem, with particular reference to:

- trends and changes relating to illicit drug markets in Australia, including the supply, trafficking, production, distribution and use of illicit drugs;
- (ii) emerging trends and risks, such as new psychoactive substances, adulterated drugs and other new sources of threat;
- (iii) law enforcement's ability to detect and respond to the trafficking of precursor chemicals and illicit drugs, including the adequacy of screening techniques and the impact of seizures on illicit drug availability and use;
- (iv) the involvement of law enforcement in harm reduction strategies and in efforts to reduce supply and demand, including the effectiveness of its involvement;
- (v) the strengths and weaknesses of decriminalisation, including its impact on illicit drug markets and the experiences of other jurisdictions; and
- (vi) other related matters.

## Conduct of the inquiry

- 1.3 The committee advertised the inquiry on its webpage and invited submissions from a range of stakeholders by 13 January 2023.
- 1.4 The committee received 69 submissions. A list of individuals and organisations that made submissions, together with other information authorised for publication is provided at Appendix 1.

- 1.5 The committee held public hearings in Melbourne on 20 April 2023, in Sydney on 29 June 2023 and in Canberra on 26 September 2023. A complete list of witnesses who gave evidence at the hearing is at Appendix 2.
- 1.6 The committee also conducted a site visit, attending the premises of CanTEST Health and Drug Checking Service in Canberra, ACT on 26 September 2023.

## Acknowledgements

1.7 The committee thanks all individuals and organisations who contributed to the inquiry by making submissions, providing additional information or appearing before it to give evidence. The committee extends its thanks to CanTEST for hosting the committee and demonstrating the work it undertakes.

## Structure of the report

- 1.8 This report consists of 6 chapters:
  - Chapter 2 provides the context for the inquiry, outlines current trends in supply, seizures and consumption of illicit drugs and summarises some of the major harms arising from illicit drug use;
  - Chapter 3 establishes the current policy settings in relation to illicit drugs and canvasses some of the major policy debates raised in evidence;
  - Chapter 4 considers supply reduction strategies and investigates current law enforcement approaches, including responses to the trafficking of illicit drugs and precursor chemicals, as well as the impact of seizures on supply;
  - Chapter 5 canvasses demand and harm reduction strategies, including decriminalisation, and discusses the interaction of these strategies with, and their impacts on, law enforcement; and
  - Chapter 6 details the committee's conclusions and recommendations.

# Chapter 2 Illicit drugs in Australia—context

## Introduction

2.1 Before considering any of the reforms or suggestions proposed throughout the inquiry, the purpose of this chapter is to illustrate the context in which the committee's consideration took place. It describes insights obtained regarding illicit drug supply; outlines data on illicit drug seizures; provides information on consumption trends within Australia, including emerging threats; and concludes by outlining some of the major harms arising out of the illicit drug trade.

### Available data

2.2 Analysing data about the illicit drug market is complex and no single data set provides a comprehensive picture of the Australian illicit drug market. As the Australian Criminal Intelligence Commission (ACIC) has noted, a thorough understanding of the illicit drug market is instead achieved by layering multiple data sets from law enforcement activity and population behaviour and preferences.<sup>1</sup> This chapter draws upon key data sets, as well as evidence provided to this inquiry, to build a picture of Australia's relationship with illicit drugs and the context within which this inquiry has taken place.

- following Australian Institute of Health and Welfare (AIHW) data:
  - the National Drug Strategy Household Survey (NDSHS);
  - Alcohol and Other Drug Treatment Services National Minimum Data Set; and
  - National Opioid Pharmacotherapy Statistics Annual Data;
- following ACIC intelligence products:
  - the National Wastewater Drug Monitoring Program (NWDMP); and
  - the Illicit Drug Data Report;
- National Drug and Alcohol Centre Drug Trends Program, which includes:
  - the Illicit Drug Reporting System; and
  - the Ecstasy and Related Drugs Reporting System;
- Drug Use Monitoring in Australia program; and
- Australian Needle and Syringe Program Survey National Data Report.

Australian Criminal Intelligence Commission (ACIC), *Illicit Drug Data Report 2019-20*, October 2021,
 p. 60. Sources of data on illicit drugs include the:

## Illicit drug supply

### International trade routes

- 2.3 The ACIC advised that the vast majority of illicit drugs originate offshore and are imported, typically by transnational, serious and organised crime (TSOC) syndicates. Cannabis, however, is cultivated in Australia, along with the production of almost one third of methylamphetamine.<sup>2</sup>
- 2.4 The major drug markets are supplied from the Mekong (primarily Myanmar), Colombia, Mexico and the Netherlands.<sup>3</sup> The Australian Federal Police (AFP) provided more detail on the frequently observed importation routes. It told the committee that the majority of methylamphetamine is sourced from, and manufactured in, Asia (primarily Myanmar) and North America (primarily Mexico).<sup>4</sup> Chemical profiling of cocaine seizures indicates that Colombia is the dominant country of origin for cocaine in Australia, accounting for 73.6 per cent.<sup>5</sup> Heroin is typically trafficked from Myanmar, through Southeast Asia to Australia. Small amounts of heroin seized originate in Afghanistan, Pakistan and/or Iran, and is trafficked via the Maldives and/or Sri Lanka to Australia. MDMA is frequently manufactured and trafficked out of Western Europe.<sup>6</sup>
- 2.5 The AFP observed that methylamphetamine and cocaine are typically imported through cargo shipments, while heroin and MDMA are often imported through the mail.<sup>7</sup>

### Seizures and border detections

- 2.6 AFP data indicates a substantial increase in the amount of illicit drugs seized between the 2021-22 and 2022-23 financial years.
- 2.7 In the 2022-23 financial year, the AFP seized 30 tonnes of illicit drugs and precursors domestically, resulting in \$11.8 billion in avoided harm.<sup>8</sup> This

- <sup>4</sup> AFP, *Submission 59*, p. 5.
- <sup>5</sup> AFP, Submission 59, p. 5.
- <sup>6</sup> AFP, *Submission 59*, pp. 4-6.
- <sup>7</sup> AFP, *Submission 59*, pp. 4-6.
- <sup>8</sup> AFP, Annual Report 2022-23, p. 4.

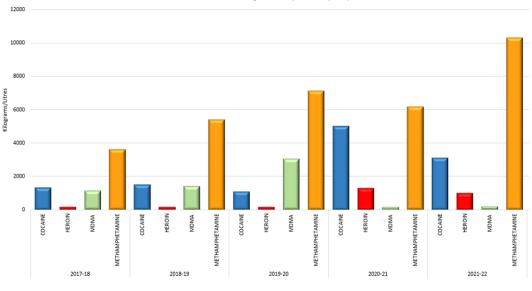
<sup>&</sup>lt;sup>2</sup> ACIC, *Submission 54*, p. 3. Methylamphetamine is also known as methamphetamine but will be referred to as the former throughout this report except where quoted otherwise.

<sup>&</sup>lt;sup>3</sup> ACIC, *Submission 54*, p. 3. Also see reports from the United Nations Office on Drugs and Crime (UNODC) such as the latest annual report on *Synthetic Drugs in East and Southeast Asia: Latest developments and challenges 2023;* and Australian Federal Police (AFP), *Submission 59*, p. 4.

increased from 21.6 tonnes during the previous year, which resulted in \$7.2 billion in avoided harm.<sup>9</sup>

- 2.8 Further, the AFP assisted overseas police to seize 66 tonnes of illicit drugs internationally, avoiding a further \$10.9 billion in harm during 2022-23.<sup>10</sup> This too increased from the previous period, during which the AFP assisted overseas police to seize 20.3 tonnes of illicit drugs, amounting to \$6.8 billion in avoided harm.<sup>11</sup>
- 2.9 Trends in the size of drug seizures leading up to the significant increase during the last financial year are demonstrated by Figure 2.1 below. This graph compares the total mass of cocaine, heroin, MDMA and methylamphetamine seized by the AFP during financial years 2017-18 to 2021-22. It indicates a general upward trend in relation to the amount of methylamphetamine seized, with a slight dip during the 2020-21 financial year. Cocaine and heroin seizures varied during this period, while MDMA seizures increased until 2020-21 and remained low during the post-pandemic period. The AFP attributed the lesser amounts of methylamphetamine and MDMA seized during 2020-21 to the COVID-19 pandemic and associated restrictions.<sup>12</sup>

# Figure 2.1 AFP drug seizures of cocaine, heroin, MDMA and methylamphetamine from 2017-18 to 2021-22



AFP Drug Seizures (financial years)

Source: AFP, Submission 59, p. 4.

- <sup>9</sup> AFP, Submission 59, p. 2.
- <sup>10</sup> AFP, Annual report 2022-23, p. 5.
- <sup>11</sup> AFP, Submission 59, p. 2.
- <sup>12</sup> AFP, *Submission* 59, pp. 4, 6.

- 2.10 The ACIC's October 2023 Illicit Drug Data Report<sup>13</sup> identified that in the financial year 2020-21, the combined weight of cannabis, heroin and cocaine detected at the border was less than that of amphetamine-type stimulants (excluding MDMA). Methylamphetamine constituted the majority of the amphetamine-type stimulants category of drugs.<sup>14</sup>
- 2.11 The report compared data gathered in 2011-12 and 2020-21 on border detections, seizures and arrests, among other metrics. Over this time, increases were recorded in all three categories.<sup>15</sup> An extract from the comparative data is set out in Figure 2.2 below:

# Figure 2.2 National drug market 10-year trend: comparison between 2011-12 and 2020-21

Methylamphetamine	MDMA	Cannabis	Heroin	Cocaine
Border detections				
Number				
<b>○ 63%</b> 1,077 → 1,753°	● <b>84%</b> 964 → 1,773	<b>0 812%</b> 2,660 → 24,255	<b>0 247%</b> 179 → 622	● <b>122%</b> 979 <del>→</del> 2,169
Weight				
● 1,423% 347kg → 5,290kg°	<b>786%</b> 12kg → 106kg	<b>○ 4,720%</b> 17kg → 819kg	● 387% 256kg → 1,246kg	● 228% 785kg → 2,575kg
National seizures				
Number				
<b>○ 97%</b> 13,050 → 25,745 <sup>b</sup>	<b>0 27%</b> 2,036 → 2,578	<b>0 7%</b> 51,823 → 55,199	<b>0 21%</b> 1,758 → 2,130	<b>○ 383%</b> 1,336 <del>→</del> 6,452
Weight				
<b>1 575%</b> 872kg → 5,891kg <sup>b</sup>	<b>∩ 117%</b> 115kg → 249kg	<b>○ 47%</b> 7,349kg → 10,787kg	● 229% 388kg → 1,278kg	● 362% 956kg → 4,420kg
National arrests				
133% 14,186 → 33,090 <sup>b</sup>	<b>○ 9%</b> 2,526 <del>→</del> 2,744	<b>0 9%</b> 61,011 → 66,285	<b>○ 4%</b> 2,714 <del>→</del> 2,826 <sup>c</sup>	<b>○ 499%</b> 995 <del>→</del> 5,958

a. National border detection data reflect amphetamine-type substances (excluding MDMA). At this time, it is not possible at a national level to provide a further breakdown of drugs within the ATS (excluding MDMA) category.

b. National seizure and arrest data reflect amphetamines, which includes amphetamine, methylamphetamine, dexamphetamine and amphetamines not elsewhere classified. At this time, it is not possible at a national level to provide a further breakdown of drugs within the amphetamines category. Based on available data, methylamphetamine accounts for the majority of amphetamines seizures and arrests.

c. Heroin arrests include arrests for heroin and other opioids.

Source: ACIC, Illicit Drug Data Report 2020-21, October 2023, p. 3.

<sup>&</sup>lt;sup>13</sup> The Illicit Drug Data Report draws on data collected annually from law enforcement, forensic services and academia on arrest, detection, seizure, purity, profiling and price data to provide a national picture of the illicit drug market. The latest report was published in October 2023 and covers the period 2021-22.

<sup>&</sup>lt;sup>14</sup> ACIC, Illicit Drug Data Report 2020-21, October 2023, p. iii.

<sup>&</sup>lt;sup>15</sup> ACIC, Illicit Drug Data Report 2020-21, October 2023, p. 3.

### Consumption data and trends

#### **Population-level observations**

- 2.12 As a general proposition, evidence to this inquiry indicated that the illicit drug market in Australia is, as described by the ACIC, 'on an upward trajectory...[and] is resilient, lucrative and...fuelled by a seemingly unsatiated consumer demand'.<sup>16</sup>
- 2.13 The National Centre for Education and Training on Addiction (NCETA) characterised the illicit drug trade in Australia as 'a multitude of heterogeneous illicit drug markets'.<sup>17</sup> Drawing upon wastewater analysis, it identified some distinctions in consumption trends in different locations around Australia:

At the macro level for example, wastewater analysis over time reveals that on a per-capita basis:

- Cocaine use is much higher in Sydney than in other capital cities
- Melbourne and Sydney have higher rates of heroin use than other capital cities
- Darwin has higher rates of MDMA use than other capital cities
- Adelaide and Perth have higher rates of methamphetamine use.<sup>18</sup>
- 2.14 NCETA added that there are substantial differences in consumption between cities, and between metropolitan and non-metropolitan areas.<sup>19</sup>

#### Recent data

2.15 The National Drug Strategy Household Survey (NDSHS) is undertaken every three years by the Australian Institute of Health and Welfare (AIHW). It collects self-reported information on alcohol and tobacco consumption and illicit drug use among the general population in Australia. The most recent survey was undertaken in 2022-23 and the results were published on 29 February 2024. This survey revealed that 3.9 million people (or 17.9 per cent of the population) had used an illicit drug in the last 12 months, which was an increase from 3.4 million in the 2019 survey. This survey identified a substantial increase in the use of

<sup>&</sup>lt;sup>16</sup> ACIC, Submission 54, p. 2. See also, Attorney General's Department, Submission 13, p. 3.

<sup>&</sup>lt;sup>17</sup> National Centre for Education and Training on Addiction (NCETA), *Submission 41*, p. 3.

<sup>&</sup>lt;sup>18</sup> NCETA, *Submission* 41, p. 3.

<sup>&</sup>lt;sup>19</sup> NCETA, *Submission* 41, p. 3.

hallucinogens  $^{\rm 20}$  as a driver of this increase, and also noted an increase in the use of ketamine.  $^{\rm 21}$ 

- 2.16 The National Wastewater Drug Monitoring Program (NWDMP) is conducted by the ACIC. It commenced in 2016 and measures the presence of 12 illicit and licit drugs, including alcohol and nicotine, in sewage treatment plants. The latest report, number 21, was released in March 2024 and covers samples collected in August and October 2023.
- 2.17 The August 2023 samples were collected from regional and capital city sites and covered around 57 per cent of the population. The October 2023 samples were collected from capital city sites only and covered approximately 48 per cent of the population.<sup>22</sup> The ACIC noted that since the previous analysis was undertaken in April 2023, average consumption of heroin, fentanyl and cannabis had increased in both regional areas and capital cities, while alcohol, MDA<sup>23</sup> and ketamine had decreased. Nicotine, methylamphetamine, cocaine and MDMA usage increased in regional areas but reduced in capital cities. The reverse outcome was found with respect to oxycodone.<sup>24</sup>

### Longer term trends

- 2.18 Referring to data collected through the NWDMP, the ACIC informed the committee that national consumption of methylamphetamine, cocaine, MDMA and heroin increased between 2016-17 and 2019-20. It added that while consumption declined during the peak of the COVID-19 pandemic and associated restrictions in 2020-21, monitoring shows it is returning to pre-COVID levels.<sup>25</sup>
- 2.19 This data was updated and included in Report 21 of the NWDMP, which includes graphs to compare wastewater detections of cocaine, heroin, MDMA, methylamphetamine, fentanyl and oxycodone since the commencement of the program in August 2016, and cannabis since August 2018. These graphs are reproduced below. Figure 2.3 provides an overall picture of all seven different types of drugs (including cannabis), while Figure 2.4 excludes cannabis and

<sup>&</sup>lt;sup>20</sup> The 2022-23 NDSHS noted that in 2019 the most commonly used hallucinogens were LSD/acid/tabs (1.1% of the population in Australia), but this shifted to mushrooms and psilocybin in 2022-2023 (1.8%): AIHW, 'Summary', *National Drug Strategy Household Survey 2022-23*, 29 February 2024, https://www.aihw.gov.au/about-our-data/our-data-collections/national-drug-strategy-householdsurvey/2022-ndshs (accessed 9 April 2024).

<sup>&</sup>lt;sup>21</sup> AIHW, 'Summary', National Drug Strategy Household Survey 2022-23, 29 February 2024.

<sup>&</sup>lt;sup>22</sup> ACIC, Report 21 of the National Wastewater Drug Monitoring Program, 13 March 2024, p. 10.

<sup>&</sup>lt;sup>23</sup> 3,4-Methylenedioxyamphetamine, or MDA, is a metabolite of MDMA, but also an illicit drug in its own right: ACIC, *Report 21 of the National Wastewater Drug Monitoring Program*, 13 March 2024, p. 86.

<sup>&</sup>lt;sup>24</sup> ACIC, Report 21 of the National Wastewater Drug Monitoring Program, 13 March 2024, p. 5.

<sup>&</sup>lt;sup>25</sup> ACIC, Submission 54, p. 1.

provides a clearer view of the trends and variations for the remaining types of drugs.

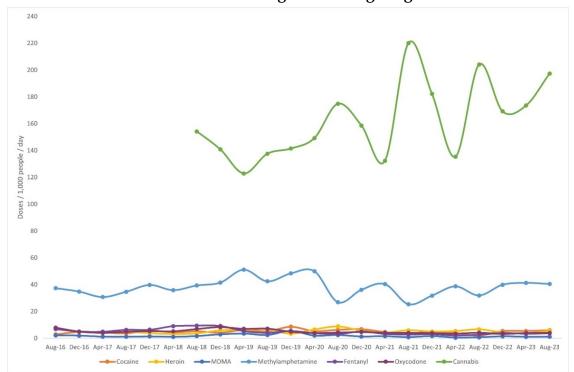
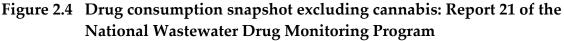
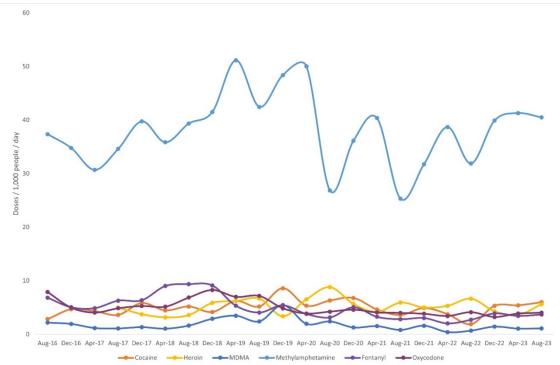


Figure 2.3 Drug consumption snapshot including cannabis: Report 21 of the National Wastewater Drug Monitoring Program

Source: ACIC, Report 21 of the National Wastewater Drug Monitoring Program, 13 March 2024, p. 12.





Source: ACIC, Report 21 of the National Wastewater Drug Monitoring Program, 13 March 2024, p. 13.

2.20 In the year to August 2023, the estimated national consumption of methylamphetamine, cocaine, MDMA and heroin increased by 17 per cent. The ACIC noted that while the amounts of consumption have changed over the life of the NWDMP, the hierarchy of consumption of the five major drugs (cannabis, methylamphetamine, cocaine, MDMA and heroin) has remained consistent.<sup>26</sup>

### Major trends—cannabis and methylamphetamine

2.21 As the data above makes clear, the two major drugs in the Australian illicit drug market are cannabis, which is the most frequently used substance, and methylamphetamine. Although running second to cannabis in terms of consumption, as the discussion below illustrates, the risk profile associated with methylamphetamine renders it of greatest harm to the community.

### Cannabis

2.22 As demonstrated by Figure 2.3, cannabis has consistently remained the highest consumed substance. This conclusion was mirrored in other information considered by the committee. For instance, a similar conclusion was drawn by the NDSHS, which, according to survey responses, found cannabis to be the most commonly used illicit drug among survey respondents in 2022-23.<sup>27</sup> Further, in its evidence to the committee, the NSW Crime Commission advised that it has observed an increase in the size and scope of domestic cultivation of cannabis crops. It stated that farms have been identified in NSW and Queensland which have in excess of 30,000 plants.<sup>28</sup>

### Methylamphetamine

- 2.23 The ACIC described methylamphetamine as 'the most significant drug in the Australian market'.<sup>29</sup> In the year to August 2023, methylamphetamine accounted for approximately 64 per cent of the combined estimated consumption of the other four major illicit drugs (cocaine, heroin and MDMA and methylamphetamine).<sup>30</sup>
- 2.24 The National Drug and Alcohol Research Centre (NDARC) at the University of NSW runs Australia's two major sentinel surveys to monitor the use, market features and harms associated with illicit drug use. One of those surveys, the Illicit Drug Reporting System (IDRS), recorded an increase in methylamphetamine use amongst its participants between 2000 and 2022. It

<sup>&</sup>lt;sup>26</sup> ACIC, Report 21 of the National Wastewater Drug Monitoring Program, 13 March 2024, p. 14.

<sup>&</sup>lt;sup>27</sup> AIHW, 'Summary', National Drug Strategy Household Survey 2022-23, 29 February 2024.

<sup>&</sup>lt;sup>28</sup> NSW Crime Commission, *Submission 55*, p. 2.

<sup>&</sup>lt;sup>29</sup> ACIC, Submission 54, pp. 6-7.

<sup>&</sup>lt;sup>30</sup> ACIC, Report 21 of the National Wastewater Drug Monitoring Program, 13 March 2024, p. 13.

recorded that while 16 per cent of participants nominated methylamphetamine as their drug of choice in 2000, by 2022 this had increased to 46 per cent.<sup>31</sup>

- 2.25 The IDRS identified a significant change in the forms of methylamphetamine that are being consumed. While powder methylamphetamine (i.e. 'speed') was originally the most commonly used form of methylamphetamine, this declined from 58 per cent of consumption in 2000 to 11 per cent in 2022. Conversely, crystal methylamphetamine has increased considerably over time, fluctuating between 2000 and 2009 (15 to 57 per cent), but increasing steadily from 2010 onwards to 80 per cent in 2022.<sup>32</sup>
- 2.26 State based law enforcement and emergency service departments described to the committee the nature of methylamphetamine consumption within their respective jurisdictions. The Western Australia Police Force advised that residents of that state 'are among the highest per capita methylamphetamine consumers in the nation' with the market 'supplied by importation rather than production'.33 Australia Police also domestic South advised that methylamphetamine 'is a drug consumed in South Australia at rates often exceeding the national average' and it is 'locally manufactured, imported from overseas and trafficked into the state from other jurisdictions'.<sup>34</sup> The Tasmanian Department of Police, Fire and Emergency Management advised that information provided by the Drug Investigation Service indicates that 'in recent years there has been an increase in the use and distribution of methylamphetamine'.<sup>35</sup> It observed a change in consumption patterns over the last decade, stating that during this time, 'high-grade methylamphetamine ('ICE') has replaced low-grade methylamphetamine ('speed') as the most commonly used stimulant, with the latter substance now rarely available'.36
- 2.27 In its 2023 Illicit Drug Data Report, the ACIC described methylamphetamine as 'the most harmful illicit drug impacting Australia by some margin'.<sup>37</sup> This sentiment was shared by Professor Donald Weatherburn from NDARC. Comparing the risk posed by cannabis to that of methylamphetamine, Professor Weatherburn noted that in a recent survey, three per cent of respondents indicated a willingness to use cannabis if it were legal. While expressing less concern about this figure, Professor Weatherburn stated that 'a

<sup>&</sup>lt;sup>31</sup> National Drug and Alcohol Research (NDARC), *Submission 48*, p. 7.

<sup>&</sup>lt;sup>32</sup> NDARC, Submission 48, p. 9.

<sup>&</sup>lt;sup>33</sup> Western Australia Police Force, *Submission 8*, p. 1.

<sup>&</sup>lt;sup>34</sup> South Australia Police, *Submission 11*, p. 1.

<sup>&</sup>lt;sup>35</sup> Tasmanian Department of Police, Fire and Emergency Management, *Submission* 67, p. 2.

<sup>&</sup>lt;sup>36</sup> Tasmanian Department of Police, Fire and Emergency Management, *Submission* 67, p. 2.

<sup>&</sup>lt;sup>37</sup> ACIC, Illicit Drug Data Report 2020-21, October 2023, p. ii.

three per cent increase in methamphetamine consumption could be a very different story'.  $^{\rm 38}$ 

### Other drug trends

### Heroin

- 2.28 The ACIC reported that the heroin market 'appears to have a level of resilience despite relatively low consumption'.<sup>39</sup> Report 21 of the NWDMP recorded a reduction in heroin consumption of seven percent.<sup>40</sup>
- 2.29 NDARC told the committee that its analysis indicates a reduction in heroin use over time. In 2000, 79 per cent of participants in the IDRS indicated that they had used heroin in the last six months, compared to 50 per cent in 2021.<sup>41</sup> Similarly, NDARC noted that the proportion of the IDRS sample who endorsed heroin as their preferred drug choice gradually declined over time (from 63 per cent in 2020 to 39 per cent in 2022) and was overtaken by methylamphetamine in 2021 and 2022.<sup>42</sup>

### Cocaine

2.30 Cocaine usage was on an upward trajectory prior to the COVID-19 pandemic and, according to the 2019 NDSHS, reached its highest level of consumption during that period since 2001.<sup>43</sup> NWDMP analysis recorded a drop in cocaine use during and after the pandemic, with it reaching a record low in August 2022. However, the three latest NWDMP reports (reports 19 to 21) noted increases in the national consumption of cocaine. Report 19 stated that there was a 'considerable increase in cocaine consumption between August and December 2022, following the record low level in August 2022'.<sup>44</sup> Reports 20 and 21 recorded decreases in consumption in the capital cities, but increases in regional areas which resulted in overall increases.<sup>45</sup>

- <sup>41</sup> NDARC, Submission 48, p. 7.
- <sup>42</sup> NDARC, Submission 48, p. 7.
- <sup>43</sup> AIHW, National Drug Strategy Household Survey 2019, 16 July 2020, p. 36.
- <sup>44</sup> ACIC, Report 19 of the National Wastewater Drug Monitoring Program, 12 July 2023, p. 1.
- <sup>45</sup> ACIC, Report 20 of the National Wastewater Drug Monitoring Program, 8 November 2023, p. 9; ACIC, Report 21 of the National Wastewater Drug Monitoring Program, 13 March 2024, p. 12.

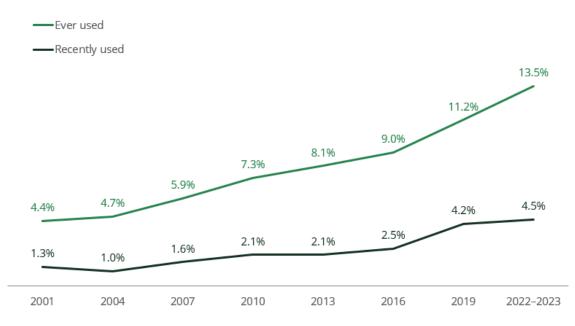
<sup>&</sup>lt;sup>38</sup> Professor Donald Weatherburn, Researcher, National Drug and Alcohol Research Centre, *Committee Hansard*, 29 June 2023, pp. 6-7.

<sup>&</sup>lt;sup>39</sup> ACIC, Submission 54, p. 8.

<sup>&</sup>lt;sup>40</sup> ACIC, Report 21 of the National Wastewater Drug Monitoring Program, 13 March 2024, p. 8.

2.31 The 2022-23 NDSHS also observed an upwards trajectory in the number of people that had both recently used and ever used cocaine. This increase, which the survey has tracked since 2001, is illustrated in Figure 2.5 below.

# Figure 2.5 *National Drug Strategy Household Survey 2022-23*: Use of cocaine in Australia, people aged 14 and over, 2001 to 2022-23



Source: AIHW, 'Use of illicit drugs', National Drug Strategy Household Survey 2022-23, 29 February 2024, Figure 16.

2.32 The 2022-23 NDSHS noted that while recent use of cocaine remained stable among males, there was an increase among females from 3 per cent in 2019 to 3.7 per cent in 2022-23.<sup>46</sup>

### MDMA/Ecstasy

- 2.33 MDMA (also known as ecstasy) use was significantly impacted by the COVID-19 pandemic, but recent data suggests that use of this substance is rebounding.
- 2.34 Report 20 of the NWDMP, which recorded usage in April and June 2023, advised that MDMA was one of the lowest consumed drugs monitored by the program. At the time, the ACIC advised that 'MDMA consumption is now at record low levels nationally and has been decreasing since December 2019 (i.e. prior to the start of COVID restrictions)'. The ACIC reported that in Europe, 'there are reports that manufacturing is switching from MDMA to

<sup>&</sup>lt;sup>46</sup> AIHW, 'Use of illicit drugs', National Drug Strategy Household Survey 2022-23, 29 February 2024, <u>https://www.aihw.gov.au/reports/illicit-use-of-drugs/national-drug-strategy-household-survey/contents/use-of-illicit-drugs</u> (accessed 10 April 2024).

methylamphetamine, which likely explains the domestic trend'.<sup>47</sup> However, the most recent NWDMP report recorded a 33 per cent increase in consumption over the year to August 2023. The ACIC noted, however, that this was from a low base and less than one tonne of MDMA was consumed nationally.<sup>48</sup>

2.35 The 2022-23 NDSHS recorded the lowest level of recent MDMA use since 2004, however, the figures for lifetime use reached record highs. The survey indicated that disruptions in the supply chain and the COVID-19 pandemic may have impacted recent use.<sup>49</sup> The survey noted, however, that patterns detected during fieldwork, particularly towards the conclusion of data collection, demonstrate early signs that MDMA consumption is rebounding and returning to pre-COVID 19 levels.<sup>50</sup>

### International comparisons

- 2.36 International analysis confirms that Australian consumption of illicit drugs is high when compared to data on usage from other jurisdictions.
- 2.37 Internationally, the United Nations Office on Drugs and Crime (UNODC) reported that Australia's demand for illicit drugs is well above global averages. The 2023 World Drug Report stated that the 'past-year use of cocaine in the subregion of Australia and New Zealand remains the highest worldwide'. UNODC also report that '[p]ast-year use of "ecstasy" in the subregion of Australia and New Zealand remains by far the highest worldwide; this is consistent with MDMA levels found in wastewater analysis'. Further, '[c]annabis use is significantly higher than the global average, with prevalence of use exceeding 10 per cent in the subregion of Australia and New Zealand'.<sup>51</sup>
- 2.38 Drawing on data from the Organisation for Economic Cooperation and Development (OECD), the 2022-23 NDSHS observed that 2019 estimates for cocaine use in Australia 'were among the highest available for all available countries'. Noting that trends in recent use remained stable between 2019 and 2022-23, and that lifetime use continued to increase, the 2022-23 NDSHS

<sup>&</sup>lt;sup>47</sup> ACIC, Submission 54, p. 8.

<sup>&</sup>lt;sup>48</sup> ACIC, National Wastewater Drug Monitoring Program, Report 21, 13 March 2024, p. 2.

<sup>&</sup>lt;sup>49</sup> The 2022-23 NDSHS suggested that COVID-19 restrictions may have had a longer and greater effect on MDMA than other drugs because they particularly affected settings in which MDMA is typically consumed: AIHW, 'Ecstasy in the NDSHS', *National Drug Strategy Household Survey 2022-23*, 29 February 2024, <u>https://www.aihw.gov.au/reports/illicit-use-of-drugs/ecstasy-ndshs</u> (accessed 29 February 2024).

<sup>&</sup>lt;sup>50</sup> AIHW, 'Ecstasy in the NDSHS', *National Drug Strategy Household Survey 2022-23*, 29 February 2024.

<sup>&</sup>lt;sup>51</sup> UNODC, 2023 World Drug Report: Special Points of Interest, p. 25.

observed that Australia's comparable position regarding cocaine use is likely to have remained consistent.<sup>52</sup>

2.39 Report 19 of the NWDMP was published on 12 July 2023 and considered samples taken in December 2022 and February 2023. It compared Australian average consumption against data from the Sewage Core Group Europe which 'covered 161 cities from 28 countries in Europe, Asia, North America and Oceania'. It found that for illicit stimulants, Australian drug consumption ranked sixth. For methylamphetamine alone, Australia had the third highest consumption per capita, compared with 24 other countries. For cannabis, Australia ranked sixth out of 16 countries.<sup>53</sup>

## Other consumption trends

- 2.40 The committee received evidence about emerging trends in types of drugs and/or consumption habits. The following paragraphs discuss three of these, namely:
  - non-medical use of pharmaceuticals;
  - new psychoactive substances (NPS); and
  - adulterated substances.

### Non-medical use of pharmaceuticals

- 2.41 Illicit pharmaceuticals, including diverted or genuine pharmaceuticals and counterfeit drugs, were highlighted to the committee as a consumption threat posing a particular risk of harm.
- 2.42 Drugs within this category include opioids (such as oxycodone, fentanyl, morphine, methadone, pethidine and codeine), benzodiazepines (such as diazepam, temazepam and alprazolam), other analgesics (such as paracetamol and ibuprofen, combined with codeine) and performance and image enhancing drugs (such as anabolic steroids, phentermine and human growth hormones).<sup>54</sup>
- 2.43 NCETA submitted that illicit pharmaceuticals represent a major threat going forward, and suggested that it is likely to be the future of the illicit drug market in Australia. NCETA explained that these drugs don't require many of the resources that naturally-based products do, such as land (which exposes the operations to law enforcement interest), sufficient sunshine and other requirements necessary for production. Rather, illicit pharmaceuticals 'can be manufactured virtually anywhere in the world, require no natural inputs and

<sup>&</sup>lt;sup>52</sup> AIHW, 'Use of illicit drugs', National Drug Strategy Household Survey 2022-23, 29 February 2024.

<sup>&</sup>lt;sup>53</sup> ACIC, Report 19 of the National Wastewater Drug Monitoring Program, 12 July 2023, p. 2.

<sup>&</sup>lt;sup>54</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017, p. 33.

production is limited only by the availability of precursors and the skill of the producers'.<sup>55</sup>

2.44 South Australia Police reported that '[i]n line with global trends, South Australia is now experiencing an increase in the use of non-medical benzodiazepines predominantly detected in counterfeit pharmaceutical tablets'. It explained:

These tablets are manufactured so as to be almost indistinguishable from the registered pharmaceuticals they mimic, but may contain one or more substances which have not been approved for human use in Australia. In some parts of Australia similar tablets have been found to contain both non-medical benzodiazepines and synthetic opioids, a particularly dangerous mixture which increases the risk of overdose. These tablets have recently become readily available in Australia and their use appears to be mainly concentrated amongst young people.<sup>56</sup>

- 2.45 Pharmaceutical opioids remain a major cause of fatal overdose in Australia. According to Penington Institute, in 2021 there were:
  - 287 unintentional drug–induced deaths involving oxycodone, morphine or codeine;
  - 186 unintentional drug-induced deaths involving methadone; and
  - 134 unintentional drug-induced deaths involving fentanyl/pethidine/tramadol.<sup>57</sup>
- 2.46 The illicit consumption of fentanyl, which is legally used for medical purposes, was highlighted as posing a particular risk of harm. Evidence in this regard pointed to the impact fentanyl has had in North America where significant harms have been observed in connection with its consumption.<sup>58</sup> In the United States, overdose deaths driven by the use of fentanyl reached unprecedented levels during the COVID-19 pandemic with 91,799 overdose deaths recorded in 2020.<sup>59</sup> The ACIC explained how this situation developed:

The North American fentanyl epidemic evolved from a situation in which there was significant legitimate supply of pharmaceutical oxycodone and then fentanyl which created a market for nonmedical use of pharmaceutical opioids. [Serious organised crime] groups took advantage of this opportunity to undercut the price of the pharmaceutical formulations when regulation was tightened in the United States (US), leading to a situation in US and Canada whereby fentanyl manufactured in Mexico and Canada is

<sup>&</sup>lt;sup>55</sup> NCETA, Submission 41, p. 9.

<sup>&</sup>lt;sup>56</sup> South Australia Police, *Submission 11*, p. 4

<sup>&</sup>lt;sup>57</sup> Penington Institute, *Annual Overdose Report 2023*, August 2023, p. 67. These statistics do not differentiate between illicit and prescription/licit use.

<sup>&</sup>lt;sup>58</sup> South Australian Police, *Submission 31*, p. 4.

<sup>&</sup>lt;sup>59</sup> UNODC, *World Drug Report* 2022, *Booklet* 1, June 2022, pp. 28, 40.

causing significant public health problems and many other illicit drugs are laced with fentanyl.<sup>60</sup>

2.47 The ACIC pointed out the differences between the situation in the US and Australia but noted this could change:

The differences in Australia are that pharmaceutical companies are more tightly controlled than in North America in the 1990s and, to date, imported powder fentanyl and domestically manufactured fentanyl are yet to be a significant feature of the organised crime landscape (this may change with evolving or changing environmental factors). Moreover, the illicit market for pharmaceutical opioids has not yet developed to the extent that it has in North America.<sup>61</sup>

- 2.48 The AFP is aware of fentanyl as an emerging threat. In February 2022 the AFP reported that it seized the largest shipment of fentanyl ever detected in Australia following a joint operation with the Australian Border Force. More than powdered 11 kilograms of pure fentanyl and kilograms of 30 methylamphetamine were identified, which, the AFP explained, amounts to more than five million potentially lethal doses of the drug. Prior to that seizure fentanyl had only been detected in minor amounts which were all less than 30 grams.<sup>62</sup>
- 2.49 In its 2022 *World Drug Report,* the UNODC warned that the 'spread of fentanyls could occur rapidly if market dynamics were to result in the shortage of the main opioid used in any of the markets'.<sup>63</sup>
- 2.50 The 2022-23 NDSHS indicated a reduction in the consumption of non-medical use of opioids, which declined 'substantially' between 2019 and 2022-23, particularly in relation to non-medical use of codeine, oxycodone and tramadol.<sup>64</sup> The survey recorded non-medical use of pharmaceutical stimulants, such as methylphenidate (e.g. Ritalin, Concerta) and lisdexamfetamine (e.g. Vyvanse) for the first time. Consumption of these substances was comparable to other drugs: lifetime usage was similar to that of inhalants, while the recent usage statistics were similar to the figures for recent use of MDMA.<sup>65</sup>

<sup>65</sup> AIHW, 'Use of illicit drugs', National Drug Strategy Household Survey 2022-23, 29 February 2024.

<sup>&</sup>lt;sup>60</sup> ACIC, Submission 54, p. 5.

<sup>&</sup>lt;sup>61</sup> ACIC, Submission 54, p. 5.

<sup>&</sup>lt;sup>62</sup> AFP, *Submission* 59, p. 7. To put the size into perspective, a therapeutic dose of fentanyl used for surgery preparation is 50-100 micrograms (μg). 1μg is equivalent to one millionth of a gram. See NCETA, *Submission* 41, p. 9.

<sup>&</sup>lt;sup>63</sup> UNODC, World Drug Report 2022, Booklet 1, June 2022, p. 64.

<sup>&</sup>lt;sup>64</sup> AIHW, 'Use of illicit drugs', *National Drug Strategy Household Survey 2022-23, 29 February 2024*.

### New psychoactive substances

- 2.51 New psychoactive substances (NPS) 'are substances that may be structurally or functionally similar to a parent compound which is a prohibited or scheduled drug and are referred to as analogues'.<sup>66</sup>
- 2.52 NCETA reported NPS that have arrived in the Australian market include: synthetic cannabinoids;<sup>67</sup> novel benzodiazepines;<sup>68</sup> phenthylamines;<sup>69</sup> synthetic cathinones;<sup>70</sup> dissociative anaesthetics;<sup>71</sup> novel synthetic opioids;<sup>72</sup> and gamma hydroxybutyrate.<sup>73</sup>
- 2.53 Harm Reduction Australia (HRA) advised that there has been a 'six-fold increase in identification of novel [or new] psychoactive substances (NPS) globally, with new substances also being reported in Australia'. HRA notes that the 'detection of novel benzodiazepines and novel opioids (including fentanyl analogues and nitazenes)...in Australian drug markets have the potential to cause immense harm to the community'.<sup>74</sup>
- 2.54 The UNODC also noted that NPS opioids 'are among the most harmful groups of NPS' with the number found on markets worldwide growing from 'just one substance in 2009 to 86 substances in 2020'.<sup>75</sup>
- 2.55 The Attorney-General's Department advised that NPS 'are often ordered over the internet and brought in through the international mail system'.<sup>76</sup> The latest Illicit Drug Data Report, which covered the period 2020-21, recorded a

- <sup>68</sup> These belong to the same chemical family of drugs as sedative hypnotic medicines such as diazepam (e.g. Valium): NCETA, *Submission 41*, p. 7.
- <sup>69</sup> These are a class of drugs with stimulant effects: NCETA, *Submission* 41, p. 8.
- <sup>70</sup> These are closely related to phenethylamines: NCETA, *Submission* 41, p. 8.
- <sup>71</sup> These are intended to mimic the effects of ketamine: NCETA, *Submission 41*, p. 8.
- <sup>72</sup> These can be catalogued into two groups: fentanyl analogues and other novel synthetic opioids. They produce a range of effects including sedation, short-term pain relief and depression of respiration: NCETA, *Submission 41*, p. 8.
- <sup>73</sup> This is a depressant drug that has sedative-hypnotic effect that is commonly used within the dance party scene or nightlife settings: NCETA, *Submission* 41, p. 8.
- <sup>74</sup> Harm Reduction Australia, *Submission* 17, p. 2.
- <sup>75</sup> United Nations Office on Drugs and Crime, *World Drug Report 2022, Booklet 1, June 2022, p. 67.*
- <sup>76</sup> Attorney-General's Department (AGD), *Submission 13*, p. 6.

<sup>&</sup>lt;sup>66</sup> ACIC, Illicit Drug Data Report 2020-21, October 2023, p. 111.

<sup>&</sup>lt;sup>67</sup> These substances are intended to mimic (or are promoted as mimicking) the effects of THC, the active ingredient in cannabis: NCETA, *Submission 41*, p. 7.

113 per cent increase in border detections of NPS during this reporting period, from 609 in 2019-20 to 1,299 in 2020-21.<sup>77</sup>

- 2.56 The Department of Home Affairs submitted that NPS 'create challenges for law enforcement agencies globally due to the absence of a universally accepted definition' and due to NPS not being controlled substances under international conventions. However, as noted above, the Criminal Code regulates psychoactive substances based on their effect rather than chemical structure.<sup>78</sup>
- 2.57 NDARC further highlighted the ways in which NPS are being used in Australia:

...other drug sources show that NPS are still being used to adulterate illegal/non-prescribed drugs. For example, analyses of drugs submitted to the drug checking facility in Canberra (CanTEST) reported a ketamine sample that was found to contain fluorexetamine, a ketamine derivative for which there is almost no scientific information. Similarly, analyses of 'street' benzodiazepine products have shown that counterfeit products are now prevalent, with many found to contain more potent 'novel' benzodiazepines.<sup>79</sup>

### Adulterated substances

2.58 The committee also heard evidence related to the emerging risk of adulterated substances. In particular cases, individuals may believe that they are purchasing a particular drug but that drug could have previously been adulterated with a higher risk drug, such as fentanyl. Adulterated substances pose a serious emerging threat and contribute to the risk of overdose deaths.<sup>80</sup> The Alcohol and Drug Foundation submitted that adulteration of the North American drug supply with fentanyl has decreased average life expectancy for Americans for the first time since World War Two.<sup>81</sup>

### Drug-related harms

2.59 Australia's high consumption of illicit drugs drives a number of health, social and economic harms, including direct harm to those who use drugs and their friends and families, associated criminal activity, community level harm and a significant burden on Australia's health system.<sup>82</sup> The *National Drug Strategy* 2017–2026 (discussed further in chapter 3) outlines the types of harm caused by drugs:

<sup>&</sup>lt;sup>77</sup> ACIC, Illicit Drug Data Report 2020-21, October 2023, p. 68.

<sup>&</sup>lt;sup>78</sup> Department of Home Affairs, *Submission 63*, p. 6.

<sup>&</sup>lt;sup>79</sup> NDARC, Submission 48, p. 20.

<sup>&</sup>lt;sup>80</sup> Department of Home Affairs, *Submission 63*, p. 6.

<sup>&</sup>lt;sup>81</sup> Alcohol and Drug Foundation, *Submission* 36, p. 9.

<sup>&</sup>lt;sup>82</sup> AGD, Submission 13, p. 4; ACIC, Submission 54, p. 2.

- Health harms such as:
  - Injury
  - Chronic conditions and preventable diseases
  - Mental health problems
  - Road trauma.
- Social harms including:
  - Violence and other crime
  - Engagement with the criminal justice system more broadly
  - Unhealthy childhood development and trauma
  - Intergenerational trauma
  - Contribution of domestic and family violence
  - Child protection issues
  - Child/family wellbeing.
- Economic harms associated with:
  - Healthcare and law enforcement costs
  - Decreased productivity
  - Associated criminal activity
  - Reinforcement of marginalisation and disadvantage.<sup>83</sup>

### Health harms

- 2.60 As reported by Penington Institute in August 2023, there were 2,231 drug-induced deaths reported in Australia in 2021, representing 66,792 years of life lost, with an average of 32 years of life lost per death.<sup>84</sup> Penington Institute reported that since 2001, while the national population has increased by 32.9 per cent, the number of unintentional drug-induced deaths grew by 70.7 per cent.<sup>85</sup>
- 2.61 The Department of Health and Aged Care reported that in 2021, 1,704 people died of a drug-induced death (1069 males and 635 females).<sup>86</sup> In 2020-21 there were 152,000 drug-related hospitalisations. Amphetamines and other stimulants accounted for 10 per cent of the total drug-induced hospitalisations, with

<sup>86</sup> Note that the fluctuation in figures between Penington Institute and the Department of Health and Aged Care for 2021 are likely due to differences in first-available data and revised and finalised data. All suspected drug-induced deaths must be reported to a coroner, and such investigations can take years to complete; see Penington Institute, *Annual Overdose Report 2023*, August 2023, p. 171.

<sup>&</sup>lt;sup>83</sup> Department of Health, *National Drug Strategy 2017–2026*, 13 December 2017, pp. 4-5.

<sup>&</sup>lt;sup>84</sup> Penington Institute, Annual Overdose Report 2023, August 2023, p. 7. In this report, data for drug-induced deaths in 2019 is finalised, data for 2020 has been revised, and data for 2021 is preliminary.

<sup>&</sup>lt;sup>85</sup> Penington Institute, *Annual Overdose Report 2023*, August 2023, p. 7. An unintentional drug-induced death includes drug overdoses, incorrect drugs given or taken in error and accidental poisoning due to drugs. Drug-induced deaths deemed to be homicide, suicide or of undetermined intent are not included in 'unintentional drug-induced deaths'.

methylamphetamine accounting for 12,400 hospitalisations, or 82 per cent of the total amphetamine-related hospitalisations.<sup>87</sup>

2.62 The Department of Health and Aged Care also reported that in 2018:

...illicit drug use contributed to 3.0% of the total burden of disease in Australia. Opioid use accounted for the largest proportion (31%) of the illicit drug use burden, followed by amphetamine use (24%), cocaine (10.9%) and cannabis (10.2%). In addition, 17.8% of the burden was from diseases contracted through unsafe injecting practices.<sup>88</sup>

### Social harms

2.63 In addition to the harms to life and burden on the health system caused by drugs, evidence to the committee identified the extended social impacts caused by the illicit drug trade. The AFP stated that the trade itself, and the criminal activities that support it cause harms that 'ripple out into the broader community'.<sup>89</sup> Mr Michael Barnes, Commissioner, New South Wales Crime Commission provided a stark summary of the level of violence and human cost that exists within the supply chain:

...the beautiful people in Double Bay, Carlton, New Farm and other places need to be made more acutely aware that, when they buy cocaine and post Snapchat pics of themselves and their glamorous friends using, they are participating in this vile web. The tradies and their mates in the less affluent suburbs who consume tonnes of methylamphetamine each year need to focus on how many people are harmed by the criminal network they support and provide custom to. It's problematic when so many opinionmakers seem inclined to ignore that. Pop stars, professional sportspeople and even members of the royal family, by their comments and actions, seem to endorse illicit drug use in a way that normalises it. They're rightly concerned to ensure that the supply lines of their coffee and chocolate or their linen resort-wear don't involve child slavery. Well, I can assure them: there's no fair-trade cocaine.<sup>90</sup>

2.64 Elsewhere in evidence, the NSW Crime Commission told the committee that 'much of the state's most serious violence, including gun crimes and murders, derive from the offenders' (and often the victims') involvement in the supply of illicit drugs'.<sup>91</sup> It stated that from 2018 to 2022, it commenced 23 homicide investigations with the NSW Police Force, 13 of which originated in conflict over illicit drugs. Further, the NSW Crime Commission added:

<sup>&</sup>lt;sup>87</sup> Department of Health and Aged Care, Submission 23, pp. 2-3; Department of Home Affairs, Submission 63, p. 4.

<sup>&</sup>lt;sup>88</sup> Department of Health and Aged Care, *Submission 23*, p. 3.

<sup>&</sup>lt;sup>89</sup> AFP, Submission 59, p. 3.

<sup>&</sup>lt;sup>90</sup> Mr Michael Barnes, Commissioner, NSW Crime Commission, *Committee Hansard*, 29 June 2023, p. 42.

<sup>&</sup>lt;sup>91</sup> NSW Crime Commission, *Submission 55*, p. 5.

Besides these well-defined offences, which have come to the attention of law enforcement and prompted dedicated investigations, many assaults, robberies and threats of violence are identified during homicide and organised crime investigations which point to an endemic culture of violence extending from addicts to importers.<sup>92</sup>

2.65 The AFP told the committee that Operation IRONSIDE 'revealed an alarming level of violence being used by transnational, serious and organised crime syndicates to protect their drug operations'. In the course of that operation, 149 firearms were seized, and 29 threats to life were disrupted. The AFP told the committee that one planned homicide that it disrupted involved the use of a fully automatic submachine gun at a busy cafe strip.<sup>93</sup>

### **Economic harms**

- 2.66 The illicit drug trade and its impact is estimated to cost Australians billions of dollars each year.
- 2.67 The ACIC estimated that between August 2022 and August 2023, Australians spent an estimated \$12.4 billion on methylamphetamine, cocaine, MDMA and heroin. Methylamphetamine accounted for \$10.5 billion, or 85 per cent of this total.<sup>94</sup>
- 2.68 The Australian Institute of Criminology estimated that serious and organised crime cost Australia up to \$60.1 billion in 2020-21, of which \$16.5 billion was specific to illicit drug activity.<sup>95</sup>
- 2.69 The total cost of drug addiction in 2021 was estimated by Rethink Addiction<sup>96</sup> and KPMG to amount to \$12.9 billion.<sup>97</sup> Of that amount, \$5.8 billion or 45 per cent was attributed to the cost of law enforcement and \$3.9 billion or 30 per cent was lost workplace and household productivity. The value of lost life during

- <sup>95</sup> ACIC, Submission 54, pp. 1, 11.
- <sup>96</sup> Rethink Addiction is an 'independent campaign representing a collaborative industry effort to Rethink Addiction, through evidence-based information and linkages to support': Rethink Addiction, 'Our Story', <u>https://www.rethinkaddiction.org.au/about</u> (accessed 8 March 2023).
- <sup>97</sup> Rethink Addiction and KPMG, Understanding the cost of addiction in Australia, 2022, <u>https://www.rethinkaddiction.org.au/understanding-the-cost-of-addiction-in-australia</u> (accessed 8 March 2024). See also, Australian Medical Association, *Submission 58*, p. 7; South Australia Health, *Submission 64*, p. 5.

<sup>&</sup>lt;sup>92</sup> NSW Crime Commission, *Submission 55*, p. 5.

<sup>&</sup>lt;sup>93</sup> AFP, *Submission* 59, p. 7.

<sup>&</sup>lt;sup>94</sup> ACIC, Report 21 of the National Wastewater Drug Monitoring Program, 13 March 2024, p. 2.

this year was estimated at \$2.4 billion according to the retrospective approach<sup>98</sup> and \$4.9 billion according to the future-focused approach.<sup>99</sup>

<sup>&</sup>lt;sup>98</sup> Rethink Australia and KPMG describe that the 'retrospective approach' is determined by considering 'all lives lost to addiction in the past and how these losses impact on the current year. This approach compares the actual demographic structure to a hypothetical one in which these lives had not been lost': Rethink Australia and KPMG, *Understanding the cost of addiction in Australia*, 2022, p. 24.

<sup>&</sup>lt;sup>99</sup> Rethink Australia and KPMG, Understanding the cost of addiction in Australia, 2022, p. 9. The future focused approach 'counts all lives lost to addiction in a given year, and considers the contributions these lives could have made in the future': Rethink Australia and KPMG, Understanding the cost of addiction in Australia, 2022, p. 24.

# Chapter 3 Policy response and related issues

3.1 All Australian jurisdictions and multiple portfolios share the responsibility of implementing Australia's policy response to the challenges posed by illicit drugs. This chapter outlines the current policy settings with respect to illicit drugs, focusing particularly on the role of the Commonwealth, and discusses some of the key concerns raised in evidence about the current policy settings.

# **Policy framework**

## Overview

- 3.2 Australia's approach to illicit drugs is to 'minimise harm through supply, demand, and harm reduction efforts'.<sup>1</sup> Legal frameworks relating to domestic illicit drug offences are predominantly the responsibility of states and territories. However, the Commonwealth has key responsibilities in disrupting the illicit drug trade and combating transnational, serious and organised crime (TSOC). These efforts are led by the Australian Federal Police (AFP), the Australian Criminal Intelligence Commission (ACIC) and the Commonwealth Director of Public Prosecutions (CDPP), while the Attorney-General's Department (AGD) has supporting responsibilities as the relevant policy department. Further, the Australian Border Force (ABF), supported by the Department of Home Affairs, has a key role in monitoring imports and border operations.
- 3.3 The Commonwealth, through the Department of Health and Aged Care (Department of Health), is also responsible for the administration of a broad range of policies, programs and regulatory activities aimed at preventing or reducing harms associated with illicit drugs. The key policy document which guides Australia's response to illicit drugs is the *National Drug Strategy* 2017–2026 (the Strategy).<sup>2</sup>

# The National Drug Strategy

3.4 The Strategy, which encompasses alcohol, tobacco and illicit drugs:

...provides an overarching framework that identifies nationally agreed priorities, guides action by governments in partnership with service providers and the community and outlines a national commitment to harm minimisation through balanced adoption of effective demand, supply, and harm reduction strategies.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> Department of Home Affairs, *Submission 63*, p. 4.

<sup>&</sup>lt;sup>2</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017.

<sup>&</sup>lt;sup>3</sup> Department of Health and Aged Care, *Submission 23*, p. 5.

- 3.5 The Strategy's overriding principle is harm minimisation, and it aims to build 'safe, healthy and resilient communities through preventing, responding and reducing alcohol, tobacco and other drugs related health, social and economic harms'.<sup>4</sup> As mentioned above, the three pillars of the policy are:
  - demand reduction—preventing the uptake or delaying the use of illicit drugs, reducing harmful use and supporting people to recover from dependence;<sup>5</sup>
  - supply reduction—restricting availability and access to alcohol, tobacco and other drugs in order to prevent or reduce alcohol, tobacco and other drug problems. The strategy seeks to do this by controlling licit drug and precursor availability and preventing and reducing illicit drug availability and accessibility;<sup>6</sup> and
  - harm reduction—reducing the adverse health, social and economic consequences of the use of drugs by reducing risk behaviours and creating safer settings.<sup>7</sup>
- 3.6 The Strategy identifies four underpinning strategic principles, which, it states, should be reflected in any actions or policy directions that are implemented under it. They are:
  - evidence-informed responses, which seeks to support research and the incorporation of evidence-based practices into funding, resource allocation and implementation of strategies;<sup>8</sup>
  - **partnerships**, including between health and law enforcement, as well as broader engagement between 'government and non-government agencies in areas such as education, treatment and services, primary health care, justice, child protection, social welfare, fiscal policy, trade, consumer policy, road safety and employment'. Other specific partnerships identified in the Strategy include with 'researchers, families and communities, peer educators, drug user organisations, Aboriginal and Torres Strait Islander communities, and other priority populations';<sup>9</sup>
  - **coordination and collaboration**, namely at the international level, nationally and within jurisdictions to lead to improved outcomes, innovative responses and better use of resources;<sup>10</sup> and

<sup>&</sup>lt;sup>4</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017, p. 7.

<sup>&</sup>lt;sup>5</sup> Department of Health, *National Drug Strategy 2017–2026*, 13 December 2017, pp. 8-10.

<sup>&</sup>lt;sup>6</sup> Department of Health, *National Drug Strategy 2017–2026*, 13 December 2017, pp. 11-12.

<sup>&</sup>lt;sup>7</sup> Department of Health, *National Drug Strategy 2017–2026*, 13 December 2017, pp. 13-14.

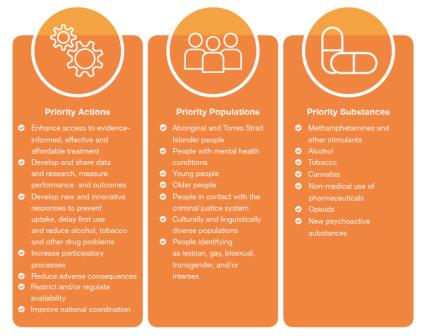
<sup>&</sup>lt;sup>8</sup> Department of Health, *National Drug Strategy 2017–2026*, 13 December 2017, p. 15.

<sup>&</sup>lt;sup>9</sup> Department of Health, *National Drug Strategy 2017–2026*, 13 December 2017, p. 15.

<sup>&</sup>lt;sup>10</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017, p. 15.

- **national direction, jurisdictional implementation**, which notes that funding and implementation of strategies to reduce harm occurs at all levels of government. Jurisdictional implementation enables governments to implement a national harm minimisation approach that reflects local circumstances, while coordination and collaboration supports the development of better responses by sharing practices and learning.<sup>11</sup>
- 3.7 The Strategy identifies actions, populations and substances to be prioritised in the course of its implementation. These are identified in Figure 3.1 below.

# Figure 3.1 Priority actions, populations and substances under the *National* Drug Strategy 2017–2026



Source: Department of Health, National Drug Strategy 2017–2026, 13 December 2017, p. 2.

# Issues raised with the current policy approach

- 3.8 A range of issues related to the implementation of the current policy approach were raised with the committee. This section discusses the following matters:
  - governance arrangements under current policy settings;
  - lack of ongoing evaluation of the Strategy;
  - inconsistency across jurisdictions; and
  - the balancing of resources between the pillars of the Strategy.
- 3.9 Other issues specific to each of the pillars are discussed in later chapters.

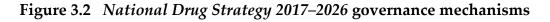
# Governance arrangements

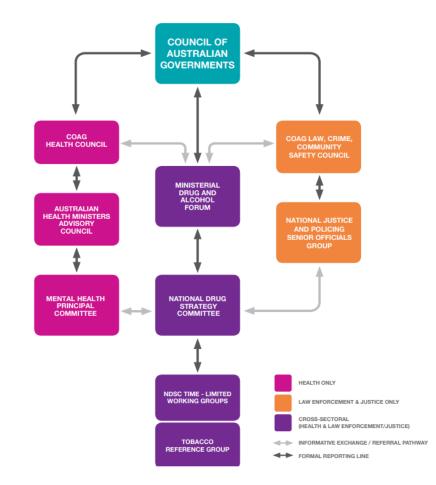
3.10 As discussed later in this chapter and in chapter 5, the committee received a significant amount of evidence related to the importance of an integrated

<sup>&</sup>lt;sup>11</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017, p. 15.

approach to harm minimisation, drawing together law enforcement, health organisations and other agencies across jurisdictions.

- 3.11 The committee was told that a framework previously existed that brought governments' health and law enforcement arms together at the state, territory and Commonwealth levels. This formal governance mechanism existed under the umbrella of the Council of Australian Governments (COAG) and was not reinstated or replaced when COAG was replaced by National Cabinet in 2020.
- 3.12 The National Drug Strategy described the significant governance infrastructure that supported the implementation of the Strategy and the variety of mechanisms that drew together both health and law enforcement representatives and responsible Ministers. This structure is set out in Figure 3.2 below.





Source: Department of Health, National Drug Strategy 2017–2026, 13 December 2017, p. 37.

3.13 The Ministerial Drug and Alcohol Forum (MDAF) brought together police ministers and health ministers from across jurisdictions to discuss issues of national concern in relation to drugs. Supporting the work of the MDAF was the National Drug Strategy Committee (NDSC), which consisted of senior officials from the government agencies responsible for alcohol and other drug policy from the health and law enforcement portfolios from each jurisdiction.<sup>12</sup>

- 3.14 The MDAF was established in 2016 in response to a recommendation of the 2015 Final Report of the National Ice Taskforce. The final report noted the previous existence of the Ministerial Council of Drug Strategy (MCDS) which was discontinued in 2011. At the time of the report's publishing, two COAG Ministerial Councils had joint responsibility for overseeing cooperation on drug-related policy: the Health Council; and the Law, Crime and Community Safety Council.<sup>13</sup> The Taskforce found that this existing system of governance did not facilitate timely collaboration between Commonwealth, state and territory governments. It commented that the separation of health and law enforcement issues could result in delays in the endorsement of national policy responses and lead to illicit drug policy issues being overtaken by other health and law enforcement matters.<sup>14</sup> The report recommended that a 'simplified governance model' be introduced to 'support greater cohesion and coordination of law enforcement, health, education and other responses to drug misuse in Australia'.15 As mentioned above, this recommendation led to the establishment of the MDAF, which involved both law enforcement and health ministers.
- 3.15 Evidence to this inquiry indicated that no formal forum exists upon which government representatives of both law enforcement and health portfolios are permanently represented.<sup>16</sup> The committee was informed that instead, a number of other forums have been established that are focused on either health or law enforcement. Some of those are identified in the following paragraphs.
- 3.16 The Department of Health currently has responsibility for the Australian National Advisory Council on Alcohol and Other Drugs (ANACAD), the members of which have professional backgrounds in health policy, research, prevention and treatment.<sup>17</sup> When ANACAD was first established in December 2014, there were two law enforcement representatives appointed. An additional law enforcement representative was appointed for a further three years from January 2018, but resigned in September 2020. Since September 2020,

<sup>&</sup>lt;sup>12</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017, p. 35.

<sup>&</sup>lt;sup>13</sup> National Ice Taskforce, *Final Report*, 2015, p. 94.

<sup>&</sup>lt;sup>14</sup> National Ice Taskforce, *Final Report*, 2015, p. 149.

<sup>&</sup>lt;sup>15</sup> National Ice Taskforce, *Final Report*, 2015, p. 149.

<sup>&</sup>lt;sup>16</sup> Mr Gino Vumbaca, President, Harm Reduction Australia, *Committee Hansard*, 29 June 2023, pp. 23-24.

<sup>&</sup>lt;sup>17</sup> Ms Celia Street, Acting Deputy Secretary, Primary and Community Care Division, Department of Health and Aged Care, *Committee Hansard*, 26 September 2023, p. 33.

there has been no formal law enforcement representation on the ANACAD, other than occasional engagement through meetings and correspondence.<sup>18</sup>

- 3.17 There are a range of ministerial-level forums that have been established under National Cabinet, including the Standing Council of Attorneys-General, Police Ministers Council and the Health Ministers' Meeting.<sup>19</sup> The Department of Health advised that the Health Ministers' Meeting is able to engage with other bodies, such as the Police Ministers Council, as the need arises. An example of this cooperation is demonstrated by the agreement of the Health Ministers' Meeting and Police Ministers Council to hold a joint meeting addressing the issue of vaping and e-cigarettes.<sup>20</sup>
- 3.18 The Attorney-General's Department told the committee that a further body, the Australian Transnational, Serious and Organised Crime Committee (ATSOCC) provides a forum where the department regularly discusses law enforcement issues with respect to illicit drugs with state and territory law enforcement and justice representatives.<sup>21</sup>
- 3.19 Evidence to this inquiry supported re-instatement of a body that brings together representatives from health and law enforcement at a senior level across Commonwealth, state and territory jurisdictions.<sup>22</sup>
- 3.20 One reason given in support of this position was that the MDAF was an effective mechanism to facilitate a nationally consistent approach by bringing together representatives from across jurisdictions. Professor Dan Lubman, Executive Clinical Director, Turning Point, and Director, Monash Addiction Research Centre, explained this this framework 'allowed more conversations about care at the state and federal levels and across health and police'. Professor Lubman suggested that the absence of this framework is a major driver of the lack of coherent strategy across jurisdictions and between health and police.<sup>23</sup> This

<sup>23</sup> Professor Lubman, Executive Clinical Director, Turning Point, and Director, Monash Addiction Research Centre, *Committee Hansard*, 20 April 2023, p. 17.

<sup>&</sup>lt;sup>18</sup> Department of Health and Aged Care, answer to written question on notice, 26 September 2023 (received 19 October 2023), pp. 3-5.

<sup>&</sup>lt;sup>19</sup> Mr Alex Engel, Assistant Secretary, Transnational Crime, Attorney-General's Department (AGD), *Committee Hansard*, 26 September 2023, p. 15.

<sup>&</sup>lt;sup>20</sup> Department of Health and Aged Care, answer to written question on notice, 26 September 2023 (received 19 October 2023), pp. 12-13.

<sup>&</sup>lt;sup>21</sup> AGD, answers to questions on notice, 26 September 2023 (received 1 November 2023).

<sup>&</sup>lt;sup>22</sup> See, for example, Professor Dan Lubman, Executive Clinical Director, Turning Point, and Director, Monash Addiction Research Centre, *Committee Hansard*, 20 April 2023, p. 17; Australian Alcohol and other Drugs Council, *Submission 24*, p. 11; Mr Vumbaca, President, Harm Reduction Australia, *Committee Hansard*, 29 June 2023, pp. 23-24; ACT Government, *Submission 5*, p. 7.

sentiment was echoed by Mr Gino Vumbaca of Harm Reduction Australia, who described the current circumstances as 'siloed'.<sup>24</sup>

3.21 The Australian Alcohol and other Drugs Council (AADC) shared this view and recommended that such a structure also include representatives of key alcohol and other drugs sector stakeholders, and those with relevant experience.<sup>25</sup>

# Lack of ongoing evaluation of the Strategy

- 3.22 The Strategy outlined a detailed process for monitoring and reporting progress of its implementation. This included:
  - an annual progress report in which the MDAF would provide an update on jurisdictional and national activity and identify trends and emerging issues based on the best available data. These reports were to be made publicly available on the Department of Health website;
  - a more detailed progress report to be prepared for the MDAF to submit to COAG in line with the release of findings of the National Drug Household Survey. The schedule for these progress reports at the time of the release of the Strategy was 2018, 2021, 2024 and a final report in 2027; and
  - a mid-point review of the Strategy in 2021-22 to provide any new priorities, emerging issues or challenges.<sup>26</sup>
- 3.23 It appears that of the three monitoring mechanisms envisaged by the Strategy, only an annual report for 2018 has been made publicly available. Further, the Department of Health explained to the committee that while some scoping work was undertaken to do a mid-point review, no formal review took place. Instead, the Department's focus is directed towards the next Strategy, to take effect after the current one ends in 2026.<sup>27</sup>

## **Inconsistency across jurisdictions**

- 3.24 In addition to the absence of a coordinated and integrated governance structure, the committee was also told that there are inconsistencies between state and territory and Commonwealth criminal laws relating to illicit drugs.
- 3.25 The *Criminal Code Act 1995* and the Criminal Code Regulations 2019 outline the Commonwealth laws related to supply of drugs and delineate between commercial, marketable and trafficable quantities. These establish the minimum quantities for drug offences to be prosecuted under Commonwealth laws.<sup>28</sup>

<sup>&</sup>lt;sup>24</sup> Mr Vumbaca, President, Harm Reduction Australia, *Committee Hansard*, 29 June 2023, pp. 23-24.

<sup>&</sup>lt;sup>25</sup> Australian Alcohol and other Drugs Council, *Submission* 24, p. 11.

<sup>&</sup>lt;sup>26</sup> Department of Health, National Drug Strategy 2017–2026, 13 December 2017, p. 40.

<sup>&</sup>lt;sup>27</sup> Ms Street, Acting Deputy Secretary, Primary and Community Care Division, Department of Health and Aged Care, *Committee Hansard*, 26 September 2023, p. 31.

<sup>&</sup>lt;sup>28</sup> *Criminal Code Act 1995, s.* 301.1-301.12; and Criminal Code Regulations 2019, Schedule 1.

- 3.26 However, supply-related thresholds under the national legislation are much lower than the thresholds for prosecution of possession-related offences in some jurisdictions. For example, in the ACT following decriminalisation, personal use amounts are substantially higher than federal trafficking laws. This causes an issue for law enforcement in the potential inconsistency that arises in relation to application of the laws. The ACT Government told the committee that greater consistency between the jurisdictions would enhance clarity for police. It noted the importance of legal clarity in the ACT given that ACT Policing is the community policing arm of the AFP.<sup>29</sup>
- 3.27 The ACT Government also noted that other Australian jurisdictions also have trafficking thresholds that exceed the Commonwealth levels, including NSW, Victoria and Tasmania.<sup>30</sup>
- 3.28 A further issue was raised regarding the threshold amounts within various laws that determine which offence someone found with drugs should be charged with (e.g. possession versus trafficking). The committee was told that the amount for a more serious trafficking offence is quite low in certain jurisdictions, which may catch certain persons not intending to supply to others within that scope.<sup>31</sup> Further, Professor Alison Ritter, Director of the Drug Policy Modelling Program at the University of New South Wales, noted that Australia is one of the only jurisdictions internationally to determine drug supply crimes by weight alone without other evidence of intent to supply (such as phone logs, scales and money bags).<sup>32</sup>
- 3.29 Mr Alex Engel, appearing on behalf of the Attorney-General's Department, acknowledged the jurisdictional inconsistencies in regards to drug thresholds. He advised that this matter is not being considered as part of a formal review but is 'on a list of policy work to work through with the states and territories'. He stated that the question about the thresholds themselves has not recently been considered. However, he advised that these thresholds are informed by intelligence advice from the AFP and ACIC, along with some input from health portfolio agencies.<sup>33</sup> Mr Engel stated that while the Commonwealth leads on national efforts and achieving consistency across jurisdictions, states and territories are in a better position to determine threshold amounts:

<sup>&</sup>lt;sup>29</sup> ACT Government, *Submission 5*, p. 8.

<sup>&</sup>lt;sup>30</sup> ACT Government, *Submission 5*, p. 8.

<sup>&</sup>lt;sup>31</sup> Professor Alison Ritter, Director of the Drug Policy Modelling Program at the University of New South Wales, *Committee Hansard*, 29 June 2023, p. 6; ACT Government, *Submission 5*, p. 8.

<sup>&</sup>lt;sup>32</sup> Professor Ritter, Director of the Drug Policy Modelling Program at the University of New South Wales, *Committee Hansard*, 29 June 2023, p. 6.

<sup>&</sup>lt;sup>33</sup> Mr Engel, Assistant Secretary, Transnational Crime, AGD, *Committee Hansard*, 26 September 2023, p. 13.

...there is a recognition that, especially when you're talking about personal use and possession and those sorts of issues, state and territory governments are often best placed to deal with these issues, because they're closer to the ground and the Commonwealth's focus is heavily on the top end of town and serious organised crime.<sup>34</sup>

## Rebalancing focus and resources among the pillars

- 3.30 The Strategy described the strong partnership between health and law enforcement as a 'key strength' and identified it as a factor 'central to the harm minimisation approach'.<sup>35</sup> However, as the following sections demonstrate, some submitters were of the view that implementation of the Strategy is weighted towards the activities of law enforcement, as opposed to health approaches.
- 3.31 The current distribution of funding among the three pillars of the strategy was identified as evidence of this weighting of the Strategy's focus towards law enforcement activities. The AADC submitted that supply reduction measures are funded 'at a factor of almost 3:1 compared with harm and reduction measures'.<sup>36</sup> Dr Karen Gelb, Acting Chief Executive Officer at Penington Institute, told the committee that law enforcement receives up to two-thirds of government expenditure on drug policy, while treatment receives over 30 per cent and harm reduction measures receive two to three per cent.<sup>37</sup>
- 3.32 It was suggested that current funding deficits for treatment services, and the resultant barriers to access, exacerbate or contribute towards harms, and increase law enforcement's workload.<sup>38</sup> The AADC estimated that 500,000 Australians are unable to access treatment for concerns relating to alcohol and other drugs.<sup>39</sup> Jesuit Social Services described the current treatment system as 'fragmented and underresourced'.<sup>40</sup>

<sup>&</sup>lt;sup>34</sup> Mr Engel, Assistant Secretary, Transnational Crime, AGD, *Committee Hansard*, 26 September 2023, p. 14.

<sup>&</sup>lt;sup>35</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017, p. 15.

<sup>&</sup>lt;sup>36</sup> Australian Alcohol and other Drugs Council, *Submission 24*, p. 8. See also Alison Ritter, Ross McLeod, and Marian Shanahan, '*Government drug policy expenditure in Australia – 2009/10' Drug Policy Modelling Program Monograph Series*, 2013, Monograph No. 24, Sydney, National Drug and Alcohol Research Centre.

 <sup>&</sup>lt;sup>37</sup> Dr Karen Gelb, Acting Chief Executive Officer, Penington Institute, *Committee Hansard*, 20 April 2023, p. 19; Harm Reduction Australia, *Submission 17*, p. 3.

<sup>&</sup>lt;sup>38</sup> Professor Lubman, Executive Clinical Director, Turning Point, and Director, Monash Addiction Research Centre, *Committee Hansard*, 20 April 2023, p. 10; Students for Sensible Drug Policy, *Submission 38*, p. 6.

<sup>&</sup>lt;sup>39</sup> Australian Alcohol and Other Drugs Council, *Submission* 24, p. 4.

<sup>&</sup>lt;sup>40</sup> Ms Julie Edwards, Chief Executive Officer, Jesuit Social Services, *Committee Hansard*, 20 April 2023, p. 31.

3.33 Penington Institute submitted that the current settings, including the heightened focus on the role of law enforcement in relation to drugs, limit the capacity for drug use to be considered a public health problem. It explained:

Law enforcement certainly has a role to play in reducing the supply and distribution of illicit drugs, especially at the level of large-scale organised criminal enterprises. Nonetheless, Australia must explore and prioritise health-led responses to illicit drug use rather than conceptualising drug use as a primarily criminal issue. Penington Institute believes that if Australia continues to maintain a 'tough on drugs' stance, this will inevitably lead to increased drug-related harm and ongoing damage to communities, while also unnecessarily burdening the criminal justice system, including law enforcement, courts and prisons.<sup>41</sup>

3.34 Inquiry participants who shared this view advocated for a rebalancing of government expenditure across the National Drug Strategy's three pillars, with more funding directed towards demand and harm reduction measures and a shift in approach from a punitive response to illicit drug consumption to a health-based one.<sup>42</sup> Penington Institute articulated this view as follows:

...the most urgent task in drug policy is to rebalance government expenditure across the three pillars of harm minimisation. Spending remains heavily skewed towards law enforcement efforts aimed at controlling drug use, compared with minimal investment in evidence-based harm reduction initiatives. There are multiple forms of harm reduction that have a proven track record of improving individual and public health but remain severely underfunded or absent, even as billions are spent on the outdated prohibition model.<sup>43</sup>

- 3.35 The Alcohol and Drug Foundation advised that spending on the pillars of harm minimisation needs to be rebalanced with increased investment in treatment and prevention interventions creating healthier communities that are more resilient and less vulnerable to illicit drug related harms. It advocated for a health-based approach to personal drug use that is non-punitive and non-stigmatising.<sup>44</sup>
- 3.36 The AADC suggested that there was a clear economic case for investment in health-based strategies. It stated:

<sup>43</sup> Penington Institute, *Submission 12*, p. 8.

<sup>&</sup>lt;sup>41</sup> Penington Institute, *Submission 12*, p. 11. See also, Mr Frank Hansen, Board Member, Harm Reduction Australia, *Committee Hansard*, 29 June 2023, p. 18.

<sup>&</sup>lt;sup>42</sup> See, for example, Harm Reduction Australia, *Submission 17*, p. 4; Turning Point and the Monash Addiction Research Centre, *Submission 32*, p. 6; Professor Lubman, Executive Clinical Director, Turning Point, and Director, Monash Addiction Research Centre, *Committee Hansard*, 20 April 2023, p. 11; Mr Robert Taylor, Knowledge Manager Policy and Advocacy, Alcohol and Drug Foundation, *Committee Hansard*, 20 May 2023, p. 19.

<sup>&</sup>lt;sup>44</sup> Mr Taylor, Knowledge Manager, Policy and Advocacy, Alcohol and Drug Foundation, *Committee Hansard*, 20 April 2023, p. 19.

Economic modelling illustrates a clear case for investment in health-based responses to illicit drug use, with for example, anywhere between \$5.40-7 returned for every \$1 invested in the treatment sector and \$27 returned for every \$1 invested into harm reduction programs, such as needle and syringe programs.<sup>45</sup>

- 3.37 While supporting a balanced approach, Professor Nick Crofts, Executive Director, Global Law Enforcement and Public Health Association, emphasised the 'critical role of law enforcement in achieving public health goals' which 'is often under-recognised and largely undervalued'.<sup>46</sup> Professor Crofts emphasised that 'we need to be looking at finding the right balance and the right level of involvement of police in addressing public health problems'.<sup>47</sup>
- 3.38 Law enforcement bodies and government policy departments both recognised the importance of a multifaceted approach to addressing the issue of illicit drugs. The AFP added 'aside from reducing harm at the individual level, improved access to healthcare and social services is key to reducing the drug demand that fuels TSOC'.<sup>48</sup>
- 3.39 The ACIC observed the importance of agile policy efforts to keep pace with addressing this multifaceted issue:

Solutions must continue to evolve with agile and integrated efforts, spanning policy, legislation and ongoing collaboration across law enforcement, intelligence and national security, health and education agencies and the private sector and academic institutions.<sup>49</sup>

<sup>&</sup>lt;sup>45</sup> Australian Alcohol and other Drugs Council, *Submission 24*, p. 9. See also, Turning Point and the Monash Addiction Research Centre, *Submission 32*, p. 6.

<sup>&</sup>lt;sup>46</sup> Professor Nick Crofts, Executive Director, Global Law Enforcement and Public Health Association, *Committee Hansard*, 20 April 2023, p. 1.

<sup>&</sup>lt;sup>47</sup> Professor Crofts, Executive Director, Global Law Enforcement and Public Health Association, *Committee Hansard*, 20 April 2023, p. 2.

<sup>&</sup>lt;sup>48</sup> Australian Federal Police, *Submission 59*, p. 2.

<sup>&</sup>lt;sup>49</sup> Australia Criminal Intelligence Commission, *Submission 54*, p. 2. Similar sentiments were also shared by the AGD, *Submission 13*, p. 5, and the Department of Home Affairs, *Submission 63*, p. 7.

# Chapter 4 Supply reduction and challenges

- 4.1 As one of the three pillars of the *National Drug Strategy* 2017–2026 (the Strategy), supply reduction focuses on the availability of, and access to, illicit drugs. Mechanisms for achieving supply reduction identified within the Strategy (noting that the Strategy applies to tobacco and alcohol in addition to illicit drugs) include:
  - regulating retail and wholesale sale;
  - age restrictions;
  - border control;
  - regulating or disrupting production and distribution; and
  - implementation of real-time monitoring of prescription medications so that prescribers can prevent patients inappropriately accessing harmful and substantial quantities of medications.<sup>1</sup>
- 4.2 As highlighted in chapter 3, Commonwealth departments and federal law enforcement and border protection agencies have key responsibilities in disrupting the supply of illicit drugs, including with respect to supply, production and distribution. This chapter outlines the scale of organised crime operations to supply illicit drugs to the domestic market; identifies key strategies employed by law enforcement and its partners to disrupt supply; and considers key challenges for law enforcement in undertaking these responsibilities.

# Profitability driving criminality

4.3 Inquiry participants told the committee that the high prices paid for drugs in Australia make it an attractive market and target for drug cartels.<sup>2</sup> Two factors were identified as driving this interest, namely the size of the illicit drug consumer population in Australia, and the willingness of Australians to pay high prices for illicit drugs.<sup>3</sup> The Australian Federal Police (AFP) explained that the majority of transnational, serious and organised crime (TSOC) syndicates in

<sup>&</sup>lt;sup>1</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017, p. 12.

<sup>&</sup>lt;sup>2</sup> See, for example, Mr Alex Engel, Assistant Secretary, Transnational Crime, Attorney-General's Department (AGD), *Committee Hansard*, 26 September 2023, p. 12; AGD, *Submission 13*, p. 4. NSW Crime Commission, *Submission 55*, p. 2; Department of Home Affairs, *Submission 63*, p. 4.

<sup>&</sup>lt;sup>3</sup> Australian Criminal Intelligence Commission (ACIC), *Submission 54*, p. 2; Australian Federal Police (AFP), *Submission 59*, p. 3.

Australia are involved in the drug trade and crime related to it, such as money laundering, weapons smuggling and violence.<sup>4</sup>

- 4.4 To illustrate profitability, the NSW Crime Commission shared observations from the NSW Police Force on the price of drugs during 2022. During this period, the price of a kilogram of cocaine varied between \$130,000 to \$280,000 and spiked mid-year to \$390,000. Similarly, crystal methylamphetamine (ice) varied from \$50 per point to as much as \$250 per point.<sup>5</sup>
- 4.5 The Australian Criminal Intelligence Commission (ACIC) also drew attention to the scale of profitability available to TSOC syndicates in the Australian market:

There is a significant mark-up in the price of the 4 major illicit drugs once they reach the Australian border. For example, Mexican cartels currently pay Colombian farmers US\$1,000 per kilogram for dried coca leaf. This price almost doubles once processed into cocaine and by the time it reaches Australia, cocaine can be sold for more than A\$300,000 per kilogram.<sup>6</sup>

4.6 Noting that organised crime groups could make 'tens of millions of dollars of profit from one successful shipment', the ACIC said that:

...the most sophisticated serious and organised crime syndicates will factor in losses of entire shipments as part of their business model, knowing they have more ventures on the water on the way to Australia.<sup>7</sup>

# Law enforcement approaches to transnational serious and organised crime

- 4.7 The AFP's law enforcement efforts with respect to illicit drugs centre on 'supply reduction measures through disruption of TSOC syndicates and targeting large-scale illicit drug importations'.<sup>8</sup>
- 4.8 The AFP told the committee that its focus is not on drug users, but rather on drug-related activities of TSOC syndicates. Ms Kristy Schofield, Assistant Commissioner, Crime Command stated that since 2018 the AFP has charged 12 offenders with 14 counts of low level possession. She stated that those charges have often arisen during law enforcement activities in relation to other crimes.<sup>9</sup>
- 4.9 The AFP told the committee that it is uniquely placed to take action across the spectrum of the criminal drug business model with the ability to attack drug traffickers' operations, logistics, finances and communications, onshore and

- <sup>6</sup> ACIC, Submission 54, pp. 2-3.
- <sup>7</sup> Ms Virginia Hartley, Acting Deputy Chief Executive Officer, Intelligence, ACIC, *Committee Hansard*, 26 September 2023, p. 38.
- <sup>8</sup> AFP, Submission 59, p. 8.
- <sup>9</sup> Ms Kirsty Schofield, Assistant Commissioner, Crime Command, AFP, Committee Hansard, 26 September 2023, p. 54.

<sup>&</sup>lt;sup>4</sup> AFP, Submission 59, p. 3.

<sup>&</sup>lt;sup>5</sup> NSW Crime Commission, *Submission 55*, p. 2.

offshore.<sup>10</sup> It stressed that in all the elements of its work, its priority is 'to prevent harm to the Australian community'. It stated:

By disrupting drug importations offshore, the AFP prevents their harmful effects from reaching Australian communities. As part of a range of strategies, for example focusing on the leaders of TSOC groups who target Australia from overseas, the AFP can maximise impact on the criminal environment.<sup>11</sup>

## Transnational law enforcement operations

- 4.10 Consistent with the international nature of the business model of illicit drug supply, the AFP told the committee that TSOC organisations 'intentionally position themselves offshore to expand their operations and strategically position elements of their criminal enterprises overseas to increase their control, influence and share of illicit markets'. The AFP added that these syndicates 'seek to operate from permissive offshore environments'.<sup>12</sup> The ACIC estimated that the percentage of Australia's TSOC syndicates either being based offshore, or having strong offshore links is, around 70 per cent.<sup>13</sup>
- 4.11 The AFP added that Operation IRONSIDE exposed cooperation between different TSOC groups, including both Australian-based and international groups. It stated:

Cartels, triads and mafia groups willingly work with each other, or work with Australian-based criminal syndicates, such as [outlaw motorcycle gangs] - who also have a significant overseas presence.<sup>14</sup>

4.12 The AFP told the committee that under Operation GAIN, it leads a taskforce targeting Australia's most entrenched and complex offshore TSOC threats:

These are the most serious criminals impacting Australia, who conduct their organised crime businesses (including narcotics trafficking and money laundering) in perceived safe and permissive locations around the world. These individuals and groups are globally networked, sophisticated and highly resilient to law enforcement.<sup>15</sup>

4.13 The Commonwealth Director of Public Prosecutions (CDPP) described the complexities of transnational investigations, and the related complexities that arise in these contexts. It stated that these cases:

- <sup>12</sup> AFP, Submission 59, p. 9.
- <sup>13</sup> ACIC, Submission 54, p. 3. See also reports by the United Nations Office on Drugs and Crime (UNODC) such as the latest annual report on Synthetic Drugs in East and Southeast Asia: Latest developments and challenges, 2023; AFP, Submission 59, p. 4.
- <sup>14</sup> AFP, Submission 59, p. 8.
- <sup>15</sup> AFP, Submission 59, p. 9.

<sup>&</sup>lt;sup>10</sup> AFP, *Submission* 59, p. 2.

<sup>&</sup>lt;sup>11</sup> AFP, Submission 59, p. 2.

...often involve proceedings in multiple jurisdictions, investigated by different police forces or joint taskforces...one branch of a group may be prosecuted in one jurisdiction in conjunction with state police, while a related matter is prosecuted in another jurisdiction in conjunction with federal police. Such prosecutions may also involve related criminality, such as money laundering, and may have links to state prosecutions for the distribution and use of the drugs.<sup>16</sup>

#### **Border operations**

4.14 The Australian Border Force (ABF) also performs critical functions in intercepting illicit drugs and precursors before they enter the Australian community. The Department of Home Affairs explained:

...the Department and ABF work closely with internal stakeholders and external entities nationally and internationally to share knowledge, information, and expertise, in order to protect the Australian community by detecting, deterring, and disrupting the trade of illicit drugs, drug precursors, and associated manufacturing equipment through coordinated intelligence and law enforcement action.<sup>17</sup>

4.15 The department told the committee that it uses an 'intelligence-informed and risk-based approach' to disrupt illicit supply chains, particularly where TSOC syndicates seek to exploit border controls and frameworks.<sup>18</sup>

#### The importance of partnerships

4.16 The committee was told that partnerships, both international and domestic, are vital to law enforcements' efforts to disrupt supply of illicit drugs.

#### International partnerships

4.17 Given the offshore origins of most of Australia's drugs and the overseas locations of many TSOC leaders, international partnerships are critical to stop the illicit drug trade 'at the source of origin' or 'transit point before it can cause harm to the Australian community'.<sup>19</sup> The AFP reported that it:

...works collaboratively with international jurisdictions to take the fight against drugs offshore, targeting high profile TSOC figures offshore and ensuring that illicit drugs are seized at the earliest opportunity, reducing the supply to Australia.<sup>20</sup>

4.18 The committee received a wide range of evidence about the importance of law enforcement developing and enhancing international partnerships to enable intervention in the supply chain prior to drugs arriving on Australia's shores.

<sup>&</sup>lt;sup>16</sup> Commonwealth Director of Public Prosecutions, *Submission* 57, p. 5.

<sup>&</sup>lt;sup>17</sup> Department of Home Affairs, *Submission 63*, p. 3.

<sup>&</sup>lt;sup>18</sup> Department of Home Affairs, *Submission* 63, p. 3.

<sup>&</sup>lt;sup>19</sup> AFP, *Submission 59*, p. 11.

<sup>&</sup>lt;sup>20</sup> AFP, *Submission* 59, p. 11.

For instance, the ACIC told the committee that engagement with partners also allows it to identify significant overseas drug threats to prevent them from being replicated in Australia.<sup>21</sup>

4.19 The AFP engages with international law enforcement agencies to disrupt supply operations before they reach Australian shores. As noted in chapter 2, this engagement resulted in the seizure of 66 tonnes of illegal drugs by overseas police with AFP assistance during financial year 2022-23.<sup>22</sup> The AFP explained that the motivation behind this strategy is to 'stop it at the source, to take the fight offshore'.<sup>23</sup> Ms Kristy Schofield, Assistant Commissioner, Crime Command provided an example of this strategy in practice:

There was 7,000 litres of meth in tequila bottles heading to Australia out of Mexico. Through our partnerships with authorities in Mexico, that was able to be stopped before it even landed on our shores.<sup>24</sup>

4.20 The AFP pointed to Taskforce BASILIK as another example of successful collaboration with international partners, this time with the Office of the Colombian Attorney General. With the intention of stopping the illicit drug trade at the source, the Taskforce was responsible for the seizure of six barrels of approximately 1,300 litres of precursor chemicals. The intervention in the market of these precursors was significant, with the AFP noting:

Removal of these precursors from the supply chain prevented the potential production of approximately 3 tonnes of cocaine. Had it reached Australia's shores, this volume of illicit drugs had the potential to generate societal harm amounting between \$750 million to \$1.2 billion.<sup>25</sup>

4.21 Taskforce BLAZE is another example of the AFP's international partnerships resulting in the disruption of illicit drug supply to Australia. Taskforce BLAZE is a standing partnership between the AFP and Office of China National Narcotics Control Commission which has operated since 2015. The AFP described Taskforce BLAZE as 'one of the most successful joint efforts in stopping illicit drugs impacting Australia and Pacific Island countries'.<sup>26</sup> This partnership has resulted in the seizure of 28 tonnes of illicit drugs and precursors, including methylamphetamine, cocaine, ketamine, MDMA and

- <sup>24</sup> Ms Schofield, Assistant Commissioner, Crime Command, Australian Federal Police, *Committee Hansard*, 26 September 2023, p. 53.
- <sup>25</sup> AFP, *Submission 59*, p. 12.

<sup>&</sup>lt;sup>21</sup> ACIC, Submission 54, p. 5.

<sup>&</sup>lt;sup>22</sup> AFP, Annual Report 2022-23, p. 5.

<sup>&</sup>lt;sup>23</sup> Ms Schofield, Assistant Commissioner, Crime Command, Australian Federal Police, *Committee Hansard*, 26 September 2023, p. 53.

<sup>&</sup>lt;sup>26</sup> AFP, 'AFP works with Chinese authorities to target illicit drug trafficking', *Media release*, 18 March 2024.

fentanyl, and safrole oil.<sup>27</sup> More than 11 tonnes of these substances were seized in China, while the remainder were seized by Australian authorities following information sharing between the agencies.<sup>28</sup>

- 4.22 The submission from the Department of Home Affairs and the ABF described these agencies' own partnerships and collaboration with international bodies. It stated that 'deepening international collaboration, information sharing and joint operational efforts with law enforcement and industry partners is effective in addressing and disrupting the illicit drug trade'. The ABF told the committee that collaboration with international agencies such as the World Customs Organization, and United Nations treaty bodies such as the International Narcotics Control Board, allows greater access to systems, tools and data to improve its operations.<sup>29</sup>
- 4.23 The ABF provided a range of examples where international partnerships resulted in successful interventions in the drug market. One such successful mission was Operation TIN CAN, which involved coordination of over 60 customs administrations with members of private industry around the world and the seizure of 100 tonnes of cocaine.<sup>30</sup> The ABF advised that a significant part of this operation involved focusing on ports and vessels in South America and disrupting the supply before it could arrive in Australia.<sup>31</sup> It advised:

We've made significant efforts in deploying a number of officers offshore to try and address the seizure of these narcotics offshore. In the last 12 months, 1.9 tonnes of narcotics has been seized offshore close to the source.<sup>32</sup>

4.24 The ABF also outlined successes in Panama, where it worked closely with colleagues in US Customs and Border Protection and Panama Customs to address rip-on/rip-offs of sea containers (discussed further below). The ABF told the committee that in the four months to September 2023, this work had identified over 30 containers that were subject to a rip-on, with removal of 1.14 tonnes of narcotics destined for Australia.<sup>33</sup>

- <sup>32</sup> Mr Fitzgerald, Acting Commissioner, ABF, *Committee Hansard*, 26 September 2023, p. 23.
- <sup>33</sup> Mr Fitzgerald, Acting Commissioner, ABF, Committee Hansard, 26 September 2023, p. 24.

<sup>&</sup>lt;sup>27</sup> Safrole oil is a precursor chemical.

<sup>&</sup>lt;sup>28</sup> AFP, 'AFP works with Chinese authorities to target illicit drug trafficking', *Media release*, 18 March 2024.

<sup>&</sup>lt;sup>29</sup> Department of Home Affairs, *Submission 63*, p. 7.

<sup>&</sup>lt;sup>30</sup> Mr Tim Fitzgerald, Acting Commissioner, Australian Border Force (ABF), *Committee Hansard*, 26 September 2023, p. 24.

<sup>&</sup>lt;sup>31</sup> Mr Fitzgerald, Acting Commissioner, ABF, *Committee Hansard*, 26 September 2023, p. 25.

#### Domestic partnerships

- 4.25 The AFP recognised the importance of engagement with domestic partners, stating that given the complexity of illicit drugs, a multifaceted approach in partnership with other agencies is needed.<sup>34</sup> The AFP advised that it works closely with domestic partners to 'maximise intelligence insights and capabilities, leveraging our unique offshore reach and international relationships'.<sup>35</sup>
- 4.26 The AFP identified two taskforces that exist to bring together members from a number of agencies to address drug or drug-related crime. The first example, the Joint Organised Crime Taskforces (JOCTFs), consist of members of the AFP, ABF, ACIC, Department of Home Affairs and state and territory police. The AFP described the purpose and operation of JOCTFs as follows:

JOCTFs are established in Queensland, Northern Territory and Victoria to investigate, prosecute, deter and disrupt serious and organised crime, including illicit drugs. JOCTFs allow for cross-jurisdictional investigations of serious organised crime, and the coordination of resources, legislative powers and experience across agencies.<sup>36</sup>

4.27 The second, the Criminal Assets Confiscation Taskforce, brings together the AFP, ABF, the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Australian Taxation Office and the ACIC.<sup>37</sup> This taskforce and its purpose are discussed further in the following section.

### Financial benefits flowing to offenders from the illicit drug trade

4.28 The financial benefits associated with the illicit drug trade are significant. As mentioned in chapter 2, the Australian Institute of Criminology estimates that serious and organised crime cost Australia up to \$60.1 billion in 2020-21.<sup>38</sup> Further, in relation to the flow on effects of the illicit drug trade in Australia specifically, the ACIC highlighted:

Due to the significant profits available through illicit drug trafficking, laundering criminal proceeds is a key enabler of illicit drug markets. Money laundering can take a variety of forms, often the profits are transferred offshore, or concealed through company structures, comingled with legitimate funds, used for the purchase of high value assets, often with assistance from professional facilitators. The concealment of the profits also

<sup>&</sup>lt;sup>34</sup> Mr Grant Nicholls, Acting Deputy Commissioner, Crime, AFP, Committee Hansard, 26 September 2023, p. 47.

<sup>&</sup>lt;sup>35</sup> AFP, *Submission 59*, p. 11.

<sup>&</sup>lt;sup>36</sup> AFP, *Submission* 59, p. 11.

<sup>&</sup>lt;sup>37</sup> Mr Nicholls, Acting Deputy Commissioner, Crime, AFP, Committee Hansard, 26 September 2023, p. 47.

<sup>&</sup>lt;sup>38</sup> ACIC, Submission 54, p. 11.

means that [serious organised crime] groups do not pay tax on proceeds of criminality.<sup>39</sup>

- 4.29 Targeting unexplained wealth is a tactic utilised by law enforcement to intervene in actions taken by mid to high level management of TSOC syndicates. Unexplained wealth regimes enable law enforcement to target the individuals who are benefiting from the proceeds of crime, not just those who are perpetrating individual crimes at a lower level in the TSOC hierarchy.<sup>40</sup>
- 4.30 The current national unexplained wealth regime is legislated in the *Proceeds of Crime Act 2002* (the Proceeds of Crime Act). This legislation gives law enforcement powers to gather information and intervene in occurrences of unexplained wealth across Australia. Where individuals are identified as having significantly more assets than their legally declared income, officers are empowered to investigate the source of these assets. Where there are reasonable grounds to suspect an individual has committed an offence against the Commonwealth or their wealth in part or whole was accumulated as a result of an offence, the information gathering powers can be applied to investigate and intervene.<sup>41</sup>

#### Criminal Assets Confiscation Taskforce

4.31 As stated above, the Criminal Assets Confiscation Taskforce (CACT) is a national multi-agency taskforce that seeks to trace, restrain and ultimately confiscate criminal assets. The AFP described the objectives of the CACT as follows:

The CACT seeks to deprive persons and criminal groups of the proceeds, instruments and benefits of their offending, to punish and deter persons from breaching laws, and to undermine the profitability of criminal enterprises. The CACT disincentivises criminality, such as illicit drug trafficking activities, by depriving organised crime syndicates of profits, whilst also preventing reinvestment in further criminal activities.<sup>42</sup>

4.32 To date, the CACT has had significant success in the confiscation of criminal assets. In 2019, the AFP Commissioner set a five year target to restrain \$600 million of assets by 2024.<sup>43</sup> In August 2022, the CACT surpassed this target two years ahead of schedule. In the decade since its commencement, the CACT

<sup>41</sup> *Proceeds of Crime Act* 2002 (Cth), s. 20A.

<sup>&</sup>lt;sup>39</sup> ACIC, Submission 54, p. 11.

<sup>&</sup>lt;sup>40</sup> Police Federation of Australia, *Submission* 46, pp. 2-3.

<sup>&</sup>lt;sup>42</sup> AFP, *Submission 59*, p. 14.

<sup>&</sup>lt;sup>43</sup> AFP, 'AFP restrains \$1 billion in criminal assets in major milestone', *Media release*, 12 December 2023.

has restrained over \$1.2 billion in criminal assets, and more than \$500 million has been forfeited to the Commonwealth.<sup>44</sup>

4.33 The proceeds of confiscated assets are placed into the Commonwealth's Confiscated Assets Account (CAA). Funds in the CAA are then redistributed by the Attorney-General to fund programs for crime prevention, law enforcement, treatment and diversionary measures related to illicit drugs, and other community-related safety initiatives.<sup>45</sup>

# Challenges

- 4.34 This section identifies some of the key challenges for law enforcement in disrupting the illicit drug supply chain that were raised in evidence to this inquiry. These include:
  - perceptions of the effectiveness of supply reduction activities undertaken by law enforcement and border protection agencies;
  - the constantly evolving methods and capabilities of TSOC syndicates;
  - difficulties regulating the importation of precursor chemicals;
  - trusted insiders; and
  - the National Cooperative Scheme on Unexplained Wealth.

## Effectiveness

4.35 Some evidence questioned the effectiveness of law enforcement, pointing out the levels of illicit drug consumption continuing at high rates despite record seizures. The ABF estimated that it is able to disrupt 20 to 25 per cent of illicit drug imports on a daily basis.<sup>46</sup> Mr Robert Taylor, Knowledge Manager, Policy and Advocacy, Alcohol and Drug Foundation pointed out:

Despite ongoing investment in law enforcement, the use of illicit substances in Australia continues to increase, and the harms of criminalisation continue to outweigh the risks of drug use itself. The number of Australians who have used an illicit drug in their lifetime increased from 38 per cent in 2007 to 43 per cent in 2019. Evidence shows drug markets continuing to expand, despite the interruptions of the pandemic and record seizures by law enforcement.<sup>47</sup>

4.36 Furthermore, in relation to supply reduction measures and illicit drug seizures by law enforcement, Harm Reduction Australia underlined the limited ongoing impact these actions had on the market overall:

<sup>&</sup>lt;sup>44</sup> AFP, Submission 59, p. 14.

<sup>&</sup>lt;sup>45</sup> AFP, *Submission 59*, p. 14.

<sup>&</sup>lt;sup>46</sup> Mr Fitzgerald, Acting Commissioner, ABF, *Committee Hansard*, 26 September 2023, p. 19.

<sup>&</sup>lt;sup>47</sup> Mr Robert Taylor, Knowledge Manager, Policy & Advocacy, Australian Drug Foundation, *Committee Hansard*, 20 April 2023, p. 19.

Even in the area of occasional (always highly publicised) so-called 'largescale seizures' of drugs including heroin and amphetamine-type substances (ATS), there is now routine acknowledgement (including by past and serving law enforcement officials) that despite frequent public claims to the contrary, such seizures do not have any lasting suppression effect on the potential harms associated with, the demand for or supply of illicit substances. Indeed, it has been acknowledged that these large-scale law enforcement efforts are typically "a signal of increased rather than reduced supply" and invariably come at a significant cost to the public purse.<sup>48</sup>

4.37 The AFP countered this view by posing the counterfactual:

I think the issue here is that one can only imagine what it would be like without the efforts of institutions like the AFP and other organisations who are tackling this problem at its root cause. We have a number of officers offshore who are doing absolutely tremendous work to stop the drugs coming in across the border and creating the harm and misery that has been perpetuated on Australia.<sup>49</sup>

- 4.38 The Tasmanian Department of Police, Fire and Emergency Management expressed a similar view, stating that 'Tasmania Police views every thwarted attempt to traffic illicit substances in the State as a win', describing the prevented harm to individuals and communities resulting from disruptions as 'immeasurable'.<sup>50</sup>
- 4.39 Further, ACIC intelligence suggests that there is a measurable impact on the illicit drug market following seizures:

Our assessments indicate that where multihundred kilogram seizures of cocaine or methamphetamine have occurred the corresponding impact in supply is almost immediate, with a two- to six-month tail before the market responds.<sup>51</sup>

## Modes of supply constantly evolving

- 4.40 The ability of TSOC syndicates to adapt their methods to evade law enforcement was identified as a significant challenge.
- 4.41 In relation to importation, the committee was informed that TSOC syndicates employ a variety of methods to attempt to bring illicit drugs into Australia. The Department of Home Affairs said that some of these include:

<sup>&</sup>lt;sup>48</sup> Harm Reduction Australia, *Submission* 17, pp. 3-4.

<sup>&</sup>lt;sup>49</sup> Mr Nicholls, Acting Deputy Commissioner, Crime, AFP, Committee Hansard, 26 September 2023, p. 48.

<sup>&</sup>lt;sup>50</sup> Tasmanian Department of Police, Fire and Emergency Management, *Submission* 67, p. 5.

<sup>&</sup>lt;sup>51</sup> Ms Hartley, Acting Deputy Chief Executive Officer, Intelligence, ACIC, Committee Hansard, 26 September 2023, p. 38.

- mis-declaration deliberately declaring a consignment as containing a different commodity.
- 'piggybacking' using legitimate importers' details with or without the importers knowledge.
- 'rip on/rip off' whereby illicit goods are placed amongst legitimate cargo or baggage offshore (port of departure) and is retrieved near to, or at, the port of arrival.
- 'scattergun' whereby multiple packages containing illicit goods are sent to different locations.
- diversion of underbond goods<sup>52</sup>, involving the diversion of goods during transportation between customs-controlled places.
- mother-daughter transfers at sea,<sup>53</sup> geo-tagged drops at sea, and underwater concealments.
- walk-offs by corrupt industry insiders.
- under water hull attachments whereby illicit goods are strapped to the hulls of ships to evade detection.<sup>54</sup>
- 4.42 The Department of Home Affairs stated that the 'tried and tested' methods, such as concealing illicit drugs and precursors in dense materials or mixing with similar materials continue. However, the ABF has observed sophisticated TSOC groups experimenting with other methods, such as employing the use of 3D printing technologies.<sup>55</sup>
- 4.43 The NSW Crime Commission told the committee that TSOC syndicates employ 'multipronged efforts' in order to maximise chances of successful importation. It explained:

Multi-hundred-kilogram drug imports travel through sea routes on cargo vessels or through covert voyages on smaller vessels. They take longer to plan but when successful reap the largest rewards. Smaller 10-30kg imports come through air freight companies that arrive several times a week, often sent to residential addresses. There is evidence of particular syndicates diversifying their methodologies, using both methods concurrently and sending drugs from different ports of origin to avoid detection.<sup>56</sup>

4.44 The Department of Home Affairs emphasised the need for financial and nonfinancial investments in personnel, technology, domestic and international partnerships in order to improve the ability of Australian authorities to achieve

<sup>&</sup>lt;sup>52</sup> 'Underbond goods' are goods under customs control.

<sup>&</sup>lt;sup>53</sup> Mother-daughter transfers involve the transportation of drugs on a large commercial vessel to within the vicinity of Australia's coastline, where a second vessel takes the drugs either from the ship or where that ship has left the drugs, before they are transported to shore: NSW Crime Commission, *Annual Report 2022-23*, p. 7.

<sup>&</sup>lt;sup>54</sup> Department of Home Affairs, *Submission 63*, p. 5.

<sup>&</sup>lt;sup>55</sup> Department of Home Affairs, *Submission 63*, p. 5.

<sup>&</sup>lt;sup>56</sup> NSW Crime Commission, *Submission 55*, p. 3.

a greater level of detection and disruption pre, at, and post border.<sup>57</sup> It explained:

Investment in partnerships and technologies to modernise border systems with greater and improved security options and access controls will further harden Australia's border from the importation of illicit drugs and chemicals.<sup>58</sup>

- 4.45 Mr Tim Fitzgerald, Acting Commissioner of the ABF, proposed legislative reform to provide the ABF with greater powers around surveillance and electronic surveillance. Mr Fitzgerald identified a recommendation of the Comprehensive Review of the Legal Framework of the National Intelligence Community that 'the ABF should be granted the power to use tracking devices under warrant and authorisation for the purpose of serious and organised crime investigations', as one such proposal.<sup>59</sup>
- 4.46 The National Centre for Education and Training on Addiction (NCETA) expressed a view that the decades of interaction between law enforcement and TSOC syndicates may have led to a 'survival of the fittest' dynamic evolving. It explained:

Resilient, adaptive and opportunistic organisations, networks and actors currently dominate illicit drug production and supply chains because only the most innovative and cunning organisations remain...Repeated escalations in law enforcement sophistication have been mirrored by escalations by organised criminal groups. There is no particular reason to believe that this will change in the future.<sup>60</sup>

- 4.47 NCETA surmised that these organisations will continue to seek to exploit technologies in order to maintain illicit drug supply. Such methods may include exploiting secure communication channels and adapting transportation models, trafficking routes and concealment methods.<sup>61</sup>
- 4.48 Government witnesses confirmed to the committee that improvements in technology, particularly communications technology, are a major factor challenging the ability of law enforcement to disrupt supply operations. The NSW Crime Commission stated that these capabilities 'allow syndicates to operate globally with the principals able to direct operations well outside the reach of policing jurisdictions'.<sup>62</sup> The Department of Home Affairs identified the 'widespread' use of anonymising technologies and the dark web by TSOC

<sup>&</sup>lt;sup>57</sup> Department of Home Affairs, *Submission 63*, p. 9.

<sup>&</sup>lt;sup>58</sup> Department of Home Affairs, *Submission* 63, p. 9.

<sup>&</sup>lt;sup>59</sup> Mr Fitzgerald, Acting Commissioner, ABF, *Committee Hansard*, 26 September 2023, pp. 19-20.

<sup>&</sup>lt;sup>60</sup> National Centre for Education and Training on Addictions (NCETA), *Submission 41*, p. 4.

<sup>&</sup>lt;sup>61</sup> NCETA, Submission 41, p. 4.

<sup>&</sup>lt;sup>62</sup> NSW Crime Commission, *Submission 55*, p. 3.

syndicates as a risk to community safety. It also advised that these technologies challenge the ability of law enforcement to detect, prevent and disrupt serious criminal activities under some existing powers.<sup>63</sup>

### **Precursor chemicals**

4.49 Precursor chemicals are necessary for the production of synthetic drugs or may be utilised as substances on their own.<sup>64</sup> The ACIC explained that 'domestic manufacture of methylamphetamine and a number of other illicit drugs relies on the importation or diversion of precursor chemicals that originate offshore, primarily from China and India'.<sup>65</sup> It stated:

Every gram of illicit drug manufactured or reconstituted in Australia relies either on the diversion of a precursor, pre-precursor, reagent or solvent from legitimate distribution channels in this country, or the illegal importation of these products.<sup>66</sup>

- 4.50 The committee was told that the importation of precursor chemicals poses several challenges. Some of these are outlined in the following paragraphs.
- 4.51 First, many precursor chemicals also have legitimate industrial uses.<sup>67</sup> Therefore, while some chemicals may be smuggled in, others may be imported through legitimate processes but then diverted towards illicit purposes.<sup>68</sup> The Attorney-General's Department described this as 'a difficult policy and legislative issue to get around'.<sup>69</sup>
- 4.52 The ACIC suggested that an opportunity to monitor for and prevent diversion of precursor chemicals away from legitimate uses may arise from the substantial quantities required to make drugs (e.g. production of one kilogram of methamphetamine requires 10 to 20 kilograms of chemicals). Such an approach, the ACIC stated, could be achieved through the collaboration of law enforcement, regulators and industry.<sup>70</sup> The Department of Home Affairs recommended the introduction of a legislative amendment to address possession of commercial quantities of precursors outside of this category. It

- <sup>68</sup> Mr Engel, Assistant Secretary, Transnational Crime, AGD, *Committee Hansard*, 26 September 2023, p. 12; AGD, *Submission 13*, p. 4.
- <sup>69</sup> Mr Engel, Assistant Secretary, Transnational Crime, AGD, Committee Hansard, 26 September 2023, p. 12.
- <sup>70</sup> ACIC, Submission 54, pp. 4-5.

<sup>&</sup>lt;sup>63</sup> Department of Home Affairs, *Submission 63*, p. 4.

<sup>&</sup>lt;sup>64</sup> ACIC, Submission 54, p. 4; Mr Engel, Assistant Secretary, Transnational Crime, AGD, Committee Hansard, 28 February 2024, p. 12.

<sup>&</sup>lt;sup>65</sup> ACIC, Submission 54, p. 4.

<sup>&</sup>lt;sup>66</sup> ACIC, Submission 54, p. 4.

<sup>&</sup>lt;sup>67</sup> South Australia Police, *Submission 11*, p. 4; ACIC, *Submission 54*, p. 4.

noted that at present, while it is an offence to posses controlled precursors under the *Criminal Code Act 1995*, no such offence exists in relation to commercial quantities of precursors.<sup>71</sup>

- 4.53 Second, the detection of precursors at the border is a challenge for law enforcement authorities. The ACIC pointed to the scale of the precursor markets, the number and sophistication of the syndicates involved, as well as the length and nature of Australia's border as creating particularly difficult conditions for authorities.<sup>72</sup> The Department of Home Affairs and the ABF confirmed this view, advising the committee that the ABF's 'ability to detect and respond to the trafficking of precursor chemicals, illicit drugs, and trade based money laundering is stressed'.<sup>73</sup>
- 4.54 Third, while existing border controls regulate the importation of many precursor chemicals, AGD advised that new production methodologies are being developed by criminals using chemicals that are currently unregulated, and therefore avoiding regulatory controls.<sup>74</sup> Despite these challenges, the AFP highlighted that regulation, within both Australia and exporting jurisdictions, does have a significant impact on the production capabilities of TSOC groups.<sup>75</sup> It explained:

In May 2021, China scheduled [Gamma butyrolactone (GBL), a sedative that metabolises into Gamma-hydroxybutyrate (GHB)] as a precursor chemical to regulate its manufacture and distribution. This came into effect from September 2021. Consequently, Australian border seizures of GBL dropped significantly to 522 kilograms in the 2021-22 financial year, with no significant seizure from China since September 2021.<sup>76</sup>

4.55 Fourth, inconsistencies between Commonwealth and state and territory regulations can create risks of diversion and unnecessary costs for legitimate industry.<sup>77</sup> AGD explained that state and territory laws regulate the possession of many precursor chemicals not captured by Commonwealth border controls. However, their uncontrolled importation creates a significant risk of diversion.<sup>78</sup> The NSW Crime Commission provided an example of this occurring in relation to the chemical 1,4-butanediol ('BD'):

<sup>78</sup> AGD, *Submission* 13, pp. 4-5.

<sup>&</sup>lt;sup>71</sup> Department of Home Affairs, *Submission 63*, p. 6.

<sup>&</sup>lt;sup>72</sup> ACIC, Submission 54, p. 9.

<sup>&</sup>lt;sup>73</sup> Department of Home Affairs, *Submission 63*, p. 6.

<sup>&</sup>lt;sup>74</sup> AGD, Submission 13, p. 4. See also, UNODC, World Drug Report 2022, Booklet 1, p. 57.

<sup>&</sup>lt;sup>75</sup> AFP, Submission 59, p. 6.

<sup>&</sup>lt;sup>76</sup> AFP, Submission 59, p. 7.

<sup>&</sup>lt;sup>77</sup> AGD, Submission 13, p. 4.

BD is not a prohibited import however is categorised as a prohibited drug in accordance with the provisions of Schedule 1 of the *Drug Misuse and Trafficking Act 1985* (NSW) ('DMT Act'). BD is an industrial chemical and is illicitly used as a substitute to gammahydroxybutyric acid ('GHB'). BD and gamma-butyrolactone ('GBL') are structurally similar to GHB and there is a large body of evidence to confirm that GBL and BD are converted to GHB after oral administration.<sup>79</sup>

4.56 AGD informed the committee of current efforts underway to address these inconsistencies through the Precursor Working Group, which includes representatives from Commonwealth, state and territory governments. This working group is seeking to ensure national consistency of controls and exploring options to enhance controls on illicit drug precursors.<sup>80</sup>

## **Trusted insiders**

- 4.57 Another threat identified as one of 'significant concern' to Australian law enforcement authorities is the use of trusted insiders within the illicit drug supply chain.<sup>81</sup>
- 4.58 A trusted insider is described as a person who holds a position of trust and has access to, and knowledge of, customs controlled information. Trusted insiders include maritime supply chain employees, shipping crew, dockworkers, employees at freight forwarding companies, noncompliant traders and customs brokers.<sup>82</sup>
- 4.59 Trusted insiders can be approached by members of TSOC organisations and offered financial incentives to facilitate importations of illicit drugs. The use of trusted insiders by TSOC groups was described by the AFP:

As part of their strategy to avoid detection, TSOC syndicates have been able to infiltrate and plant operators in key maritime and aviation facilities, which are used as gateways for the importation of illicit drugs into the country.<sup>83</sup>

4.60 Recent media has captured the significant importation power of trusted insiders. For example, in October 2023, two Qantas baggage handlers were part of a group of five men identified as responsible for attempted importation of approximately 100 kilograms of cocaine via Sydney Airport.<sup>84</sup> Another example of attempted drug importation through a sea port included the attempted

<sup>&</sup>lt;sup>79</sup> NSW Crime Commission, *Submission 55*, p. 3.

<sup>&</sup>lt;sup>80</sup> AGD, Submission 13, p. 4.

<sup>&</sup>lt;sup>81</sup> Mr Fitzgerald, Acting Commissioner, ABF, *Committee Hansard*, 26 September 2023, p. 19.

<sup>&</sup>lt;sup>82</sup> Department of Home Affairs, *Submission* 63, p. 10.

<sup>&</sup>lt;sup>83</sup> AFP, *Submission 59*, p. 10.

<sup>&</sup>lt;sup>84</sup> Maryanne Taouk, 'Sydney Airport baggage handlers among five men charged over alleged cocaine importation', *ABC News*, 9 October 2023.

importation of 622 kilograms of methamphetamine hidden inside a shipment of toilet paper, which arrived in Melbourne via sea cargo from Malaysia on 4 October 2023.<sup>85</sup>

- 4.61 The Department of Home Affairs submitted that Operation IRONSIDE had 'confirmed that criminal infiltration within supply chains had reached a scale of national concern'.<sup>86</sup> The ABF stated that there are 'about a thousand individuals that we've identified and a hundred businesses across the supply chain that we're concerned are involved in illicit activities'.<sup>87</sup>
- 4.62 The committee was informed of operations being undertaken to address the threat of trusted insiders. For example, Operation JARDENA, was established by the ABF to target TSOC groups and other high threat entities seeking to exploit vulnerabilities in Australia's borders.<sup>88</sup> Officers with Operation JARDENA work with the AFP-led Taskforce CENTINEL.<sup>89</sup> This taskforce was developed to 'remove trusted insiders from all levels of the supply chain, ensuring that the criminal "back doors" are permanently closed'.<sup>90</sup>

## The National Cooperative Scheme on Unexplained Wealth

- 4.63 Discussion earlier in this chapter outlined the powers available to law enforcement to combat the vast profits obtained by TSOC syndicates through the illicit drug trade. The committee was informed that attempts have been made to improve law enforcements' capability to restrain assets using multi-jurisdictional cooperation through the development of the National Cooperative Scheme on Unexplained Wealth (the Scheme). However, the committee heard that issues have arisen in the implementation of this scheme.
- 4.64 The Scheme, which came into force on 10 December 2018, is a mechanism that 'enhances the ability of Commonwealth, State and Territory law enforcement agencies to trace, identify and seize assets that cannot be connected to a lawful source'. The Scheme provides participating jurisdictions access to additional

<sup>&</sup>lt;sup>85</sup> AFP, 'Four men charged after 600kg of methamphetamine hidden in toilet rolls seized in Melbourne', *Media release*, 12 October 2023.

<sup>&</sup>lt;sup>86</sup> Department of Home Affairs, *Submission* 63, p. 8.

<sup>&</sup>lt;sup>87</sup> Mr Fitzgerald, Acting Commissioner, ABF Committee Hansard, 26 September 2023, p. 21.

<sup>&</sup>lt;sup>88</sup> Department of Home Affairs, *Submission* 63, p. 8.

<sup>&</sup>lt;sup>89</sup> Department of Home Affairs, *Submission* 63, p. 8.

<sup>&</sup>lt;sup>90</sup> AFP, *Submission* 59, p. 10.

information gathering powers, including production orders and notices to financial institutions.<sup>91</sup>

- 4.65 Jurisdictions that participate in the Scheme, and therefore gain access to the additional powers, must provide a report to be tabled in the Commonwealth Parliament on their use of the additional powers.<sup>92</sup> However, few jurisdictions have provided reports on the use of these information gathering powers (only the Australian Capital Territory, New South Wales and Northern Territory for the 2022-23 period).<sup>93</sup>
- 4.66 The Police Federation of Australia supported harmonisation of unexplained wealth regimes around Australia to prevent criminals from being able to use inconsistencies across borders to their advantage.<sup>94</sup> The Attorney-General's Department stated that at present, there is variation in how the proceeds of crime legislation works in different jurisdiction in Australia, with some jurisdictions being 'more forward-leaning than others'. The department concluded that 'national consistency would be helpful'.<sup>95</sup>
- 4.67 On 12 October 2023, the Attorney-General, the Hon Mark Dreyfus KC MP, announced an independent review into the National Cooperative Scheme on Unexplained Wealth.<sup>96</sup>

<sup>95</sup> Mr Engel, Assistant Secretary, Transnational Crime, AGD, Committee Hansard, 26 September 2023, p. 15.

<sup>&</sup>lt;sup>91</sup> Department of Home Affairs, National Cooperative Scheme on Unexplained Wealth, 7 June 2023, https://www.homeaffairs.gov.au/reports-and-publications/reports/reports-to-parliament/natcoop-scheme#:~:text=The%20National%20Cooperative%20Scheme%20on,connected%20to%20a% 20lawful%20source (accessed 22 March 2024).

<sup>&</sup>lt;sup>92</sup> *Proceeds of Crime Act* 2002 (Cth), Schedule 1, s. 20.

<sup>&</sup>lt;sup>93</sup> AGD, Proceeds of Crime Act, <u>https://www.ag.gov.au/crime/proceeds-crime-act</u> (accessed 30 October 2023).

<sup>&</sup>lt;sup>94</sup> Mr Scott Weber, Chief Executive Officer, Police Federation of Australia, *Committee Hansard*, 27 September 2023, pp. 3, 5.

<sup>&</sup>lt;sup>96</sup> The Hon Mark Dreyfus KC MP, Attorney-General, 'Independent Review of the National Cooperative Scheme on Unexplained Wealth', *Media Release*, 12 October 2023.

# Chapter 5 Harm minimisation

- 5.1 As outlined in chapter 3, harm reduction and demand reduction join supply reduction as the three pillars of the *National Drug Strategy* 2017–2026 (the Strategy). The harm reduction and demand reduction pillars primarily impact the consumption of illicit drugs and the individuals that consume them. These measures seek to influence or have impact on the decisions and activities of consumers with the aim of achieving the broader objective of harm minimisation.
- 5.2 Demand reduction measures seek to influence the factors that lead to drug use, including biological, psychosocial and environmental factors. The Strategy identifies the aim of these as preventing uptake and delaying first use; reducing harmful use; and supporting people to recover from drug related problems.<sup>1</sup>
- 5.3 Harm reduction measures respond to risks arising from drug use. The Strategy states that these encourage safer behaviours and reduce preventable risk factors, and 'can contribute to a reduction in health and social inequalities among specific population groups'.<sup>2</sup> These strategies are largely implemented at the state and territory level, and jurisdictions around Australia have introduced a range of measures, including access to needle and syringe programs, safe drug consumption sites, and the introduction of diversionary pathways from the criminal justice system to treatment services.<sup>3</sup>
- 5.4 While harm minimisation is the principle that underpins the Strategy as a whole, in this inquiry, this term was also used to refer to measures under the demand and harm reduction pillars. Therefore, in this chapter, 'harm minimisation' will be used in a similar way.
- 5.5 A significant amount of evidence provided to this committee discussed various harm minimisation measures. This chapter provides an overview of two of these, namely:
  - decriminalisation of personal use; and
  - drug checking and safe injecting facilities.
- 5.6 This chapter then identifies areas of possible reform or improvement, particularly in relation to the activities of law enforcement, and concludes with

<sup>&</sup>lt;sup>1</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017, pp. 8-10.

<sup>&</sup>lt;sup>2</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017, p. 13.

<sup>&</sup>lt;sup>3</sup> Department of Health and Aged Care, *Submission 23*, p. 5.

a discussion of some of the major challenges for law enforcement presented by the implementation of harm minimisation measures.

# Decriminalisation of personal use

## Impacts of criminal responses to drug consumption

- 5.7 A significant proportion of evidence to this inquiry argued that personal use of illicit drugs should be addressed by a policy approach which links consumers with health support.
- 5.8 The committee was told that a punitive approach to illicit drug use not only fails to remedy harms, but also increases risks for consumers.<sup>4</sup> Community Legal Centres Australia described some of these harms as follows:
  - increasing contact with the criminal justice system, particularly for people experiencing poverty, disadvantage, or discrimination (through unequal exercise of discretion by police, courts etc.)
  - discouraging help-seeking in relation to the trauma that often underlies drug dependence, for emergency assistance in response to overdoses, and for longerterm treatment and rehabilitation
  - negatively affecting people's ability to improve their social and economic circumstances by creating barriers to employment, housing, and other services (through criminal record discrimination)
  - disrupting people's efforts at rehabilitation through unnecessary imprisonment – particularly where criminalisation interacts with states', and territories' draconian bail laws to leave hundreds of people in prison awaiting trial for drug charges that will not result in a prison sentence when they finally reach court.
  - failing to provide adequate treatment and rehabilitation services to people in prison.<sup>5</sup>
- 5.9 Community Legal Centres Australia stated that these harms are disproportionally experienced by people experiencing poverty, homelessness, mental ill-health and trauma, and highlighted the particular impact on Aboriginal and Torres Strait Islander people, who are more likely to face charges for minor drug offences than non-Indigenous people.<sup>6</sup>
- 5.10 The Australian Criminal Intelligence Commission's *Illicit Drug Data Report* 2020-21 contains data on the number of drug-related arrests during that financial year around Australia. It recorded that of the 140,624 drug arrests

<sup>&</sup>lt;sup>4</sup> Community Legal Centres Australia, *Submission 65*, p. 4. See also, Mr Robert Taylor, Knowledge Manager, Policy and Advocacy, Alcohol and Drug Foundation, *Committee Hansard*, 20 April 2023, p. 19; Dr Karen Gelb, Acting Chief Executive Officer, Penington Institute, *Committee Hansard*, 20 April 2023, p. 20.

<sup>&</sup>lt;sup>5</sup> Community Legal Centres Australia, *Submission 65*, p. 4.

<sup>&</sup>lt;sup>6</sup> Community Legal Centres Australia, *Submission 65*, pp. 4-5.

during that financial year, 122,824 arrests were for consumer-related offences, while 16,190 were for providing drugs. The consumer-related arrests included arrests that were dealt with through other means, such as Cannabis Expiation Notices in South Australia (SA CENs), Cannabis Intervention Requirements in Western Australia (WA CIRs), Drug Infringement Notices in the Northern Territory (NT DINs), and Simple Cannabis Offence Notices in the Australian Capital Territory (ACT SCONs).<sup>7</sup> A full breakdown of these consumer-related offences is set out in Figure 5.1 below.

	Consumer			
State/territory	Male	Female	Not known	Total
NSW	19,424	5,095	10	24,529
Vic	25,318	7,616	1	32,935
Qld	25,746	10,830	0	36,576
SA	3,226	1,166	0	4,392
SA CENs <sup>♭</sup>	3,720	1,197	3	4,920
WA	10,556	4,195	48	14,799
WA CIRs <sup>c</sup>	966	423	6	1,395
Tas	1,602	506	0	2,108
NT	248	89	0	334
NT DINs <sup>d</sup>	413	209	0	622
ACT	173	38	0	211
ACT SCONs <sup>e</sup>	0	0	0	0
Total	91,392	31,364	68	122,824

Figure 5.1 *Illicit Drug Data Report 2020-21*: Number of arrests for drug consumer-related offences

Source: ACIC, Illicit Drug Data Report 2020-21, October 2023, p. 149.

5.11 Some witnesses expressed concerns that a focus by law enforcement on drug possession is leading to high numbers of people coming into contact with the criminal justice system, which may have ongoing consequences for individuals and the justice system.<sup>8</sup>

 <sup>&</sup>lt;sup>7</sup> Australian Criminal Intelligence Commission (ACIC), *Illicit Drug Data Report 2020-21*, October 2023, p. 149.

<sup>&</sup>lt;sup>8</sup> See, for example, Penington Institute, *Submission 12*, p. 1; QuIHN Ltd and QuIVAA Inc, *Submission 14*, pp. 9-10; Harm Reduction Australia, *Submission 17*, p. 3; Professor Dan Lubman, Executive Clinical Director, Turning Point and Director, Monash Addiction Research Centre,

- 5.12 However, police and police associations were clear that their main focus is on drug trafficking, and that low level possession charges are often resolved with fines and diversion programs, rather than incarceration.<sup>9</sup> South Australia Police told the committee that it 'has a clear policy that ensures youth who are found with simple possession of illicit drugs...are referred to options which are likely to reduce or avoid their appearance in court'.<sup>10</sup> The Police Association of Victoria (TPAV) pointed out that the greater likelihood is that individuals may be charged with drug offending 'in conjunction with other criminal offences'.<sup>11</sup>
- 5.13 Mr Scott Weber, Chief Executive Officer of the Police Federation of Australia told the committee that in the absence of other factors, it is unlikely that a first interaction between police and an individual caught with illicit drugs in their possession will lead to the person being sent to jail. Mr Weber told the committee that particularly where the drug found is cannabis, the possessor would likely receive a caution and a referral to an awareness education program. Where the substance is a heavier drug, such as cocaine, heroin or ice, there would be a charging process, but would likely lead to a diversionary program or mandatory education.<sup>12</sup>
- 5.14 The ACIC suggested that further research may clarify what proportion of arrests for possession have occurred concurrently with other charges:

...research could seek to clarify this issue by examining the proportion of people arrested for possession of illicit drugs who are concurrently charged with another criminal offence, and who would not have come to law enforcement attention but for the concurrent (nondrug related) offence. Research of this type would increase understanding of the nature and extent of drug related offending and consider the discretion exercised and action taken by law enforcement officers in relation to drug offences.<sup>13</sup>

## **Overview of decriminalisation**

5.15 Decriminalisation was put forward by inquiry participants as a harm minimisation strategy that removes drug users from the criminal justice system and instead connects them with health support.

*Committee Hansard*, 20 April 2023, p. 10; Mr Taylor, Knowledge Manager, Policy and Advocacy, Alcohol and Drug Foundation, *Committee Hansard*, 20 April 2023, p. 19.

<sup>&</sup>lt;sup>9</sup> See, for example, Mr Wayne Gatt, Secretary, The Police Association of Victoria (TPAV), *Committee Hansard*, 20 April 2023, p. 57; Mr Scott Weber, Chief Executive Officer, Police Federation of Australia, *Committee Hansard*, 27 September 2023, p. 6.

<sup>&</sup>lt;sup>10</sup> South Australia Police, *Submission 11*, p. 6.

<sup>&</sup>lt;sup>11</sup> Mr Gatt, Secretary, TPAV, Committee Hansard, 20 April 2023, pp. 52, 57.

<sup>&</sup>lt;sup>12</sup> Mr Weber, Chief Executive Officer, Police Federation of Australia, *Committee Hansard*, 27 September 2023, p. 6.

<sup>&</sup>lt;sup>13</sup> ACIC, Submission 54, p. 14.

5.16 Windana Drug and Alcohol Recovery described decriminalisation as follows:

The decriminalisation of illicit drug use would instead see the creation of infringements or administrative sanctions for the personal and use of drugs, moving these matters outside the remit of the criminal justice system and towards the public health system.<sup>14</sup>

#### Decriminalisation versus legalisation

- 5.17 Decriminalisation was distinguished from legalisation, which occurs when illicit drugs are legalised and comprehensive laws are enacted to regulate their use, supply and access. Mr Greg Denham, the Australian Representative of Law Enforcement Action Partnerships summarised this by describing legalisation as 'regulation and controlled availability on a scale'.<sup>15</sup>
- 5.18 Mr Gino Vumbaca, President of Harm Reduction Australia, drew a comparison between regulation of illicit drugs and the current approach taken to alcohol and tobacco:

Like we do with alcohol and tobacco, we have restrictions around that. No-one's saying legalisation means it's available anywhere and you can buy it at any service station, any milk bar or whatever in the country. We're talking about removing the criminal penalties associated with it and not putting people before the criminal justice system because they happen to decide to intake a particular substance.<sup>16</sup>

5.19 Professor Nick Crofts, Executive Director of the Global Law Enforcement and Public Health Association, argued that at present, the illegal status of illicit drugs means that the 'regulation' of these substances falls to criminals. He stated:

If it is legal and it can be regulated—and 'regulated' means in lots of different ways. It doesn't mean over-the-counter sale or street corner sale; it can be on prescription, it can be all sorts of different ways, depending on what the drug is and what the situation is.<sup>17</sup>

#### Types of decriminalisation – de jure versus de facto

5.20 There are different types of decriminalisation: de facto and de jure decriminalisation. Turning Point and the Monash Addiction Research Centre described this distinction as follows:

In law (or de jure) decriminalisation would see drug use remain illegal, but criminal penalties for personal possession and use of drugs would either be removed from the law or replaced with civil penalties such as fines, or

<sup>&</sup>lt;sup>14</sup> Windana Drug and Alcohol Recovery, *Submission 39*, p. 3.

<sup>&</sup>lt;sup>15</sup> Mr Greg Denham, Australian Representative, Law Enforcement Action Partnerships, *Committee Hansard*, 20 April 2023, p. 8.

<sup>&</sup>lt;sup>16</sup> Mr Gino Vumbaca, President, Harm Reduction Australia, *Committee Hansard*, 29 June 2023, p. 20.

<sup>&</sup>lt;sup>17</sup> Professor Nick Crofts, Executive Director, Global Law Enforcement and Public Health Association, *Committee Hansard*, 20 April 2023, p. 7.

administrative penalties such as restrictions on attending designated areas. By comparison, in practice (de facto) decriminalisation retains criminal penalties in law but seeks to prevent them from being applied.<sup>18</sup>

5.21 Figure 5.2 below identifies some of the key distinctions between de jure and de facto decriminalisation.

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Figure 5.2 Description of de	e jure and de facto decriminalisation models
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De jure decriminalisation models can include:	De facto decriminalisation models can include:
removing criminal penalties	non-enforcement of the law (through police discretion or police or prosecutorial guidelines)
replacing criminal penalties with civil penalties (such as a fine) and criminal penalties may be applied if a person fails to comply with the civil penalty	referral of offenders to education/treatment instead of court (eligibility tends to be subject to criteria: such as that this be a first/second offence and criminal penalties may be enforced for non- compliance)
replacing criminal penalties with administrative penalties (such as a ban on attending a designated site)	

Source: Australian Alcohol and other Drugs Council, Submission 24, p. 21.

# De jure decriminalisation

- 5.22 The committee was informed that examples of a de jure decriminalisation approach currently operate in certain jurisdictions around Australia, including:
  - the *Drugs of Dependence (Personal Use) Amendment Act* 2022 in the Australian Capital Territory, which commenced operation on 28 October 2023. Under this reform, individuals in possession of illicit drugs below a certain threshold are issued with a caution, a \$100 fine or a referral to a drug diversion program.<sup>19</sup>
  - the Criminal Infringement Notice Scheme (CINS) in New South Wales, which sees police able to issue up to two on the spot \$400 fines for personal drug use and possession which can be waived if the individual accesses treatment support.<sup>20</sup> The CINS is regulated by the Criminal Procedure Amendment (Penalty Notices for Drug Possession) Regulation 2019 (NSW).<sup>21</sup>
  - the Cannabis Expiation Notice (CEN) scheme in South Australia, which was the first method of de jure decriminalisation introduced in Australia in 1987.

<sup>&</sup>lt;sup>18</sup> Turning Point and the Monash Addiction Research Centre, *Submission 32*, p. 15.

<sup>&</sup>lt;sup>19</sup> Ms Rachel Stephen-Smith MLA, Minister for Health, ACT, 'Drug law reform changes commence tomorrow', *Media release*, 27 October 2023.

<sup>&</sup>lt;sup>20</sup> Mr Ryan Park, Minister for Health, NSW, Ms Yasmin Catley, Minister for Police and Counter-Terrorism, NSW, and Mr Michael Daley, Attorney-General, NSW, 'Police given power to issue on-the-spot fines with health intervention for small quantity drug possession', *Media release*, 10 October 2023.

<sup>&</sup>lt;sup>21</sup> Australian Lawyers Alliance, *Submission 6*, p. 10.

Under the scheme, individuals in possession of, or consuming, a prescribed amount of cannabis not in a public or restricted place under the *Controlled Substances Act 1984 (SA)* are issued an expiation notice. If the expiation fee is paid, the individual is not liable to be prosecuted for the offence.<sup>22</sup> A similar cannabis expiation scheme is also in effect in the Northern Territory.<sup>23</sup>

5.23 Witnesses told the committee that the benefits associated with de jure decriminalisation are significant. As the thresholds and penalties are clearly outlined in legislation, there is limited police discretion or unintended impacts on particular individuals or groups. As highlighted by the Alcohol and Drug Foundation:

De jure decriminalisation of personal drug use ensures clarity in the application of the law. Clear and consistent legislative approaches are more effective than ad hoc and discretionary measures. Discretion and ad hoc approaches tend to reinforce existing health and judicial inequalities as certain populations have greater exposure to police.<sup>24</sup>

#### De facto decriminalisation

- 5.24 In comparison to de jure decriminalisation, de facto decriminalisation 'sees the criminal sanctions remain in the law, but law enforcement practices change to not charge individuals with personal drug use'.<sup>25</sup>
- 5.25 To date, de facto decriminalisation is the more common approach taken in Australia, with a range of examples of de facto pathways outlined in the evidence received by the committee.
- 5.26 As advised by the Department of Health and Aged Care (Department of Health), de facto decriminalisation is present in certain forms in jurisdictions around Australia:

All jurisdictions have some form of de facto decriminalisation through diversionary schemes for small amounts of drug possession. Law enforcement or courts may choose to respond to instances of drug possession without pursuing criminal penalties.<sup>26</sup>

5.27 Concerns were raised about the operation of de facto decriminalisation models in practice. Most commonly, issues associated with the application of police discretion, particularly in dealing with marginalised groups, were raised with the committee. Professor Dan Lubman, Executive Clinical Director, Turning Point and Director, Monash Addiction Research Centre, explained:

<sup>&</sup>lt;sup>22</sup> Australian Lawyers Alliance, *Submission 6*, p. 21.

<sup>&</sup>lt;sup>23</sup> Australian Lawyers Alliance, *Submission 6*, p. 26.

<sup>&</sup>lt;sup>24</sup> Alcohol and Drug Foundation, *Submission* 36, p. 19.

<sup>&</sup>lt;sup>25</sup> Alcohol and Drug Foundation, *Submission* 36, p. 14.

<sup>&</sup>lt;sup>26</sup> Department of Health and Aged Care, *Submission 23*, p. 7.

One of the things we're really highlighting is that the response to different Australians depends on where you live and who actually arrests you. We have a number of states that provide really clear drug diversion laws that are in legislation, which are mandated. For example, in the South Australian system it's mandated and 95 per cent of people are given a drug diversion charge, whereas in other jurisdictions that drops to around 50 per cent or less. That's often based on the individual viewpoint of the arresting officer and system.<sup>27</sup>

- 5.28 The Australian Lawyers Alliance (ALA) described allegations of 'postcode justice' in NSW where the Cannabis Cautioning Scheme gives police discretion to issue cautions for possession of less than 15 grams of cannabis. The ALA told the committee that statistics from the NSW Bureau of Crime Statistics and Research indicate that cautions are more highly used in areas such as North Sydney (75 per cent cautioned), Byron Bay (66 per cent cautioned) and the Northern Beaches (64 per cent cautioned), compared to Penrith (36 per cent cautioned), Newcastle (34 per cent cautioned), Cessnock (28 per cent cautioned) and Singleton (11 per cent cautioned).<sup>28</sup>
- 5.29 Evidence presented to the committee indicated that the use of police discretion to issue cautions instead of charges was more likely to benefit non-Indigenous than Indigenous people. Penington Institute advised that in NSW, 40 per cent of non-Indigenous people received a caution for minor drug offences, compared with only 11 per cent of Indigenous Australians.<sup>29</sup> The harms caused by these approaches were further expanded by Dr Karen Gelb, Acting Chief Executive Officer of Penington Institute, who noted:

We know how harmful it is to be criminalised. We know how harmful it is to have an encounter with police. That's why there's the illicit drug diversion initiative. That's why police have diversion opportunities available. But the evidence also shows that those diversion opportunities are not used equitably across society. It's the more vulnerable, more marginalised parts of the community, such as Aboriginal and Torres Strait Island peoples, who have less access to diversionary opportunities. They're simply not offered to them as often. That diversion, the official program that acknowledges the harms caused by criminalisation, is not as accessible to marginalised communities.<sup>30</sup>

#### **International approaches**

5.30 Multiple international jurisdictions have decriminalised use and possession of some or all drugs, including Portugal, Netherlands, Switzerland, British

<sup>&</sup>lt;sup>27</sup> Professor Lubman, Executive Clinical Director, Turning Point and Director, Turning Point and Monash Addition Research Centre, *Committee Hansard*, 20 April 2023, p. 14.

<sup>&</sup>lt;sup>28</sup> Australian Lawyers Alliance, *Submission 6*, pp. 9-10.

<sup>&</sup>lt;sup>29</sup> Penington Institute, *Submission* 12, p. 2.

<sup>&</sup>lt;sup>30</sup> Dr Gelb, Acting Chief Executive Officer, Penington Institute, *Committee Hansard*, 20 April 2023, p. 22.

Columbia in Canada, Bolivia, Uruguay, Chile and the Czech Republic.<sup>31</sup> In the United States, multiple jurisdictions have legalised cannabis, while the state of Oregon pursued an agenda of decriminalisation in 2020 with respect to small amounts of all drugs.<sup>32</sup>

5.31 In discussing the benefits of decriminalisation and legalisation models, witnesses regularly pointed to international examples to highlight the efficacy of these approaches. Given the length of time decriminalisation has been in place in Portugal, that experience is examined in the following paragraphs. The more recent implementation of decriminalisation of all drugs in Oregon is also discussed.

#### Portugal

- 5.32 In 2001, Portugal comprehensively decriminalised illicit drugs for personal use. This included all cases of consumption, purchase or possession of up to a ten-day supply of an illicit drug. Individuals found with illicit drugs are subject to administrative sanctions which are determined by the Commissions for the Dissuasion of Drug Addiction. The Commissions consist of legal, health and social work professionals who take a holistic approach to providing access to employment, housing, psychological and medical supports.<sup>33</sup>
- 5.33 Prior to the reforms taking place, the Portuguese Government worked with police to ensure the success of the legislative changes, including through the provision of training and support.<sup>34</sup> Police are still empowered to address drug trafficking and supply, which include harsh penalties.
- 5.34 Crucially, prior to the decriminalisation of illicit drugs in Portugal, significant investment was made by the government in associated health care. The Attorney-General's Department explained:

Portugal's decision to legally decriminalise illicit drug possession in 2001 was coupled with ambitious initiatives to improve healthcare responses, leading to an immediate significant reduction in drug-related mortality.<sup>35</sup>

5.35 The Alcohol and Drug Foundation explained that increased health spending resulted in an expansion in the number of outpatient treatment units from 50 to 79 between 2000 and 2009. Further, the country invested in a substantial number of needle and syringe programs, and now has triple the number that exists in Spain despite having only a quarter of the population.<sup>36</sup> The Alcohol and Drug

<sup>&</sup>lt;sup>31</sup> Australian Injecting and Illicit Drug Users League, *Submission 31*, p. 18.

<sup>&</sup>lt;sup>32</sup> Australian Injecting and Illicit Drug Users League, *Submission* 31, p. 18.

<sup>&</sup>lt;sup>33</sup> Turning Point and the Monash Addiction Research Centre, *Submission 32*, p. 22.

<sup>&</sup>lt;sup>34</sup> Harm Reduction Australia, *Submission 17*, p. 5.

<sup>&</sup>lt;sup>35</sup> Attorney-General's Department, *Submission 13*, p. 14.

<sup>&</sup>lt;sup>36</sup> Alcohol and Drug Foundation, *Submission 36*, pp. 21-22.

Foundation emphasised the importance of the mutual relationship between the two reforms, being decriminalisation and substantial investment in health infrastructure, in achieving positive outcomes through the reforms:

The improved health outcomes that Portugal has seen have required these two reforms alongside one another – without decriminalisation the harms of criminalisation would continue, and without additional investment in health the harms associated with problematic substance use itself would not be adequately addressed.<sup>37</sup>

- 5.36 Evidence to the committee identified a number of positive outcomes that arose out of Portugal's decriminalisation, including:
  - HIV diagnoses linked to injecting drug use have declined;<sup>38</sup>
  - levels of drug use in Portugal have been lower than the European average, with 11.2 per cent of the population having used illicit drugs in their lifetime compared to the European Union (EU) average of 21.7 per cent;<sup>39</sup>
  - drug-related deaths in Portugal have decreased from the EU median in 2001 to one of the lowest in Europe;<sup>40</sup> and
  - no observed increase in the use of drugs.<sup>41</sup>
- 5.37 Despite these positive improvements, João Goulão, the Portuguese National Drugs Coordinator and a member of the 10-person committee that first advised the Portuguese Government on decriminalisation, cautioned against considering decriminalisation as a 'silver bullet'. He stated '[i]f you decriminalize and do nothing else, things will get worse'. He emphasised that 'the most important part was making treatment available to everybody who needed it for free. This was our first goal'.<sup>42</sup>
- 5.38 Recent media reporting suggests that some concerns are being raised in Portugal about rising rates of drug use and overdoses, as well as increased visibility of drug use. This same reporting noted that economic downturns have impacted government funding directed towards Portugal's drug oversight operation,

<sup>&</sup>lt;sup>37</sup> Alcohol and Drug Foundation, *Submission 36*, pp. 21-22.

<sup>&</sup>lt;sup>38</sup> Turning Point and the Monash Addiction Research Centre, *Submission 32*, p. 22; NSW Users and Aids Association, *Submission 43*, p. 13; QuIHN Ltd and QuIVAA Inc, *Submission 14*, p. 11; Australasian College for Emergency Medicine, *Submission 29*, p. 3.

<sup>&</sup>lt;sup>39</sup> Alcohol and Drug Foundation, *Submission 36*, pp. 17-18.

<sup>&</sup>lt;sup>40</sup> Windana Drug and Alcohol Recovery, *Submission 39*, p. 4.

<sup>&</sup>lt;sup>41</sup> Australian Injecting and Illicit Drug Users League, *Submission 31*, p. 18.

<sup>&</sup>lt;sup>42</sup> Alcohol and Drug Foundation, *Submission 36*, p. 22. See also, Daphne Bramham, 'Decriminalization is no silver bullet, says Portugal's drug czar', *Vancouver Sun*, 8 September 2018.

which decentralised and outsourced part of its operation following a funding drop from €76 million to €16 million in 2012.<sup>43</sup>

#### Oregon, United States

- 5.39 In 2020, voters in Oregon voted to decriminalise small amounts of illicit drugs. Under these reforms, a person found with less that a prescribed threshold amount can be fined up to US\$100. Payment of the fine could be waived if the recipient contacts a dedicated helpline where they are connected with a health professional. Further, a Treatment and Recovery Services fund was established.<sup>44</sup>
- 5.40 In March 2024, the Oregon legislature passed a bill to recriminalise possession of small amounts of drugs such as heroin or methamphetamine, reversing some of the 2020 reforms. The bill also contained provisions intended to expand access to opioid withdrawal and addiction treatment.<sup>45</sup>
- 5.41 According to media reports, the bill follows increases in the number of overdose deaths, an influx of fentanyl, public visibility of drug use and delays in the rollout of health treatment programs promised under the original 2020 reforms.<sup>46</sup>

#### **Concerns about decriminalisation**

5.42 Not all inquiry participants supported decriminalisation. Drug Free Australia expressed concerns that decriminalisation exacerbates societal and policing problems.<sup>47</sup> It suggested that following decriminalisation, Oregon has observed a measurable increase in the number of overdose deaths.<sup>48</sup> It described the Portugal model as 'failed' and argued that drug use and overdose deaths had both increased since 2001 following decriminalisation.<sup>49</sup>

<sup>&</sup>lt;sup>43</sup> Anthony Faiola and Catarina Fernandes Martins, 'Once hailed for decriminalizing drugs, Portugal is now having doubts', *The Washington Post*, 7 July 2023.

<sup>&</sup>lt;sup>44</sup> Release, Submission 44, [pp. 9-10].

<sup>&</sup>lt;sup>45</sup> Oregon Legislative Assembly, House Bill 4002, 2024 Regular Session (Or).

<sup>&</sup>lt;sup>46</sup> Unnamed, 'Oregon lawmakers pass bill to recriminalize drug possession', *AP News*, 3 March 2024; Megan Trimble, Josh Campbell and Kaanita Iyer, 'Oregon Legislature approves bill to recriminalize certain drug possession', *CNN*, 1 March 2024; David Ovalle, 'Oregon's pioneering drug decriminalization effort faces rollback', *The Washington Post*, 1 March 2024.

<sup>&</sup>lt;sup>47</sup> Drug Free Australia, *Submission* 4.3, p. 6.

<sup>&</sup>lt;sup>48</sup> Drug Free Australia, *Submission 4.3*, p. 32.

<sup>&</sup>lt;sup>49</sup> Drug Free Australia, *Submission 4.3*, p. 32.

- 5.43 Rural Health Tasmania raised concerns that decriminalisation may lead to greater issues around impairment in working environments, which may have impacts on work health and safety concerns.<sup>50</sup>
- 5.44 The Police Federation of NSW stated that, in its view, decriminalisation of hard drugs, including amphetamines, heroin, cocaine and MDMA, 'cannot be achieved safely under current circumstances'.<sup>51</sup> Further, it opposed decriminalisation in its entirety, due to the significant practical difficulties for police that could arise. Instead, however, it proposed the legalisation of cannabis, but only following extensive investment in education and health resources. It explained:

Where the governments can institute quality control, put in the education, tax it and drive education with the money that they're getting, let's do that with marijuana first. Put the resources in place and then see how that works for a couple of years so that we've got the resources and the data that you are looking for to move to the other drugs.<sup>52</sup>

# Drug checking and safe injecting facilities

- 5.45 Related to decriminalisation, other harm reduction strategies, such as drug testing, safe injecting facilities, needle and syringe exchange programs and treatment were promoted to the committee as evidence-based strategies for mitigating the impacts of drug harm.
- 5.46 The following paragraphs focuses on two such harm minimisation strategies, namely drug checking and safe injecting facilities.

# Drug checking

5.47 Drug checking facilities allow individuals to have a sample of their drugs tested for content and purity. One such program, CanTEST, operates in Canberra as a fixed site drug checking pilot. Individuals can present to CanTEST with drugs for checking and speak to an on-site nurse who provides general, mental and sexual health advice.<sup>53</sup> CanTEST publishes monthly summaries and releases community notices to alert individuals when certain substances are detected through the program.

<sup>&</sup>lt;sup>50</sup> Mr Robert Waterman, Rural Health Tasmania, *Committee Hansard*, 20 April 2023, p. 47.

<sup>&</sup>lt;sup>51</sup> Mr Tony Bear, Strategy and Relationships Manager, Police Association of New South Wales, *Committee Hansard*, 29 June 2023, p. 49.

<sup>&</sup>lt;sup>52</sup> Mr Bear, Strategy and Relationships Manager, Police Association of New South Wales, *Committee Hansard*, 29 June 2023, p. 49.

<sup>&</sup>lt;sup>53</sup> Ms Bronwyn Hendry, Chief Executive Officer, Directions Health Services Limited, *Committee Hansard*, 26 September 2023, pp. 1-2.

5.48 The committee heard evidence of the significant impact the CanTEST service is having in the detection of previously unidentified substances circulating in the community:

CanTEST has demonstrated the role that services such as this can play in identifying emerging trends and risks. For example, last October a new recreational drug not previously seen in Australia was identified, thanks to CanTEST. Critically, in December last year [2022], CanTEST identified a nitazene in a substance tested. Nitazenes are extremely potent synthetic opioids, similar to fentanyl, that have very high risk of overdose and death and have already resulted in deaths in Australia.<sup>54</sup>

- 5.49 Professor Suzanne Nielsen, Deputy Director of the Monash Addiction Research Centre, told the committee that drug checking and the knowledge of what is in substances can influence individuals to not consume substances.<sup>55</sup> This was supported by findings in an independent evaluation of the first six months of the CanTEST pilot undertaken by the Australian National University.<sup>56</sup> Representatives of Directions Health Services Ltd, which operates CanTEST, highlighted two findings in particular: that following drug checking by the service, approximately 30 per cent of users were likely to not consume the drug if it contained ingredients that were different to what the user was expecting;<sup>57</sup> and that approximately one in ten samples tested resulted in a drug being discarded at the service.<sup>58</sup>
- 5.50 The committee received evidence that it is not uncommon for CanTEST to turn people away due to overcapacity.<sup>59</sup> Another witness noted that some individuals have travelled to Canberra from Victoria or New South Wales to

<sup>&</sup>lt;sup>54</sup> Ms Hendry, Chief Executive Officer, Directions Health Services Limited, Committee Hansard, 26 September 2023, p. 1.

<sup>&</sup>lt;sup>55</sup> Professor Suzanne Nielsen, Deputy Director, Monash Addiction Research Centre, *Committee Hansard*, 20 April 2023, p. 12.

<sup>&</sup>lt;sup>56</sup> Anna Olsen, Greta Baillie, Raimondo Bruno, David McDonald, Mohamed Hammoud and Amy Peacock, *CanTEST Health and Drug Checking Service Program Evaluation: Final Report*, Australian National University, 2023.

<sup>&</sup>lt;sup>57</sup> Ms Stephanie Stephens, Chief Operating Officer, Directions Health Services Limited, *Committee Hansard*, 26 September 2023, p. 8.

<sup>&</sup>lt;sup>58</sup> Ms Hendry, Chief Executive Officer, Directions Health Services Limited, *Committee Hansard*, 26 September 2023, p. 2. See also, Anna Olsen, Greta Baillie, Raimondo Bruno, David McDonald, Mohamed Hammoud and Amy Peacock, *CanTEST Health and Drug Checking Service Program Evaluation: Final Report*, Australian National University, 2023, p. 2, provided in an answer to question on notice from CanTEST, taken at a public hearing in Canberra on 26 September 2023 (received 23 October 2023).

<sup>&</sup>lt;sup>59</sup> Ms Stephens, Chief Operating Officer, Directions Health Services Limited, *Committee Hansard*, 26 September 2023, p. 7.

access the facility.<sup>60</sup> Given the high level of demand for the service, it was suggested by some witnesses that drug-checking services should be expanded.<sup>61</sup>

- 5.51 Recently, drug checking services have been introduced in New South Wales and Queensland. In March 2024, drug checking services were provided at a music festival in Queensland, which was the first time that such facilities had been made available in that state. CheQpoint, a fixed drug checking facility, opened in Brisbane in April 2024. Between April 2024 and April 2025, CheQpoint will open for operation on Friday afternoons and early evenings.<sup>62</sup>
- 5.52 On 8 April 2024, a four-month drug checking research project commenced at the Medically Supervised Injecting Centre (MSIC) in Kings Cross, Sydney. During this period, people intending to use drugs can have their drugs tested by a specialist drug and alcohol clinician and analytical chemist from The Loop Australia. This service occurs one afternoon a week and is funded by The Loop Australia, with initial funding from National Centre for Clinical Research on Emerging Drugs (NCCRED) and support from the University of New South Wales. As this is a research project, this service has not arisen out of a change in policy from the NSW Government or the passage of any new legislation.<sup>63</sup>
- 5.53 Turning Point and the Monash Addiction Centre identified that the success of expanded drug testing operations 'depends on service users' willingness to use them; a willingness that is based on the service users being anonymous and not targeted by police'.<sup>64</sup>
- 5.54 Mr Scott Weber, CEO of the Police Federation of Australia, told the committee that despite some initial resistance to the pilot program in Canberra, police have observed 'a large amount of people go in there and utilise that facility and get education. A lot of people are leaving their pills there and not even utilising them'. Mr Weber expressed a view that this program should be rolled out across the ACT.<sup>65</sup> While acknowledging that drug checking has some benefits, TPAV

<sup>&</sup>lt;sup>60</sup> Professor Lubman, Executive Clinical Director, Turning Point, and Director, Monash Addiction Research Centre, *Committee Hansard*, 20 April 2023, p. 12.

<sup>&</sup>lt;sup>61</sup> See, for example, Professor Nielsen, Deputy Director, Monash Addiction Research Centre, Committee Hansard, 20 April 2023, p. 10; Dr Simon Judkins, Chair, Mental Health Working Group, *Committee Hansard*, 20 April 2023, p. 13.

<sup>&</sup>lt;sup>62</sup> QuIHN, 'Cheqpoint', 2024 <u>https://www.quihn.org/cheqpoint/</u> (accessed 22 April 2024).

<sup>&</sup>lt;sup>63</sup> Uniting, 'Drug checking research project commences at Uniting's Medically Supervised Injecting Centre (MSIC)', *Media release*, 8 April 2024.

<sup>&</sup>lt;sup>64</sup> Turning Point and Monash Addiction Research Centre, *Submission 32*, p. 12.

<sup>&</sup>lt;sup>65</sup> Mr Weber, Chief Executive Officer, Police Federation of Australia, *Committee Hansard*, 27 September 2023, p. 6.

took a different view, stating that it 'is opposed to the testing of pills and other illegal drugs for the purpose of consumption of those drugs'.<sup>66</sup>

- 5.55 Professor Lubman, Turning Point and the Monash Addiction Research Centre, said that the Parliamentary Budget Office has estimated that the establishment and operation of 18 drug testing sites, as well as an Australian drug testing agency and a national drug warning system, would cost \$16 million per annum.<sup>67</sup>
- 5.56 While acknowledging that drug checking works for 'some harms and some drug problems in some populations', Professor Suzanne Nielsen, Deputy Director, Monash Addiction Research Centre, identified that this method isn't likely to assist other forms of drug use, such as someone who frequently injects heroin. Professor Nielsen stated:

We need to have a range of different solutions and think about how we're making drugs safer and reducing that harm. I think pill testing is one solution that's very important for a range of the population, but we need a much broader vision than that.<sup>68</sup>

#### Safe injecting facilities

- 5.57 Safe injecting facilities provide a space wherein individuals who inject illicit drugs (such as heroin) can do so in a medically supervised environment and have access to other treatment and support options.
- 5.58 Two safe injecting rooms operate in Australia. The MSIC commenced operation in Kings Cross, Sydney in 2001 and is operated by Uniting. Uniting told the committee that the centre has assisted over 17,000 people since establishment. The nature of the support offered extends beyond safe and sanitised injecting facilities to broader health and social welfare including assisting with access to housing and treatment. Uniting stated that 'in 1.2 million supervised injections, the centre has successfully managed 10,611 overdoses without any deaths'.<sup>69</sup> The committee heard from a volunteer with Uniting NSW.ACT, Mr Kevin Street, who accessed the services at the MSIC. Mr Street told the committee:

I had no intention of quitting heroin. I was going to be a heroin addict for the rest of my life, but one of the things that changed was the support I received at MSIC. The lack of stigma and non-judgement from staff was refreshing and unusual to me. I didn't feel like I was being judged as a criminal. I could walk into the service and nurses would ask: 'How are you

<sup>&</sup>lt;sup>66</sup> TPAV, Submission 25, p. 4.

<sup>&</sup>lt;sup>67</sup> Professor Lubman, Executive Clinical Director, Turning Point, and Director, Monash Addiction Research Centre, *Committee Hansard*, 20 April 2023, p. 13.

<sup>&</sup>lt;sup>68</sup> Professor Nielsen, Deputy Director, Monash Addiction Research Centre, *Committee Hansard*, 20 April 2023, p. 13.

<sup>&</sup>lt;sup>69</sup> Uniting NSW.ACT, *Submission* 40, p. 8.

going today, Kevin?' Being treated in a friendly manner made me feel worthwhile and comfortable. I felt safe.<sup>70</sup>

- 5.59 Mr Street told the committee that with the support of the MSIC, he was able to access treatment facilities and today accesses Buvidal, which is a monthly subcutaneous opioid injection replacement therapy.<sup>71</sup> He stated that he was also able to obtain housing and other medical treatment through referrals and assistance at the MSIC.<sup>72</sup>
- 5.60 A further facility, the Medically Supervised Injecting Room (MSIR) in Richmond, Melbourne, opened as a trial in 2018. In 2023, the facility became ongoing. Between 30 June 2018 to December 2022, 6,750 overdoses had been safely managed at the facility.<sup>73</sup> In July 2020, former Victorian Police Chief Commissioner, Ken Lay, was commissioned by the Victorian Government to report on a location for a second safe injecting facility in Melbourne. On 23 April 2024, the Victorian Premier stated that a suitable site for the second facility had not been identified. Therefore, the proposed facility will not proceed.<sup>74</sup>

# Proposed reforms and areas of future improvement

- 5.61 A number of proposals were put forward by inquiry participants as measures that could improve relationships between law enforcement, the health sector and consumers of illicit drugs. Some of these are discussed below, namely:
  - coordination and communication between law enforcement and the health sector;
  - information sharing;
  - evidence-based messaging; and
  - the use of drug detection dogs.

# Coordination and communication between law enforcement and the health sector

5.62 Some inquiry participants described both a need and opportunity for better coordination and interaction between law enforcement and health service providers. Mr Frank Hansen from Harm Reduction Australia described this sentiment as follows:

<sup>&</sup>lt;sup>70</sup> Mr Kevin Street, Volunteer, Uniting NSW.ACT, *Committee Hansard*, 29 June 2023, p. 26.

<sup>&</sup>lt;sup>71</sup> Mr Street, Volunteer, Uniting NSW.ACT, Committee Hansard, 29 June 2023, pp. 26, 28.

<sup>&</sup>lt;sup>72</sup> Mr Street, Volunteer, Uniting NSW.ACT, *Committee Hansard*, 29 June 2023, p. 28.

<sup>&</sup>lt;sup>73</sup> Victorian Government, 'Medically supervised injecting room', 25 April 2023, <u>https://www.health.vic.gov.au/aod-treatment-services/medically-supervised-injecting-room</u> (accessed 6 March 2023).

<sup>&</sup>lt;sup>74</sup> The Hon Jacinta Allan MP, Premier of Victoria, 'Statewide action plan to save lives and reduce drug harm', *Media release*, 23 April 2024.

Advocating for more coordination and support between both the health sector and policing is, I think, one of the things that we've really got to pursue, and both sides have got to be open to [these] suggestions.<sup>75</sup>

- 5.63 Mr Hansen drew upon his experience as a former police officer working in drug policy in the Kings Cross district of Sydney to provide examples of where such interactions have worked well in the past. Mr Hansen stated that despite early concerns that police would disrupt the function of the needle-syringe exchange program in Kings Cross, such fears were not realised. He said that guidelines and operational practices were established, and police were encouraged to support the initiatives, rather than try and disrupt it. Mr Hansen told the committee that in the main, this led to good outcomes. Mr Hansen also described his observations of the Canberra drug checking trial, which he described as 'an excellent example' of policing and pill testing working well together.<sup>76</sup>
- 5.64 At the MSIR in Melbourne, however, the committee heard that an 'excessive police presence' in the vicinity of the MSIR may have a deterrent effect on those considering using the facilities.<sup>77</sup> In contrast, the committee heard that an exclusion zone was established around the MSIC in Sydney, which, the Police Association of NSW advised, police accepted.<sup>78</sup>
- 5.65 Others said that the approaches to policing, particularly in the context of interactions between police and drug consumers, need to move away from stigmatisation.<sup>79</sup> Professor Nick Crofts told the committee that 'you can't look at the role of police and law enforcement in relation to illicit drugs without looking at the whole system'. He said that 'trauma informed and shame-sensitive policing' is becoming integrated into policing cultures in Scotland, parts of the UK and other areas around the world.<sup>80</sup>
- 5.66 Submitters suggested that police could improve the health response by providing treatment when responding to overdoses. Naloxone is a medication which can reverse the effects of an opioid overdose. Some submitters argued

- <sup>77</sup> Victorian Alcohol and Drug Association, *Submission 18*, p. 11.
- <sup>78</sup> Mr Kevin Morton, President, Police Association of New South Wales, *Committee Hansard*, 29 June 2023, p. 49.
- <sup>79</sup> See, for example, Mr Sam Biondo, Executive Officer, Victorian Alcohol and Drug Association, *Committee Hansard*, 20 April 2023, p. 23; Mr Taylor, Knowledge Manager, Policy and Advocacy, Alcohol and Drug Foundation, *Committee Hansard*, 20 April 2023, p. 23.
- <sup>80</sup> Professor Crofts, Executive Director, Global Law Enforcement and Public Health Association, *Committee Hansard*, 20 April 2023, p. 2.

<sup>&</sup>lt;sup>75</sup> Mr Frank Hansen, Board Member, Harm Reduction Australia, *Committee Hansard*, 29 June 2023, p. 18.

<sup>&</sup>lt;sup>76</sup> Mr Hansen, Board Member, Harm Reduction Australia, *Committee Hansard*, 29 June 2023, p. 18.

that naloxone should be included in police officers' first aid kits.<sup>81</sup> The Western Australia Police Force became the first jurisdiction in Australia to equip its police officers with naloxone with the commencement of a pilot program in July 2021.<sup>82</sup> In August 2023, an announcement indicated that naloxone was to become standard issue for police officers.<sup>83</sup>

### **Information sharing**

5.67 One area that was flagged as an opportunity for improvement is information sharing with members of the community and between law enforcement and health representatives. Where drugs of concern are identified in the community or harmful batches are known, the committee was told that there is an opportunity for law enforcement to be involved in the reduction of the harm caused by these substances through the activation of information sharing mechanisms.<sup>84</sup> Mr Sam Biondo, Executive Director of the Victorian Drug and Alcohol Foundation, explained this perspective as follows:

The early release of data from police seizures related to the presence of harmful substances, could, for example, be used to prevent fatalities and deter people from consuming high-risk substances which could be in circulation. It could be done rather rapidly via bulletins from the police.<sup>85</sup>

5.68 Mr Biondo told the committee that the timely release of police data could assist communities and community services to prepare for influxes of high-risk substances coming into the country. Mr Biondo noted that in 2022, a sizeable amount of fentanyl had been seized by law enforcement, but information about that seizure was publicly released six months later. Mr Biondo said that given the nature of the risks posed by fentanyl, 'a proactive harm-reduction approach by the police could be a life saver'.<sup>86</sup> This becomes particularly important, the committee was told, in the prevention of fatal overdoses from novel psychoactive substances:

- <sup>85</sup> Mr Biondo, Executive Director, Victorian Alcohol and Drug Association, *Committee Hansard*, 20 April 2023, p. 22.
- <sup>86</sup> Mr Biondo, Executive Director, Victorian Alcohol and Drug Association, *Committee Hansard*, 20 April 2023, p. 22.

<sup>&</sup>lt;sup>81</sup> Ms Hendry, Chief Executive Officer, Directions Health Services Limited, *Committee Hansard*, 26 September 2023, p. 2; Victorian Alcohol and Drug Association, *Submission 18*, p. 10; Thorne Harbour Health, *Submission 35*, p. 26; Penington Institute, *Submission 12*, p. 5.

<sup>&</sup>lt;sup>82</sup> Western Australia Police Force, *Submission 8*, p. 4.

<sup>&</sup>lt;sup>83</sup> Western Australia Police Force, 'New lifesaving tool added to police kits', *Media release*, 4 August 2023.

<sup>&</sup>lt;sup>84</sup> See, for example, Windana Drug and Alcohol Recovery, *Submission 39*, p. 5; The Burnet Institute, *Submission 42*, [p. 3]; Ms Hendry, Chief Executive Officer, Directions Health Services Limited, *Committee Hansard*, 26 September 2023, p. 2.

...the contribution to fatal overdose from novel psychoactive substances in 2017 in Victoria was two. That's increased more than 17-fold by 2021, to 35, to the degree where three separate coroners have called for public alert and drug checking facilities, which the state government's yet to act on. Amongst fatalities, it's significant. A lot of the folk who are taking these substances think they're taking something else.<sup>87</sup>

- 5.69 Professor Nielsen and Mr Biondo suggested that a public alert system may also influence the behaviour of individuals to modify people's consumption and reduce harm.<sup>88</sup>
- 5.70 The Australian Alcohol and other Drugs Council (AADC) informed the committee that such a process already exists in South Australia, namely the South Australian Drug Early Warning System (SADEWS).<sup>89</sup> South Australia Police explained that SADEWS is 'an informal interagency collaboration allowing for the rapid and confidential exchange of information about drugs seizures, usage trends and clinical outcomes associated with drug use in South Australia'. Stakeholders involved in this network include Forensic Science SA, Drug and Alcohol Services SA, SA hospitals, SA universities, SA Pathology and South Australia Police.<sup>90</sup> Information from SADEWS also feeds into the Prompt Response Network (discussed below).

#### Prompt Response Network

5.71 NCCRED has responsibility for the Prompt Response Network (which receives funding from the Australian Government). The Prompt Response Network has the following remit:

We bring together the federal level jurisdiction as well as state and territory jurisdictional representatives from government. We bring together frontline workers, frontline healthcare service providers, key toxicologists and emergency department representatives to network, to bring together and share early information and trends, and to focus on a public health response that then translates into public health messaging for people who consume drugs.<sup>91</sup>

5.72 The Prompt Response Network includes three streams of work:

<sup>&</sup>lt;sup>87</sup> Mr David Taylor, Policy and Media, Victorian Alcohol and Drug Association, *Committee Hansard*, 20 April 2023, pp. 28-29.

<sup>&</sup>lt;sup>88</sup> Mr Biondo, Executive Director, Victorian Alcohol and Drug Association, *Committee Hansard*, 20 April 2023, p. 22; Professor Nielson, Deputy Director, Monash Addiction Research Centre, *Committee Hansard*, 20 April 2023, p. 12.

<sup>&</sup>lt;sup>89</sup> Australian Alcohol and other Drugs Council, *Submission 24*, p. 24.

<sup>&</sup>lt;sup>90</sup> South Australia Police, *Submission* 11, p. 6.

<sup>&</sup>lt;sup>91</sup> Dr Krista Siefried, Clinical Research Lead and Deputy Director, National Centre for Clinical Research on Emerging Drugs (NCCRED), *Committee Hansard*, 29 June 2023, p. 11.

- The Know website which brings together all state and territory alerts related to emerging drugs of concern to create a national overview.<sup>92</sup>
- A national community network for healthcare providers involved in the drug sector.
- The National Signal Register which is a digital platform incorporating de-identified data to create a national dashboard of incidents.<sup>93</sup>
- 5.73 The committee was told that there is opportunity for law enforcement to engage with the Prompt Response Network. NCCERD explained that this engagement may be possible through community liaison officers, who could:

...bidirectionally share information about how to reduce harms based on some of the trend data they're seeing from things such as seizures as well as what is happening on the ground with people coming into hospital or being admitted through those kinds of services.<sup>94</sup>

5.74 The Burnet Institute outlined the unique insights available to law enforcement and how these could be effectively incorporated into the Prompt Response Network:

For street-level content and purity data to inform harm reduction efforts, testing and reporting would need to occur more frequently, ideally in real-time. Data could be fed into existing drug information systems such as the Prompt Response Network.<sup>95</sup>

#### **Evidence-based messaging**

- 5.75 Throughout the inquiry, the committee heard evidence relating to the importance of evidence-based messaging as an effective harm reduction mechanism.
- 5.76 It was argued that stigma remains one of the most significant barriers for drug users to engage in help seeking behaviours.<sup>96</sup> A range of organisations were critical of previous law enforcement campaigns that sought to address drugrelated harms due to their perpetuation of harmful stereotypes and contribution to community stigma for drug users. A number of witnesses spoke to the specific harms caused by the Australian Federal Police's (AFP) 'Faces of Meth' campaign

<sup>&</sup>lt;sup>92</sup> Further information, including examples of the alerts and warnings issues by The Know, website is available at <u>https://theknow.org.au/</u>.

<sup>&</sup>lt;sup>93</sup> NCCRED, Submission 51, p. 3.

<sup>&</sup>lt;sup>94</sup> Dr Siefried, Clinical Research Lead and Deputy Director, NCCRED, Committee Hansard, 29 June 2023, p. 11.

<sup>&</sup>lt;sup>95</sup> The Burnet Institute, *Submission* 42, [p. 13].

<sup>&</sup>lt;sup>96</sup> See, for example, Ms Hendry, Chief Executive Officer, Directions Health Services Limited, *Committee Hansard*, 26 September 2023, p. 1.

as an example of the broader consequences for drug users. Such campaigns, the committee was told, increase stigma and barriers to care and accessing care.<sup>97</sup>

- 5.77 Dr Stephanie Kershaw of the Matilda Centre for Research in Mental Health and Substance Use at the University of Sydney emphasised that future campaigns should be evidence-based. Dr Kershaw stated that campaigns demonstrating people with lived or living experience have been shown through evidence to be very effective.<sup>98</sup>
- 5.78 The AFP told the committee that it is conscious of the implications of stigmatising media messaging and was looking to take different approaches. It stated:

The AFP's approach to media on illicit drugs has evolved over time through careful review of public reactions to, and engagement with, AFP content. Instead of employing scare tactics - we look to engage the community on the issue of harm and explain the reasons for our enforcement activities. We recognise that if our content isolates or pushes members of the community away, they are less likely to engage with police and absorb the information provided through AFP media channels.<sup>99</sup>

#### Use of drug detection dogs

- 5.79 The use of detection dogs to police drug possession was criticised by some submitters for its inaccuracy and potential harm-inducing effects.<sup>100</sup>
- 5.80 The committee was told that the presence of drug dogs may encourage individuals to consume all drugs in their possession, which may be a harmful amount.<sup>101</sup> Ms Michala Kowalski from the Drug Policy Modelling Program at the University of New South Wales stated that survey evidence suggested around 10 per cent of respondents indicated they would consume all drugs in their possession when they saw high-visibility policing (including detection

<sup>&</sup>lt;sup>97</sup> Mr Biondo, Executive Officer, Victorian Alcohol and Drug Association, *Committee Hansard*, 20 April 2023, p. 21; Professor Nicole Lee, Founder and Chief Executive Officer, 360Edge, *Committee Hansard*, 20 April 2023, p. 44; Professor Nadine Ezard, Clinical Director, Alcohol and Drug Service, St Vincent's Health Australia, *Committee Hansard*, 29 June 2023, p. 29.

<sup>&</sup>lt;sup>98</sup> Dr Stephanie Kershaw, Research Fellow, Matilda Centre for Research in Mental Health and Substance Use, University of Sydney (Matilda Centre), *Committee Hansard*, 29 June 2023, p. 15. For further information related to the impacts of stigmatising public awareness campaigns, Matilda Centre, answers to questions on notice, 29 June 2023 (received 21 July 2023).

<sup>&</sup>lt;sup>99</sup> Australian Federal Police (AFP), *Submission 59*, pp. 17-18.

See, for example, Professor Lee, Founder and Chief Executive Officer, 360Edge, Committee Hansard, 20 April 2023, p. 40; Penington Institute, Submission 12, pp. 4-5.

<sup>&</sup>lt;sup>101</sup> Professor Lee, Founder and Chief Executive Officer, 360Edge, *Committee Hansard*, 20 April 2023, p. 40; Ms Michala Kowalski, Research Officer, Drug Policy Modelling Program, University of New South Wales, *Committee Hansard*, 29 June 2023, p. 4.

dogs).<sup>102</sup> Further, the presence of detection dogs may have influenced individuals to consume drugs that are harder for dogs to detect but may have higher risk profiles.<sup>103</sup>

- 5.81 Other inquiry participants questioned the efficacy of drug detection dogs and noted a report by the NSW Special Commission of Inquiry into the Drug Ice. This report stated that in 2018-19, of 11,000 people searched following a positive drug detection dog indication, illicit drugs were found on 29.6 per cent of those searched.<sup>104</sup>
- 5.82 Other data on drug detection dog indications was tabled in the NSW Legislative Council by the Minister representing the Minister for Police and Counter-terrorism in September 2024. This data indicates that between 1 January 2022 and 30 June 2023, drugs were detected on approximately 26 per cent of occasions following indications from detection dogs.<sup>105</sup> The same data demonstrated a similar trend over ten years, from 1 January 2013 to 30 June 2023, during which the accuracy rate was approximately 25 per cent.<sup>106</sup>
- 5.83 Mr Tony Bear, Strategy and Relationships Manager at the Police Association of NSW, told the committee the 'police are but a tool of government'. Likewise, he explained that drug detection dogs are also 'a tool in protecting or enforcing the legislature from government'.<sup>107</sup>
- 5.84 Mr Wayne Gatt, Secretary of TPAV, told the committee that a positive response from a detection dog provides police 'with a reasonable belief to conduct a further inquiry', which would generally be a full search of that person. Both

- <sup>105</sup> From 10,535 indications from detection dogs between 1 January 2022 to 30 June 2023, a full search did not discover drugs on 7,746 occasions.
- <sup>106</sup> From 1 January 2013 to 30 June 2023, of the 94,536 indications, drugs were not detected on 70,913 occasions: NSW Legislative Council Questions and Answers No. 95, Tuesday 19 September 2023, questions from Ms Cate Faehrmann, pp. 1230-1231.
- <sup>107</sup> Mr Bear, Strategy and Relationships Manager, Police Association of New South Wales, *Committee Hansard*, 29 June 2023, p. 53.

<sup>&</sup>lt;sup>102</sup> Ms Kowalski, Research Officer, Drug Policy Modelling Program, University of New South Wales, *Committee Hansard*, 29 June 2023, p. 4.

<sup>&</sup>lt;sup>103</sup> Ms Kowalski, Research Officer, Drug Policy Modelling Program, University of New South Wales, *Committee Hansard*, 29 June 2023, pp. 3-4.

<sup>&</sup>lt;sup>104</sup> Professor Dan Howard SC, Report of the Special Commission of Inquiry into crystal methamphetamine and other amphetamine-type stimulants, January 2020, Volume 1, p. xlvi. The Special Commission recommended that NSW Police Force cease the use of drug detection dogs at music festivals. This was not supported by the NSW Government on the basis that NSW Police 'maintains its view that drug detection dogs are the best method for police to screen large crowds of people for the presence of drug odours': NSW Government, NSW Government's response to the Special Commission of Inquiry into the Drug 'ice', 1 August 2023, p. 38. See also, Australasian College of Physicians, Submission 9, p. 5.

Mr Gatt and Mr Weber from the Police Federation of Australia identified that dogs may pick up a scent on an individual if they were recently in possession of illicit drugs.<sup>108</sup> Mr Weber said that where this may be the case, the false detection may provide an opportunity for police to have a conversation with an individual to educate them.<sup>109</sup>

# Challenges for law enforcement

- 5.85 Evidence to this inquiry indicates that progressively, a greater number of jurisdictions, both domestically and internationally, are exploring and implementing health focused harm minimisation measures and removing criminal sanctions for consumption-related drug offences. A few submissions, particularly those from police associations, highlighted that a number of challenges must be recognised and addressed in the progression of any such reforms. They include:
  - community safety concerns;
  - road safety and impairment; and
  - the availability of health treatment facilities.
- 5.86 Each are discussed below.

# **Community safety**

- 5.87 Some witnesses emphasised that movements toward decriminalisation could have potential ramifications that extend beyond individual drug users to their families and also the broader community.
- 5.88 The AFP told the committee that police 'witness first-hand the connections between illicit substances and the cycles of crime', stating that 'drug use can drive crime'. The effects of this harm may be experienced as 'individual or community-level harm (such as increased family violence and road trauma) through to sophisticated, and often violent organised crime, placing the broader community's safety at risk'.<sup>110</sup> It pointed to ACT Policing data that 'demonstrates a correlation between drug use and other offending, including property crime, assaults and driving offences'. It stated:

Anecdotally, ACT Policing members report that they observe crime in "peaks and troughs" in line with substance users "highs and lows". For instance, individuals are observed by police to commit crime in line with their "highs" from methamphetamine. Offenders have told police that they commit more crime to fund their drug habit due to either a lack of supply of

<sup>&</sup>lt;sup>108</sup> Mr Gatt, Secretary, TPAV, Committee Hansard, 20 April 2023, p. 57.

 <sup>&</sup>lt;sup>109</sup> Mr Weber, Chief Executive Officer, Police Federation of Australia, *Committee Hansard*, 27 September 2023, p. 6.

<sup>&</sup>lt;sup>110</sup> AFP, *Submission 59*, p. 18.

that drug, or lower drug purity (meaning, where the "high" does not last as long as illicit substances of higher purity).<sup>111</sup>

- 5.89 The police associations in Victoria and NSW emphasised the importance of maintaining the safety of police officers and community members in the course of any reform agenda.<sup>112</sup>
- 5.90 As mentioned above, the Police Association of NSW stated that at present, a threshold has not yet been met to ensure that community safety would be protected in any reform agenda that involved the decriminalisation of any drugs, and the legalisation of drugs other than cannabis.<sup>113</sup>
- 5.91 TPAV emphasised that community safety is the 'foremost consideration' for police in the contemplation or consideration of any reform process.<sup>114</sup> It provided two examples where it suggests that harm minimisation measures may potentially lead or have led to an increase in public safety concerns.
- 5.92 First, TPAV noted that the decriminalisation of public drunkenness in Victoria has created a scenario where police called to resolve situations involving an intoxicated person are unable to act in the interest of the community. It raised concerns that the decriminalisation of illicit drugs may have a similar safety impact. It queried what, if any, powers police would have to detain a person pending ambulance attendance and urged that safeguards be put in place should decriminalisation occur to ensure police retain necessary powers to account for community safety.<sup>115</sup>
- 5.93 Second, while acknowledging the positive impact of the MSIR on heroin related deaths in the local community, TPAV submitted that it 'has come at a significant detriment to the amenity of the local area and the lifestyle of its residents'.<sup>116</sup> Further, surveys of TPAV members in 2019 and 2022 indicate that police working in the vicinity of the centre had observed a detrimental impact on policing and crime since the opening of the facility.<sup>117</sup> Mr Gatt, TPAV, argued

- <sup>116</sup> TPAV, Submission 25, p. 4.
- <sup>117</sup> TPAV, Submission 25, p. 4; Mr Gatt, Secretary, TPAV, Committee Hansard, 20 April 2023, p. 51.

<sup>&</sup>lt;sup>111</sup> AFP, *Submission* 59, p. 19.

<sup>&</sup>lt;sup>112</sup> Police Association of NSW, Submission 68, p. 2; TPAV, Submission 25, p. 4.

<sup>&</sup>lt;sup>113</sup> Mr Bear, Strategy and Relationships Manager, Police Association of NSW, *Committee Hansard*, 29 June 2023, p. 49. The Police Association of NSW does not support decriminalisation of any drug nor legalisation of any hard drugs on the basis that decriminalisation is difficult for police to manage and for the public to navigate. It suggested that cannabis could be legalised, however, and subjected to regulation: Police Association of NSW, *Submission 68*, p. 6.

<sup>&</sup>lt;sup>114</sup> TPAV, Submission 25, p. 4.

<sup>&</sup>lt;sup>115</sup> TPAV, Submission 25, p. 8.

that problems with the existing facility should be addressed and rectified before any additional rooms are established at a state and federal level.<sup>118</sup>

5.94 A different experience appears to have occurred in relation to the MSIC in Kings Cross, Sydney. Uniting NSW.ACT stated that residents surrounding the MSIC supported the opening of the facility because they were 'sick of the status quo'. Uniting stated that this support increased over time, attributing this to the reduction of drug use and the numbers of discarded syringes in public settings.<sup>119</sup>

#### Road safety and impairment

- 5.95 A major concern raised in the context of decriminalisation is the impact that decriminalised drug use may have on road safety, and in particular, the ability of law enforcement to appropriately police driving impairment.
- 5.96 The ACIC's *Illicit Drug Data Report 2020-21* included information on drug driving. Its key findings were:
  - amphetamine/methamphetamine was the most commonly detected drug in drug driving tests conducted during 2020-21;
  - male drivers accounted for most positive drug driving tests;
  - the 30 to 39 age group accounted for more positive drug driving tests than any other age group tested; and
  - drivers who tested positive to only one drug accounted for the majority of positive test results in all jurisdictions except Tasmania.<sup>120</sup>
- 5.97 The Illicit Drug Data Report stated that 'the likelihood of a driver who tests positive to a drug being involved in a crash is higher compared to a driver who has not consumed a drug'.<sup>121</sup> It drew upon research published by the Royal Australasian College of General Practitioners and commentary from the Alcohol and Drug Foundation which described the side effects of different drugs and provided a crash risk estimate of benzodiazepines, opioids and cannabis.<sup>122</sup> That information is reproduced in Figure 5.3 below.

<sup>&</sup>lt;sup>118</sup> Mr Gatt, Secretary, TPAV, Committee Hansard, 20 April 2023, p. 51.

<sup>&</sup>lt;sup>119</sup> Dr Marianne Jauncey, Medical Director, Uniting NSW.ACT, *Committee Hansard*, 29 June 2023, p. 31.

<sup>&</sup>lt;sup>120</sup> ACIC, Illicit Drug Data Report 2020-21, October 2023, p. 8.

<sup>&</sup>lt;sup>121</sup> ACIC, Illicit Drug Data Report 2020-21, October 2023, p. 8.

<sup>&</sup>lt;sup>122</sup> Crash risk estimates are calculated with reference to the relative increased risk factor a driver driving under the influence of the relevant substance has of being involved in a crash. For example, a person driving under the influence of cannabis is 1.11 to 1.4 times more likely to be involved in a crash than sober drivers according to this research: Thomas Arkell, Danielle McCartney and Iain McGregor, 'Medical cannabis and driving', *Australian Journal of General Practice*, vol. 50(6), June 2021, pp. 357-362, p. 358.

#### Drug classes Crash Risk Estimate Side effects Benzodiazepines Reduced reaction time Depressants 1.17-2.30 (e.g. benzodiazepines) Reduced concentration Drowsiness Opiates Opioids 1.68-2.29 (e.g. heroin and oxycodone) Difficulty processing information Difficulty multitasking 1.11-1.42 Cannabis Attention difficulties Stimulants na (e.g. amphetamines and cocaine) Tendency to fidget Aggressive and dangerous driving Increased risk taking Over-confidence in driving skills na Hallucinations Hallucinogens (e.g. LSD, psilocybin and mescaline) Confused thinking Blurred vision Reduced coordination

Figure 5.3 Commonly detected drug classes, their Crash Risk Estimate and associated side effects

Source: Royal Australian College of General Practitioners and the Alcohol and Drugs Foundation in ACIC, Illicit Drug Data Report 2020-21, October 2023, p. 9.

- 5.98 TPAV expressed concerns about the risks to road users of illicit drug use, including both consumers and 'innocent' road users who may be impacted as a result of another's use of drugs.<sup>123</sup> It stated that 'the influence of illicit drugs in road trauma is increasing, yet the capabilities of police to screen for illicit drugs at the roadside is not'. It suggested that 41 per cent of motorists and motorcyclists killed in Victoria in the last five years had drugs detected in their system, with cannabis and stimulants the most widely detected.<sup>124</sup>
- 5.99 Currently, in all states and territories except Tasmania, it is an offence to drive while illicit drugs are detected in the driver's system.<sup>125</sup> The determinative factor for criminality is not the level of impairment or intoxication of the driver, but rather whether such a substance is present in drivers' bloodstream.

<sup>&</sup>lt;sup>123</sup> Mr Gatt, Secretary, TPAV, *Committee Hansard*, 20 April 2023, p. 52.

<sup>&</sup>lt;sup>124</sup> TPAV, Submission 24, p. 6; Mr Gatt, Secretary, TPAV, Committee Hansard, 20 April 2023, p. 52.

<sup>&</sup>lt;sup>125</sup> In Tasmania an exemption has been legislated for cannabis if the driver has been lawfully prescribed medicinal cannabis. However, it remains an offence to drive under the influence of a drug to the extent that the person is incapable of having proper control of the vehicle: Dr Gelb, Acting Chief Executive Officer, Penington Institute, *Committee Hansard*, 20 April 2023, p. 24; Tasmanian Government, *Medicinal cannabis information for patients and the general public*, 30 June 2022, <u>https://www.health.tas.gov.au/health-topics/medicines-and-poisons-regulation/medicinal-cannabis/medicinal-cannabis-information-patients-and-general-public</u> (accessed 6 November 2023).

- 5.100 Some inquiry participants argued that impairment should be the determinative factor for legal liability, rather than the presence of the substance alone.<sup>126</sup> In this regard, particular attention was directed towards cannabis. The committee was told that cannabis remains traceable within a consumer's system after the substance has ceased to be intoxicating.<sup>127</sup> In most cases, cannabis can remain in an individual's system for potentially weeks after use, though it is likely to only having an impairing effect for about four hours on average after use.<sup>128</sup>
- 5.101 However, unlike alcohol, while current tests can detect the presence of drugs in a driver's system, no reliable test exists to determine levels of illicit drugs, be it cannabis or otherwise, in the bloodstream, or to what degree different levels of drugs are likely to impair the consumer.<sup>129</sup> The Police Federation of Australia stated that it had particular concerns about roadside drug testing in jurisdictions where decriminalisation of cannabis has either been rolled out or considered, noting that unlike roadside testing for alcohol, there is no widely accepted process for assessing impairment for cannabis.<sup>130</sup>
- 5.102 TPAV suggested that determining impairment from cannabis is complex, pointing to research which has found that it is difficult to determine the point at which THC<sup>131</sup> impairment on driving subsides. A study undertaken by the Lambert Centre for Cannabinoid Therapeutics at the University of Sydney found:

There appears to be no universal answer to the question of "how long to wait before driving?" following cannabis use: consideration of multiple factors is therefore required to determine appropriate delays between [cannabis with THC] use and the performance of safety-sensitive tasks.<sup>132</sup>

5.103 The study suggested that individuals should wait at least five hours following inhaling cannabis but caveated that recovery time will depend on several factors. Further, oral THC induced impairment may take longer to subside. It

 <sup>&</sup>lt;sup>126</sup> See, for example, Professor Lee, Founder and Chief Executive Officer, 360Edge, *Committee Hansard*,
 20 April 2023, p. 43; QuIHN Ltd and QuIVAA Inc, *Submission 14*, pp. 5, 9.

<sup>&</sup>lt;sup>127</sup> Professor Don Weatherburn, Senior Research Fellow, National Drug and Alcohol Research Centre, *Committee* Hansard, 29 June 2023, p. 7.

<sup>&</sup>lt;sup>128</sup> Professor Lee, Founder and Chief Executive Officer, 360Edge, *Committee Hansard*, 20 April 2023, p. 43.

<sup>&</sup>lt;sup>129</sup> See, for example, Mr Gatt, Secretary, TPAV, Committee Hansard, 20 April 2023, p. 52.

<sup>&</sup>lt;sup>130</sup> Police Federation of Australia, *Submission* 46, p. 7.

<sup>&</sup>lt;sup>131</sup> THC, or delta9 tetrahydrocannabinol, is a psychoactive compound in cannabis.

<sup>&</sup>lt;sup>132</sup> Danielle McCartney, Thomas Arkell, Christopher Irwin and Iain McGregor, 'Determining the magnitude and duration of acute Δ<sup>9</sup>-tetrahydrocannabinol (Δ<sup>9</sup>-THC)-induced driving and cognitive impairment: A systematic and meta-analytic review', *Neuroscience and Biobehavioral Reviews*, vol. 126, July 2021, pp. 175-193, p. 184, <u>https://doi.org/10.1016/j.neubiorev.2021.01.003</u>.

stated that further research would 'permit better characterisation of [THC's] effects and help inform the development of guidelines and drug-driving legislation to promote safe driving practices'.<sup>133</sup>

- 5.104 Further, TPAV pointed to research conducted by the Lambert Centre in 2019 which found that two devices commonly used for mobile drug testing returned a considerable number of false positive and false negative results.<sup>134</sup> This study concluded that 'while these devices are useful tools for detecting recent cannabis use, confirmatory testing is absolutely necessary and of the utmost importance'.<sup>135</sup>
- 5.105 TPAV argued that roadside drug testing is 'considered costly and time intensive, drawing heavily upon police resources'. It stated:

In a recent study involving police across Australian jurisdictions, police emphasised the significant cost and time burden imposed when required to test motorists for the presence of drugs in contrast to alcohol.<sup>136</sup>

- 5.106 It concluded that there is 'a clear need for further research to be conducted aimed at reducing the high cost and time requirements necessary in roadside drug testing'. It noted that in Victoria, in 2018, the National Transport Commission recommended to the Drug Driving Working Group that a national approach to purchasing drug testing equipment be investigated and developed.<sup>137</sup>
- 5.107 Both TPAV and the Police Federation of Australia argued that decriminalisation of cannabis should not be considered until impairment is able to be measured and policed in the same way as it is for alcohol.<sup>138</sup>
- 5.108 In addition to the defence implemented in Tasmania, it appears that other jurisdictions are exploring the feasibility of changing the current restrictions on driving with THC detected in a person's system.
- 5.109 In November 2023, the Victorian Parliament passed legislation which enabled the Victorian Government to commission a trial to investigate if there are

- <sup>136</sup> TPAV, Submission 25, p. 7.
- <sup>137</sup> TPAV, Submission 25, p. 7.

<sup>&</sup>lt;sup>133</sup> McCartney, Arkell, Irwin and McGregor, 'Determining the magnitude and duration of acute Δ<sup>9</sup>tetrahydrocannabinol (Δ<sup>9</sup>-THC)-induced driving and cognitive impairment: A systematic and meta-analytic review', *Neuroscience and Biobehavioral Reviews*, vol. 126, July 2021, pp. 175-193, p. 184.

<sup>&</sup>lt;sup>134</sup> TPAV, Submission 25, p. 7.

<sup>&</sup>lt;sup>135</sup> Thomas Arkell, Richard Kevin, Jordyn Stuart, Nicholas Lintzeris, Paul Haber, Johannes Ramaekers and Iain McGregor, 'Detection of Δ<sup>9</sup> THC in oral fluid following vaporized cannabis with varied cannabidiol (CBD) content: An evaluation of two point-of-collection testing devices', *Drug Testing and Analysis*, vol. 11(10), October 2019, pp. 1486-1497, p. 1495.

<sup>&</sup>lt;sup>138</sup> TPAV, Submission 25, p. 8; Police Federation of Australia, Submission 46, p. 7.

conditions under which individuals who are prescribed medicinal cannabis with THC can drive safely.<sup>139</sup> The trial will be developed and conducted by an independent research organisation, and will take place in a controlled driving environment, away from public roads.<sup>140</sup>

5.110 Recent media reporting suggests that the Western Australian Government is also considering reform, establishing a working group to consider a defence which would enable unimpaired people to drive while using medicinal cannabis under prescription.<sup>141</sup>

#### Availability of health treatment facilities

- 5.111 The Police Federation of Australia further raised concerns that the current treatment landscape is not sufficient so as to support a rise in demand for services that could occur should decriminalisation take place.<sup>142</sup> A similar sentiment was expressed by the Police Association of NSW which stated that 'appropriate infrastructure must be in place prior to the implementation of the legislation'. In its view, this includes 'a regulating body, health service provisions for users, training for all workers involved in the implementation, and a community safety campaign'.<sup>143</sup> The Police Association of NSW stated that without greater investment in health outcomes, 'the police are then stuck in between and have to cop the 24 hour, seven days a week callouts to overdoses and to these things'.<sup>144</sup>
- 5.112 The AFP expressed a similar view. It stated that it 'supports in-principle the policy intention of diverting individual drug users from the criminal justice system toward a health-focused response'. However, it cautioned that where users are not diverted to such a response, or that response is ineffective and under resourced, 'decriminalisation is likely to have unintended consequences for law enforcement'.<sup>145</sup>
- 5.113 As indicated earlier in the report, inquiry participants also stated that the available health infrastructure is not currently adequately resourced nor widely

- <sup>142</sup> Mr Weber, Chief Executive Officer, Police Federation of Australia, *Committee Hansard*, 27 September 2023, p. 6.
- <sup>143</sup> Police Association of NSW, *Submission 68*, p. 3.
- <sup>144</sup> Mr Bear, Strategy and Relationships Manager, Police Association of NSW, *Committee Hansard*, 29 June 2023, pp. 49-50.
- <sup>145</sup> AFP, *Submission* 59, p. 18.

<sup>&</sup>lt;sup>139</sup> Transport Legislation Amendment Act 2023 (Vic).

<sup>&</sup>lt;sup>140</sup> The Hon Jacinta Allen MP, Premier of Victoria, 'Legislation to allow medicial cannabis trial', *Media release*, 17 October 2023.

<sup>&</sup>lt;sup>141</sup> Jamie Thannoo, 'Medicinal cannabis advocates call for WA driving law overhaul', *Australian Broadcasting Corporation*, 13 March 2024.

available and requires greater investment. It was stressed to the committee that the benefits of drug decriminalisation 'are particularly realised where illicit drug decriminalisation occurs with concurrent investment in the health system'.<sup>146</sup>

- 5.114 Professor Lubman, Turning Point and Monash Addiction Research Centre, added that unlike health conditions like cancer, the treatment options available for illicit drug addiction are limited and lacking the sophistication of other responses.<sup>147</sup>
- 5.115 Dr Simon Judkins, Chair of the Mental Health Working Group at the Australasian College for Emergency Medicine, expressed a similar view, adding that the treatment options available to emergency department physicians require improvement. He said:

If we see somebody in the emergency department who has a drug addiction problem and they've come to the emergency department for help, we'll try and refer them to a drug and alcohol service to get that specialist care. Most of the time there's a scrap bit of paper with a phone number on it: 'Give these people a call tomorrow, and they might be able to see you in the next couple of months. By the way, it's going to cost you a lot of money.<sup>148</sup>

5.116 Dr Judkins stated that 'we should have multiple access, multiple specialists, and [treatment] needs to be accessible because people turn up in crisis'.<sup>149</sup>

<sup>&</sup>lt;sup>146</sup> Australian Alcohol and other Drugs Council, *Submission* 24, p. 4.

<sup>&</sup>lt;sup>147</sup> Professor Lubman, Executive Clinical Director, Turning Point, and Director, Monash Addiction Research Centre, *Committee Hansard*, 20 April 2023, pp. 12, 14.

<sup>&</sup>lt;sup>148</sup> Dr Judkins, Chair, Mental Health Working Group, *Committee Hansard*, 20 April 2023, p. 11.

<sup>&</sup>lt;sup>149</sup> Dr Judkins, Chair, Mental Health Working Group, *Committee Hansard*, 20 April 2023, pp. 14-15.

# Chapter 6 Conclusions and recommendations

- 6.1 This chapter provides the committee's views and recommendations on topics raised during this inquiry, including:
  - the illicit drug market in Australia;
  - policy and governance challenges;
  - supply reduction strategies; and
  - harm minimisation strategies, including decriminalisation, and their interaction with law enforcement.
- 6.2 At the outset the committee thanks all submitters and witnesses for their assistance to the committee and acknowledges the daily contributions many of them make to improving the lives of those affected by substance abuse and addiction.
- 6.3 There are no easy answers to the challenges posed by illicit drugs. The devastating impacts of substance abuse and addiction were well known to the committee at the outset of this inquiry. However, this inquiry reinforced the sheer scale of drug supply and use in Australia, as well as the challenges to address the harm to individuals, families and the broader community.
- 6.4 The committee notes that there have been many Commonwealth and state and territory inquiries on how to address the harm from illicit drugs or drug law reform. This inquiry does not seek to replicate that work. The focus of the terms of reference for the inquiry was on the challenges and opportunities available to law enforcement in addressing Australia's illicit drug problem.
- 6.5 While the focus on law enforcement is the committee's primary area of concern, the committee acknowledges that addressing drug harm is multifaceted and includes stakeholders across multiple sectors.

# Illicit drugs in Australia—high supply and demand

6.6 The vast majority of illicit drugs in Australia originate offshore and are imported. Australia is—and unfortunately will continue to be—a highly attractive market for transnational serious and organised crime (TSOC) organisations which are importing illicit drugs on an industrial scale due to the exceptional profitability of the drug market. The evidence shows the trend for overall illicit drug use is on an upward trajectory following a dip during the COVID-19 pandemic, and Australians are willing to pay some of the highest prices globally.

#### Involvement of organised crime

6.7 The committee recognises that the harms caused by TSOC involvement in the Australian illicit drug trade are significant and extend far beyond the individual users. Specifically, the illicit drug trade contributes to a myriad of crimes including—but not limited to—money laundering, possession of illegal firearms, violence, intimidation and murder. In outlining the 'vile web' of crime that TSOC organisations construct and exploit to manufacture and sell illicit drugs, the committee was reminded that 'there's no fair-trade cocaine'.<sup>1</sup> In 2020-21, TSOC cost Australia up to \$60.1 billion of which \$16.5 billion was specific to illicit drug activity.<sup>2</sup>

#### **Monitoring programs**

- 6.8 Australia is fortunate to have robust and comprehensive monitoring programs to provide clarity on the scale of the illicit drug market, including valuable products such as the National Wastewater Drug Monitoring Program, the Illicit Drug Data Report and the National Drug Strategy Household Survey as well as others mentioned in chapter 2. These products together form a comprehensive picture of the scale of illicit drug use in Australia. They provide not only a snapshot at a point in time but, as the use of particular drugs can vary over time, valuable information on trends over the long term.
- 6.9 In summary, although cannabis is the most consumed illicit drug, methamphetamine far exceeds the consumption of the other three major illicit drugs: heroin, cocaine and MDMA/ecstasy. The committee heard that methamphetamine is associated with the highest harm to the community by some margin and this can be seen in the figures contained in chapter 2.
- 6.10 The data on illicit drug consumption reinforces the challenge faced by law enforcement. The committee acknowledges the importance of these data sources in assisting law enforcement to gain a greater understanding of the threat environment and inform priorities.

# Policy and governance challenges

6.11 While the committee has a law enforcement focus, illicit drugs is a multifaceted issue requiring consultation and coordination at all levels of government. The Commonwealth as well as states and territories all have a role to play. Coordination and information sharing across governments and law enforcement agencies are crucial to addressing this issue.

<sup>&</sup>lt;sup>1</sup> Mr Michael Barnes, Commissioner, New South Wales Crime Commission, *Committee Hansard*, 29 June 2023, p. 42.

<sup>&</sup>lt;sup>2</sup> Australian Federal Police (AFP), *Submission 59*, p. 2.

#### **Ensuring strategic direction**

- 6.12 The key policy document guiding the response to illicit drugs is the *National Drug Strategy* 2017–2026 (the Strategy). The committee identified a number of issues in relation to the governance arrangements, efficacy and review of the strategy which directly affect the capacity of law enforcement, but also the capacity of all stakeholders, to address the challenges of illicit drugs in Australia.
- 6.13 The Strategy described cooperation between the law enforcement and health sectors as 'a key success of the previous National Drug Strategy'.<sup>3</sup> It clearly envisaged that its implementation would be underpinned by a framework that brought together the law enforcement and health branches of government from the Commonwealth, states and territories through the Ministerial Drug and Alcohol Forum and the National Drug Strategy Committee.
- 6.14 It is concerning that this framework was disbanded following the dissolution of the Council of Australian Governments (COAG) and appears not to have been replaced under the National Cabinet structure. The committee acknowledges the existence of a variety of other structures, including the Health Ministers' Meeting, the Police Ministers Council and the Council of Attorneys-General. The committee also notes that there are instances where these bodies work together on adjacent issues, such as the joint Police and Health Ministers meeting to discuss vaping and e-cigarettes.<sup>4</sup> However, the committee is concerned that there is no standing governance structure to bring together health and law enforcement representatives to specifically discuss issues of drugs on a regular and ongoing basis. The absence of this body presents obstacles to applying the Strategy, which was designed with such a body in mind.

#### **Recommendation 1**

- 6.15 The committee recommends that the Australian Government re-establish a governance structure under the National Cabinet architecture, bringing together representatives with responsibility for law enforcement and health across the Commonwealth, states and territories, to oversee the implementation of the National Drug Strategy.
- 6.16 In addition to the need to facilitate cooperation between law enforcement and health agencies, the committee heard about inconsistencies between state, territory and Commonwealth criminal laws relating to illegal drugs. Australia's federal structure means that some differences are inevitable. However, with further changes as a result of decriminalisation in some jurisdictions, the committee is concerned that jurisdictional differences could be exploited by

<sup>&</sup>lt;sup>3</sup> Department of Health, *National Drug Strategy* 2017–2026, 13 December 2017, p. 3.

<sup>&</sup>lt;sup>4</sup> Department of Health and Aged Care, answer to question on notice, 26 September 2023 (received 19 October 2023), p. 13.

organised crime. The committee heard that the issue of jurisdictional differences is not being considered as part of a formal review but is on the list of policy areas to work through with states and territories. However, it seems to the committee that an appropriate governance structure could facilitate increased coordination and enable information sharing. Further, it could provide a forum through which jurisdictional differences could be worked through to minimise the risk of exploitation by organised crime.

# Limited evaluation and evidence

- 6.17 The Department of Health and Aged Care provided evidence to the committee that the mid-cycle review of the Strategy, scheduled for 2021, did not take place and no comprehensive evaluations of the Strategy are planned. In fact, the department, as the lead agency with responsibility for implementation of the Strategy, advised that the focus had instead turned to the next strategy to follow in 2027.<sup>5</sup>
- 6.18 It is the committee's view that there is very limited value in drafting a new strategy when there has not been a comprehensive evaluation of the existing strategy. While the committee acknowledges that some elements of the Strategy have been evaluated,<sup>6</sup> these were specific only to certain action plans and not the Strategy as a whole. Without understanding the areas of success or potential areas of improvement of the existing nine-year strategy, it follows that it would be particularly difficult to develop a new strategy that would be fit for purpose.

# **Recommendation 2**

6.19 The committee recommends that the Australian Government undertake a comprehensive evaluation of the *National Drug Strategy* 2017–2026 as a matter of priority to measure the successes and shortfalls of the existing Strategy and inform the development of the next National Drug Strategy.

# Funding

6.20 The disparity between funding for demand and harm reduction strategies compared to supply reduction was pointed out to the committee. The committee heard that supply reduction receives around 66 per cent of funding compared

<sup>&</sup>lt;sup>5</sup> Ms Celia Street, Acting Deputy Secretary, Primary and Community Care Division, Department of Health and Aged Care, *Committee Hansard*, 26 September 2023, p. 31.

<sup>&</sup>lt;sup>6</sup> Department of Health and Aged Care, answer to question on notice, 26 September 2023 (received 19 October 2023), p. 15. The evaluation reports are of the National Ice Action Strategy in 2021 and the National Fetal Alcohol Spectrum Disorder Strategic Action Plan 2018-2028—three year implementation review.

to 32 per cent for treatment and prevention activities and 2 per cent for harm reduction activities.<sup>7</sup>

- 6.21 It is not the position of the committee that funding for law enforcement's supply reduction work should be reduced. It is important that law enforcement remains resourced and equipped to address the evolving challenges posed by TSOC syndicates involved in the supply of illicit drugs. Rather, the committee is concerned that there is insufficient funding for harm and demand reduction activities. The efficacy of supply reduction is contingent on effective harm and demand reduction activities. The committee considers that the evaluation of the Strategy outlined above would provide an opportunity to review resourcing for the three pillars. However, the committee emphasises that additional funding for demand and harm reduction strategies should not come at the expense of the efforts of law enforcement and border protection to disrupt the supply and distribution of illicit drugs by TSOC groups.
- 6.22 The funding for treatment activities is particularly important in light of moves towards decriminalisation and this is discussed further below.

#### **Recommendation 3**

6.23 The committee recommends that the evaluation of the *National Drug Strategy* 2017-2026 (recommendation 2 above), include a review by the Australian Government, in consultation with state and territory governments, of the current resourcing for the three pillars of the Strategy. Should the differences still be substantial, consideration should be given to increasing funding for demand and harm reduction measures. Any additional allocation in funding should not come at the expense of funding for law enforcement's supply reduction efforts.

# Supply reduction

6.24 The AFP's law enforcement efforts with respect to illicit drugs centre on supply reduction measures through disruption of TSOC syndicates and targeting large-scale illicit drug importation. The committee acknowledges that the actions of law enforcement officers and their partners alone will not sufficiently address the challenges presented by the illicit drug market or the harms caused. In the pursuit of an effective harm minimisation approach, it is important to recognise that supply reduction efforts must occur alongside demand and harm reduction efforts.

#### International disruption

6.25 As most illicit drugs are imported, the committee is impressed by the comprehensive efforts underway to disrupt the illicit drug market into

 <sup>&</sup>lt;sup>7</sup> Dr Karen Gelb, Manager Research and Policy, Penington Institute, *Committee Hansard*, 20 April 2023, p. 19; Harm Reduction Australia, *Submission* 17, p. 3.

Australia. Through international partnerships, law enforcement works to disrupt drug importations offshore to prevent the drugs reaching Australia. The AFP's 2022-23 annual report indicates that 66 tonnes of illicit drugs were seized by overseas police with AFP assistance, and this equates to \$10.9 billion in harm avoided as a result of these international drug disruptions.<sup>8</sup>

### **Domestic disruption**

- 6.26 The AFP also works closely with domestic partners including through taskforces which bring together members from a number of agencies to address drugs or drug-related crime. In 2022-23, 30 tonnes of illicit drugs and precursors were seized at the border or domestically, resulting in \$11.8 billion in harm avoided.<sup>9</sup> The committee commends the innovative and varied activities undertaken by law enforcement and their partners including Australian Border Force (ABF) as they deal with the constant and increasingly sophisticated concealment methods used by organised criminal syndicates in their attempts to import illicit drugs.
- 6.27 However, despite the ongoing efforts, the committee heard from the Australian Border Force that 'even on a good day we're only stopping about 20 to 25 per cent of [illicit drug imports]'.<sup>10</sup> Nevertheless, there are regular AFP and ABF media reports on record illicit drug seizures. While some witnesses questioned the impact these seizures have on the market overall, the committee agrees with the AFP that without their efforts with their partners internationally and domestically, the situation and harm would be magnified. In addition, the ACIC presented evidence to show that there is a measurable impact on the drug market following large seizures.<sup>11</sup>

#### Challenges

- 6.28 In addition to changing transportation models, trafficking routes, and concealment methods, the widespread use of anonymising technologies and the dark web make communications technology a major factor challenging the ability of law enforcement to disrupt supply operations.
- 6.29 The committee also notes the challenges of precursors, many of which also have legitimate industrial uses. The committee heard that regulation does have a significant impact on the production capabilities of TSOC groups. The committee supports the work underway by the Precursor Working Group which includes representatives from the Commonwealth and state and territory

<sup>&</sup>lt;sup>8</sup> AFP, Annual Report 2022-23, p. 5.

<sup>&</sup>lt;sup>9</sup> AFP, Annual Report 2022-23, p. 4.

<sup>&</sup>lt;sup>10</sup> Mr Tim Fitzgerald, Acting Commissioner, Australian Border Force, *Committee Hansard*, 26 September 2023, p. 19.

<sup>&</sup>lt;sup>11</sup> Australian Criminal Intelligence Commission, *Submission* 54, pp. 11-12.

governments to work towards national consistency of controls and options to enhance controls.

- 6.30 A significant concern is the use of trusted insiders in the illicit drug supply chain which are used to facilitate the importation of illicit drugs. This can include maritime supply chain employees, shipping crew, dockworkers, and employees at freight forwarding companies who may be approached by TSOC groups and offered financial incentives to facilitate drug importation. Noting the power of these trusted insiders, the committee supports the measures and operations being undertaken to address this threat.
- 6.31 The determined, constant and multipronged effort by TSOC syndicates highlights the need for financial and non-financial investment in personnel and technology as well as international and domestic partnerships to improve the ability of Australian authorities to achieve a greater level of detection and disruption pre, at and post border.

# Addressing financial benefits

6.32 It is shocking to think that TSOC syndicates factor in losses of entire shipments as part of their business model as they can make tens of millions of dollars in profit from one successful shipment. The sheer scale of profitability ensures the constant efforts of TSOC syndicates.

### Unexplained wealth

- 6.33 The significant profits available through illicit drug trafficking make money laundering a key enabler which can take a variety of forms. Targeting unexplained wealth is a tactic used by law enforcement to intervene in actions taken by mid to high level management of TSOC syndicates. The unexplained wealth regime also enables law enforcement to target the individuals who are benefitting from the proceeds of crime and not just those perpetrating crimes at a lower level in the TSOC hierarchy.
- 6.34 The National Cooperative Scheme on Unexplained Wealth, which came into force in 2018, is intended to improve law enforcement's capability to restrain assets through multi-jurisdictional cooperation. However, it would appear that issues have arisen with the implementation of the scheme which are reflected in the lack of participation by all jurisdictions. The committee notes that in October 2023, the Attorney-General announced an independent review of the scheme as required under the *Proceeds of Crime Act 2002*.

# Criminal Assets Confiscation Taskforce

6.35 The committee applauds the success of the Criminal Assets Confiscation Taskforce (CACT), a multiagency taskforce to trace, restrain and ultimately confiscate criminal assets. In 2019, the AFP Commissioner set a five-year target of \$600 million for assets restrained. As at 30 June 2023, the CACT had restrained in excess of \$940 million in assets.

6.36 The committee commends the AFP and its law enforcement partners for their critical work disrupting illicit drug supply chains. The committee urges the Australian Government to work with the AFP and the ABF to ensure that they are properly resourced and equipped to meet emerging challenges and continue their important work. While there are areas of possible improvement, the committee is supportive of current efforts underway to address these challenges, including the Precursor Working Group, the operations to find trusted insiders, the independent review of the National Cooperative Scheme on Unexplained Wealth and the endeavours of the Criminal Assets Confiscation Taskforce.

# Harm minimisation

- 6.37 The committee recognises that there is a spectrum of harm associated with drug use which varies depending on consumption habits, frequency of use and types of substances consumed. However, it should be emphasised that all illicit drug use attracts risk and can result in devastating impacts on individuals, families and communities.
- 6.38 As noted above, the committee recognises that supply reduction efforts must occur alongside demand and harm reduction efforts, some of which involve law enforcement. This is a greater issue than law enforcement, or any other sector, can address alone.
- 6.39 The committee heard about the critical role that law enforcement has in achieving public health goals and to this end there is a strong desire from the public health community to improve engagement with police and interact more as partners.
- 6.40 A significant amount of evidence presented to the committee discussed various harm minimisation strategies. Before turning to these areas, the committee notes that these areas fall largely under the remit of state and territory governments.

# Decriminalisation

- 6.41 The committee notes that the issue of decriminalisation is complex but is ultimately a legislative and policy matter for governments. The committee's focus therefore is on the challenges for law enforcement of the various policy settings and areas needing attention to contribute to the outcomes sought.
- 6.42 Evidence argued that personal use of illicit drugs should be addressed by a policy response which links the consumers with health support. The committee acknowledges that a solely punitive approach to illicit drug use can cause harms which are disproportionately experienced by people experiencing poverty, homelessness, mental ill-health and trauma, and have particular impact on Aboriginal and Torres Strait Islander people.
- 6.43 The committee notes concerns that a focus by law enforcement on drug possession is leading to high numbers of people coming into contact with the

criminal justice system. This may result in a range of adverse consequences for these individuals, including a criminal record which may make it difficult to obtain employment and housing. This focus can also have impacts on police and the criminal justice system, taking up limited time and resources.

- 6.44 The committee notes that the clear focus of the AFP is supply reduction through TSOC investigations and disruptions. In addition, police in the community were clear that in the absence of other factors, a first interaction between police and an individual caught with illicit drugs in their possession is not likely to result in jail. For cannabis, a person would likely receive a caution and referral to an awareness education program. Where a harder drug is involved, there would be a charging process but that could result in a warning, a diversionary program or mandatory education. The Department of Health and Aged Care told the committee that all jurisdictions have some form of de facto decriminalisation through diversionary schemes for small amounts of drug possession without pursuing criminal penalties. Further, the experience of law enforcement suggests that possession offences often arise in the context of other criminal offending.
- 6.45 These perspectives demonstrate that there are diverging views on how drug possession is treated by law enforcement and the judicial system. Unfortunately, it appears that the available data does not contain enough detail to provide a more comprehensive picture. In order to better understand the nature and extent of drug-related offending, and whether current enforcement practices are having a disproportionate effect, the committee supports the ACIC's suggestion that further research is needed to clarify what proportion of arrests for possession have occurred concurrently with other charges. This research could also identify what types of sanctions the individuals have received.

#### **Recommendation 4**

- 6.46 The committee recommends that the Australian Criminal Intelligence Commission undertake research to clarify what proportion of people arrested for possession of illicit drugs are concurrently charged with another criminal offence and would not have come to law enforcement attention but for the concurrent (non-drug related) offence.
- 6.47 Evidence pointed to jurisdictions overseas which have decriminalised the use and possession of some or all drugs. Witnesses often pointed to Portugal as a successful model. It is important to note that prior to decriminalisation, significant investment was made by that government to ensure health services had the necessary resources. The Portuguese National Coordinator emphasised that decriminalisation is not a silver bullet and having treatment services available is the most important part of the model. Reports are now suggesting that the investment in the health response has been reduced due to budget

pressures which has resulted in the National Coordinator now stating that 'what we have today no longer serves as an example to anyone'. Overdose rates have reportedly reached 12-year highs and almost doubled in Lisbon from 2019 to 2023.<sup>12</sup>

- 6.48 Similarly, the committee notes that Oregon decriminalised small amounts of illicit drugs in 2020, however, it is now moving towards re-criminalising certain drug possession charges.<sup>13</sup>
- 6.49 These examples and others confirm that any form of decriminalisation needs to be accompanied by sustained investment in health and education resources. The committee agrees with this evidence. If a jurisdiction decides to pursue decriminalisation, additional resources for the health and education responses are essential. When looking at the current division of funding between the three pillars, the committee is concerned about a progression towards decriminalisation without substantial increases to healthcare and treatment service providers.
- 6.50 In addition, there needs to be consultation, collaboration and cooperation with law enforcement to ensure legislative clarity for police. The recent decriminalisation in the Australian Capital Territory (ACT) of the possession of small amounts of drugs will provide a useful case study in the Australian environment. While the committee expects the ACT Government will institute comprehensive monitoring and review mechanisms, the committee is also of the view that an appropriate agency such as the Australian Institute of Criminology should be tasked with analysing the impact of decriminalisation in overseas and Australian jurisdictions to inform policy approaches. The purpose of this work would be to understand the impact of decriminalisation on individuals, communities and law enforcement, recording observations over time.

#### **Recommendation 5**

- 6.51 The committee recommends that the Australian Government commission research to understand the impacts of decriminalisation in Australian and international jurisdictions where reforms have been implemented. Such research should, where possible, evaluate the longitudinal impacts on individuals, communities and law enforcement agencies to provide an evidence base to inform future policy decisions.
- 6.52 As noted above, it is a matter for states and territories to determine the legal and policy approaches in their jurisdictions. However, the evidence to the committee

<sup>&</sup>lt;sup>12</sup> Anthony Faiola and Catarina Fernandes Martins, 'Once hailed for decriminalizing drugs, Portugal is now having doubts', *The Washington Post*, 7 July 2023.

<sup>&</sup>lt;sup>13</sup> David Ovalle, 'Oregon's pioneering drug decriminalization effort faces rollback', *The Washington Post*, 1 March 2024.

is clear that decriminalisation cannot occur alone and must be supported by a robust and sustained health and education response otherwise it risks an even greater burden being imposed on law enforcement.

#### Impairment testing

- 6.53 Decriminalisation presents a particular challenge for law enforcement as currently there is no roadside impairment test for cannabis. The current test simply confirms the presence of THC rather than the impairment effect on the driver, which means individuals are banned from driving possibly long after they become unimpaired. This limitation of the testing system can affect individuals in jurisdictions where medicinal cannabis is permitted.
- 6.54 In Tasmania, driving with any detectable amount of THC in your system is an offence unless the product was obtained and administered lawfully. However, it may still be an offence if the person's driving is impaired. The committee acknowledges there is some work underway in Victoria where medicinal cannabis users will participate in a trial which will include work with clinicians to develop a tool for prescribers to determine when it is safe and unsafe to drive. There is also work underway in Western Australia with a working group considering amendments to enable a defence for people using medicinal cannabis, as prescribed, to drive while unimpaired.
- 6.55 While welcome, the committee acknowledges these are limited solutions requiring greater attention. Issues arising from a lack of impairment testing will likely increase as states and territories take steps towards decriminalisation. The committee is of the view that cannabis impairment testing is an emerging opportunity for Australia to lead in its commitment to public safety. To this end the government should support research to develop a comprehensive roadside impairment test for cannabis. This would assist not only medicinal and cannabis users in jurisdictions where it is legal, but also assist law enforcement to more effectively carry out their duty to keep the community safe.

#### **Recommendation 6**

6.56 The committee recommends that the Australian Government support research to develop an effective roadside cannabis impairment test to be used by law enforcement, including the current work being undertaken in Victoria.

#### Other harm minimisation measures

6.57 The committee acknowledges the views of inquiry participants on the various specific measures that could be undertaken to further minimise harm to people who use illicit drugs. For most of these measures, the committee recognises that it is for the states and territories to determine what types of facilities or policies it is willing to invest in or facilitate within their jurisdictions. However, as a general observation, the committee sees merit in inter-jurisdictional conversations, through a re-established governance framework as set out in

recommendation 1, to share knowledge obtained as more jurisdictions gain experience with these measures.

#### Drug checking facilities

- 6.58 The committee visited the drug checking facilities in Canberra, CanTEST, to see the operation of the centre and speak with the staff. The committee acknowledges that the array of drugs and drug users mean a range of solutions are required, and the committee supports the role this service can play in identifying emerging trends and new drugs not previously seen in Australia. CanTEST also provides information, counselling and advice to users based on test results. The committee supports the work being undertaken to help people make better choices that reduce overall drug use and the harm associated with illicit drugs.
- 6.59 CanTEST is also a good example of health services and law enforcement working together to achieve the objective of harm minimisation. Comments from the Police Federation of Australia indicated that despite initial concerns, police have recognised the positive impact of the work being undertaken. Should other states and territories decide to open drug checking facilities, the committee would urge them to follow the practice of CanTEST to publicly and widely share the information obtained.

## Safe injecting facilities

- 6.60 Safe injecting facilities can also mitigate the harms of illicit drugs. The committee was pleased to hear about the many ways that safe injecting facilities support users, beyond providing a safe and hygienic space for using drugs. The committee was particularly moved by the evidence provided by Mr Kevin Street, who told the committee about his experience at the Medically Supervised Injecting Centre (MSIC) in Kings Cross, Sydney, which ultimately led to him seeking and obtaining treatment for his addiction. Mr Street was also able to access other services with support from the MSIC staff.
- 6.61 The committee was struck by what appeared to be varied responses to the presence of the two safe injecting facilities currently in operation. While evidence to the committee indicates that the MSIC in Sydney was received relatively well, there appears to have been greater community resistance to the Medically Supervised Injecting Room in Melbourne. This contrast demonstrates the importance of comprehensive consultation with the local community and police at the establishment stage. The Sydney MSIC shows that these rooms can be established, positively received and benefit the community.
- 6.62 In relation to both drug checking and safe injecting facilities, the committee is of the view that there is a strong need for regular cross-jurisdictional conversations to share experiences and learnings as discussed above.

#### Drug detection dogs

- 6.63 The use of drug detection dogs at music festivals was raised with the committee. Witnesses highlighted the potential for individuals to ingest all the drugs they are carrying to avoid detection. Studies were also cited questioning the efficacy of drug detection dogs.
- 6.64 The committee accepts the evidence provided by the Police Association of NSW that detection dogs are a tool used to implement the policy settings determined by government. However, the committee encourages law enforcement to continue to evaluate the use of detection dogs to ensure that this strategy remains suitable for achieving their designated purpose of reducing drug use.

#### Evidence-based messaging

- 6.65 The committee was told about the importance of evidence-based messaging as an effective harm reduction mechanism. It was pointed out that stigma remains one of the most significant barriers for drug users to seek assistance.
- 6.66 The AFP's 'Faces of Meth' campaign was drawn to the committee's attention as likely to increase stigma and barriers to accessing care. The committee was pleased to hear that the AFP is conscious of the implications of stigmatising media messaging and is looking to take different approaches.
- 6.67 The committee is of the view that future campaigns by law enforcement should be evidence-based and subject to evaluation so that law enforcement can be confident in the suitability and effectiveness.

#### **Recommendation** 7

6.68 The committee recommends that future drug awareness campaigns run by the Australian Federal Police be evidence-based and subject to evaluation.

#### Contributing to national information sharing networks

- 6.69 It appears that the opportunity for law enforcement to engage and participate in national information sharing networks may not be fully utilised. Specifically, the committee heard evidence that outside South Australia, law enforcement has limited engagement with the Prompt Response Network administered by the National Centre for Clinical Research on Emerging Drugs.
- 6.70 Law enforcement operates on the front line of the response to illicit drugs and has unique and timely insights. Through seizures, law enforcement has access to information on types and composition of drugs at risk of entering the supply chain. The timely release of police data could assist services and communities to prepare for an influx of high-risk substances. The committee acknowledges that there will be situations where sharing information may not be possible, however, an improved information flow in both directions from law enforcement to health officials would assist with responding in a timely way to emerging trends and issues of concern.

- 6.71 There is an opportunity for law enforcement to engage with the Prompt Response Network perhaps through community liaison officers. The committee notes that South Australia has the South Australian Drug Early Warning System and the South Australian Police are one of the stakeholders. This system also feeds into the Prompt Response Network.
- 6.72 The committee encourages law enforcement agencies to consider how they can contribute to sharing information with health officials to effectively collaborate to identify emerging trends and potential areas of concern.

#### Conclusion

- 6.73 With changes underway in some jurisdictions regarding decriminalisation, the committee believes it has been timely to look at the current policy settings to ensure the job of law enforcement is not inadvertently made more difficult.
- 6.74 Law enforcement must be supported to continue to meet the many challenges it faces in taking action across the spectrum of the illicit drug business model to prevent harm to the Australian community and contribute to harm minimisation.
- 6.75 The committee trusts the evidence received and its recommendations will provide an opportunity to improve the overall response to reducing the harms of illicit drugs.

Senator Helen Polley Chair

# Appendix 1 Submissions and additional information

#### Submissions

- 1 Mr Jarryd Bartle
- 2 Name Withheld
- 3 George Dickson
- 4 Drug Free Australia
  - 4.1 Supplementary to submission 4
  - 4.2 Supplementary to submission 4
  - 4.3 Supplementary to submission 4
- 5 ACT Government
- 6 Australian Lawyers Alliance
- 7 Queensland Network of Alcohol and Other Drugs Agencies Ltd
- 8 Western Australia Police
- 9 The Royal Australasian College of Physicians
- 10 Name Withheld
- **11** South Australia Police
- **12** Penington Institute
- 13 Attorney-General's Department
- 14 QuIHN Ltd and QuIVAA Inc
- 15 MedReleaf Australia
- 16 Your Community Health
- 17 Harm Reduction Australia
- 18 Victorian Alcohol & Drug Association
- 19 Australian Psychedelic Society
- 20 South-East Monash Legal Service
- 21 Police, Treatment, and Community Collaborative
- 22 Pharmaceutical Society of Australia
- 23 Department of Health and Aged Care
- 24 Australian Alcohol and other Drugs Council
- 25 The Police Association Victoria
- 26 Global Law Enforcement and Public Health Association
- 27 Cranstoun
- 28 Alcohol Tobacco and other Drug Association ACT
- 29 Australasian College for Emergency Medicine
- 30 National Centre for Youth Substance Use Research
- 31 Australian Injecting & Illicit Drug Users League
- 32 Turning Point and the Monash Addiction Research Centre
- **33** Victoria Police
- 34 Medicinal Cannabis Industry Australia

- 36 Alcohol and Drug Foundation
- 37 Drug Policy Modelling Program
  - 37.1 Supplementary to submission 37
- 38 Students for Sensible Drug Policy Australia
- 39 Windana Drug and Alcohol Recovery
- 40 Uniting NSW.ACT
- 41 National Centre for Education and Training on Addiction
- 42 Burnet Institute
- 43 NSW Users and AIDS Association
- 44 Release
- 45 Harm Reduction Victoria
- 46 Police Federation of Australia
- 47 Community Legal Centres Tasmania
- 48 National Drug and Alcohol Research Centre
- **49** Australian Academy of Science
- 50 360Edge
- 51 The National Centre for Clinical Research on Emerging Drugs
- 52 St Vincent's Health Australia
- 53 NSW Bar Association
- 54 Australian Criminal Intelligence Commission
- 55 NSW Crime Commission
  - 55.1 Supplementary to submission 55
- 56 Jesuit Social Services
- 57 Commonwealth Director of Public Prosecutions
- 58 Australian Medical Association
- 59 Australian Federal Police
- 60 Mr Macciza Macpherson
- 61 Drug Policy Australia
- 62 Matilda Centre for Research in Mental Health and Substance Use, the University of Sydney
- 63 Department of Home Affairs
- 64 South Australia Health
- 65 Community Legal Centres Australia
- 66 The Centre for Justice Innovation UK
- 67 Department of Police, Fire and Emergency Management (Tasmania)
- 68 Police Association of New South Wales
- 69 Name Withheld

# Additional information

- Harm Reduction Journal abstracts, Additional information received from Professor Nick Crofts AM, 18 January 2023
- 2 Community Safety Knowledge Alliance, *Decriminalization: A proposed theory of change for improved community safety and wellbeing outcomes,* additional information received from Professor Nick Crofts AM, 5 March 2023
- Additional information from Mr Robert Waterman, Rural Health Tasmania, 28 April 2023
- 4 Additional information from the Commonwealth Director of Public Prosecutions, 1 November 2023
- 5 Correspondence from the Attorney-General's Department correcting evidence given at the public hearing on 26 September 2023 (received 17 November 2023)

# Answers to questions on notice

- 1 Victorian Alcohol and Drug Association, answers to questions on notice, public hearing, 20 April 2023 (received 20 April 2023)
- 2 Rural Health Tasmania, answers to questions on notice, public hearing, 20 April 2023 (received 28 April 2023)
- Alcohol and Drug Foundation, answers to questions on notice, public hearing, 20 April 2023 (received 1 May 2023)
- 4 Victorian Alcohol and Drug Association, answers to questions on notice, public hearing, 20 April 2023 (received 1 May 2023)
- 5 The Police Association Victoria, answers to questions on notice, public hearing, 20 April 2023 (received 5 May 2023)
- 6 Penington Institute, answers to questions on notice, public hearing, 20 April 2023 (received 8 May 2023)
- 7 Uniting, answers to questions on notice, public hearing, 29 June 2023 (received 17 July 2023)
- 8 The Matilda Centre, answers to questions on notice, public hearing, 29 June 2023 (received 21 July 2023)
- 9 Drug Policy Modelling Program, answers to questions on notice, public hearing, 29 June 2023 (received 21 July 2023)
- 10 NSW Crime Commission, answers to questions on notice, public hearing,29 June 2023 (received 25 July 2023)
- Harm Reduction Australia, answers to questions on notice, public hearing, 29 June 2023 (received 31 July 2023)
- St Vincent's Health Australia, answers to questions on notice, public hearing, 29 June 2023 (received 31 July 2023)
- **13** Department of Health and Aged Care, answers to questions on notice, public hearing, 26 September 2023 (received 19 October 2023)
- 14 CanTEST, answers to questions on notice, public hearing, 26 September 2023 (received 23 October 2023)

- Australian Federal Police, answers to questions on notice, public hearing,26 September 2023 (received 1 November 2023)
- **16** Attorney-General's Department, answers to questions on notice, public hearing, 26 September 2023 (received 1 November 2023)
- 17 Department of Home Affairs, answers to questions on notice, public hearing, 26 September 2023 (received 1 November 2023)
- 18 Commonwealth Director of Public Prosecutions, answers to questions on notice, public hearing, 26 September 2023 (received 1 November 2023)
- **19** Department of Health and Aged Care, answers to questions on notice, public hearing, 26 September 2023 (received 6 November 2023)
- **20** Australian Criminal Intelligence Commission, answers to questions on notice, public hearing, 26 September 2023 (received 6 November 2023)

## Media release

1 Media release – Launch of the illicit drugs inquiry – 28 September 2022

# Tabled documents

- 1 Australian Federal Police Facebook posts, tabled by Mr Sam Biondo, Executive Officer, Victorian Alcohol and Drug Association, at a public hearing on 20 April 2023
- 2 *CanTEST Monthly Report August 2023,* tabled by CanTEST at a public hearing on 26 September 2023
- **3** Document from CanTEST, tabled at a public hearing on 26 September 2023

# Appendix 2 Public hearings and witnesses

# Thursday, 20 April 2023

Buckingham Room 1 Stamford Plaza 111 Little Collins Street Melbourne, Victoria

#### Law Enforcement Action Partnerships

• Mr Greg Denham, Australian Representative

## Global Law Enforcement and Public Health Association

• Professor Nick Crofts, Executive Director

## Australasian College for Emergency Medicine

• Dr Simon Judkins, Chair, Mental Health Working Group

#### Turning Point and the Monash Addiction Research Centre

- Professor Dan Lubman, Executive Clinical Director, Turning Point, and Director, Monash Addiction Research Centre
- Professor Suzanne Nielsen, Deputy Director, Monash Addiction Research Centre

#### Alcohol and Drug Foundation

• Mr Robert Taylor, Knowledge Manager - Policy and Advocacy

#### Penington Institute

- Dr Karen Gelb, Acting Chief Executive Officer
- Dr Jacob Dizard, Senior Research Officer

#### Victorian Alcohol & Drug Association

- Mr Sam Biondo, Executive Officer
- Mr David Taylor, Policy and Media

#### Jesuit Social Services

• Ms Julie Edwards, Chief Executive Officer

#### Windana Drug and Alcohol Recovery

- Mr Mark O'Brien, General Manager Operations
- Mr Adam Miller, Communications and Partnerships Manager

#### 360Edge

• Professor Nicole Lee, Founder and Chief Executive Officer

Rural Health Tasmania

- Mr Robert Waterman, Chief Executive Officer (via teleconference)
- The Police Association Victoria
  - Mr Wayne Gatt, Secretary

*Thursday, 29 June 2023* Hyatt Regency Heritage Room 1 161 Sussex Street Sydney, New South Wales

## National Drug and Alcohol Research Centre

- Dr Rachel Sutherland, Senior Research Fellow
- Professor Don Weatherburn, Senior Research Fellow

## Drug Policy Modelling Program

- Professor Alison Ritter, Director
- Ms Michala Kowalski, Research Officer

## The National Centre for Clinical Research on Emerging Drugs (NCCRED)

• Dr Krista Siefried, Clinical Research Lead and Deputy Director

Matilda Centre for Research in Mental Health and Substance Use, the University of Sydney

- Professor Maree Teesson, Director
- Dr Stephanie Kershaw, Research Fellow

#### Harm Reduction Australia

- Mr Gino Vumbaca, President
- Mr Frank Hansen, Board Member

#### Uniting NSW.ACT

- Dr Marianne Jauncey, Medical Director
- Ms Alice Salomon, Head of Media and Advocacy
- Mr Kevin Street, Volunteer

#### St Vincent's Health Australia

• Professor Nadine Ezard, Clinical Director, Alcohol and Drug Service

## Drug Free Australia

• Mr Gary Christian, Research Director

#### NSW Crime Commission

- Mr Michael Barnes, Commissioner
- Mrs Tahli Blicblau, Director, Strategic Intelligence and Capabilities

Police Association of New South Wales

- Mr Kevin Morton, President
- Mr Tony Bear, Strategy and Relationships Manager

*Tuesday, 26 September 2023* Parliament House, 2S3 Canberra, Australian Capital Territory

## CanTEST

- Ms Bronwyn Hendry, Chief Executive Officer
- Ms Stephanie Stephens, Director of Service

#### Attorney-General's Department

• Mr Alex Engel, Assistant Secretary, Transnational Crime

## Department of Home Affairs

- Mr Tim Fitzgerald, Acting Commissioner
- Mr Jeff Carige, Acting First Assistant Secretary, Intelligence

## Commonwealth Director of Public Prosecutions

- Mr Mark de Crespigny, Deputy Director, Legal Capability and Performance
- Ms Eliza Amparo, Acting Deputy Director, Human Exploitation and Border Protection

#### Department of Health and Aged Care

- Ms Celia Street, Acting Deputy Secretary, Primary and Community Care Division
- Mr Avi Rebera, Assistant Secretary, Office of Drug Control, Health Products Regulations Group
- Ms Carolyn Paterson, Assistant Secretary, Alcohol and Other Drugs, Population Health Division

#### Australian Criminal Intelligence Commission

- Ms Virginia Hartley, Acting Deputy Chief Executive Officer Intelligence
- Ms Jennifer Hurst, Executive Director Intelligence Operations

## Australian Federal Police and ACT Policing

- Mr Grant Nicholls, Acting Deputy Commissioner Crime
- Ms Kirsty Schofield, Assistant Commissioner Crime Command
- Mr Peter Whowell, Executive General Manager Corporate

#### Professor Stan Gilmour FRSA, Private capacity

*Wednesday, 27 September 2023* Parliament House, 2S3 Canberra, Australian Capital Territory

# Police Federation of Australia

• Mr Scott Weber, Chief Executive Officer, via videoconference