Cannabis Regulation in Australia:
Putting community safety first

July 2024

Drugs and the community

Like it or not, drugs are a part of every society.

It would be naive to think otherwise. And cruel to ignore It.

And, while we don't encourage drug use, there are other things that we will always encourage.

Understanding. Openness. Empathy. Communication.

Our default, as a society, has been to pour scorn on those who "use drugs" and judge them harshly by seeing their problems as self-inflicted.

Human beings are complex, and so is this issue. The reasons people use drugs, including alcohol and pharmaceuticals, are countless.

Risky behaviours are part of being human. We need to understand that, not condemn it.

Judging is easy. Helping is a bit more of a challenge. So, how do we rise to that challenge?

At Penington Institute, we believe in approaching drug use in a safe, considerate and practical way. We seek solutions, not scapegoats. We strive for positive outcomes, not negative stereotypes. We follow evidence and data, but we temper it with compassion and empathy, to create change for the better.

Our focus is on making individuals and families safer and healthier.

Our goal is simple: to help communities and frontline services reduce harm and to make public policy work for the people, not against them.

We won't ever give up on that goal, or the people it exists to serve. It is too easy to judge people who use drugs.

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Executive summary

Australia is in dire need of drug policy reform. Dangerous drugs are freely circulating — around the world, new ones emerge every other day — overdose rates are on the rise, and the police are unable to contain the billion-dollar industry run by large-scale criminal organisations (see Section 3.1).

The current policy approach to cannabis is a three-fold disaster:

1. Huge profits from the $5 billion illicit cannabis market feed into the broader criminal economy, and police operations against dangerous criminal networks routinely reveal these groups' participation in cannabis cultivation and distribution (see Section 3.3).
2. The bulk of cannabis-related arrests, however, are for small-time personal use offences (see Section 4.1.2), depleting resources that could otherwise address serious crime ranging from family violence to the activities of criminal syndicates supplying more harmful illicit drugs (see Section 3.1).
3. The uncontrolled drug market imposes a wide range of harms upon individuals, the community, and society more broadly.

The evidence is in. An estimated 2.2 million people report being the victim of illicit drug-related incidents, abuse, or intimidation (see Section 2.3.2). Research by KPMG and Rethink Addiction estimates $12.9 billion in losses to the economy and productivity due to drug use (see Section 2.3.2). Drug-induced deaths took the lives of at least 37,724 Australians between 2001 and 2021. Although anti-drug law enforcement costs upwards of $3.5 billion per annum, the data indicates that an enforcement-led approach has failed to prevent both a rising overdose death rate and the increasing availability of an array of illicit drugs (see Sections 2.2 and 2.3.2).

Despite its relative geographic isolation, Australia's wealth and demand for drugs makes it an important market for international drug trafficking networks. According to the Australian Federal Police (AFP), as of 2022, Australia was a destination for cocaine produced in the Andes, heroin made in Southeast and Southwest Asia, MDMA manufactured in Europe, and methamphetamine originating in China, Myanmar, and Mexico (see Section 3.1).

The international community, including jurisdictions from the US and Canada, has changed direction by taking cannabis out of the illicit drug equation. A regulated adult-use cannabis market allows consumers to buy from regulated access points, leading to diminished criminal markets and better community health and safety (see Section 5.2). For cannabis, regulation offers greater benefits than decriminalisation, which fails to address the criminal supply of drugs and the toxicity of unregulated products.

Australia's approach to medicinal cannabis exemplifies these benefits: regulated medicinal cannabis products are free from harmful contaminants, are of a known potency, and their use is tracked and controlled by governments. Regardless of the purpose for using cannabis, the benefits of a regulated framework are clear.

The benefits of regulated cannabis supply can extend to a reduction in clearance rates for violent crime, without producing greater youth consumption. In fact, a regulated cannabis market can support the elimination of child focused candy-like edible products (see Section 5.2). Communities in jurisdictions with a regulated cannabis market overwhelmingly regard such policy reform in successful terms (see Section 5.3).

There is now a wealth of evidence and research from a variety of jurisdictions that show the benefits of a regulated cannabis market (see Sections 5.2 and 5.3). By integrating evidence from other jurisdictions and creating objectives aligned with the Australian context and community priorities, we can implement a viable regulated cannabis model that will protect community health and welfare.

Such a model would be guided by the need to protect health, limit underage access, assure quality and safety, and reduce misdirected government expenditure, thereby freeing resources and personnel in the fields of health, law enforcement, and community support. It would create wide-ranging economic benefits by facilitating the development of a legal, regulated industry that creates new jobs, businesses, and tax revenue.

This discussion paper addresses the evidence on Australia's uncontrolled drug trade, the characteristics of the criminal cannabis market, and the associated economic, human, and social harms. It includes international research on the drug trade, and the positive impact of a regulated cannabis market. Its conclusion is that regulating adult access to cannabis represents a sensible and achievable policy reform, already supported by the community and public at large. It has become a responsibility on the part of policymakers to acknowledge the evidence and make a positive difference.

1. Introduction

Australia's drug policies are not working. The evidence of that is visible in the data and, far more importantly, in the daily lives of our people and our communities. The data reveals a steady rise in drug-involved deaths over the past two decades and overwhelmed treatment services, while the most-commonly consumed substances in Australia are increasingly available at prices that are steady or declining. Meanwhile, profits from the drug trade are driving violence perpetrated by increasingly well-armed participants in a thriving criminal ecosystem.

These trends reflect the counterproductive results of a national drug strategy that overwhelmingly relies on law enforcement. Low-level possession and use offences continue to dominate anti-drug arrests; this costly, misdirected, and ineffective outcome neither limits drug supply nor reduces criminal profit.

Bold steps are needed to rethink how we protect people and communities, starting with the implementation of low-risk, maximum-impact interventions. Establishing a regulated adult-use cannabis market is an example of such a policy: an evidence-based response that will reduce wasteful misallocation of law enforcement resources, shrink criminal organisations' revenue, and generate resources to address key health and safety priorities.

2. Australia's uncontrolled drug market

Australia's uncontrolled criminal drug market is leaving the community unprotected. An array of substances, including numerous types of stimulants, opioids, and other depressants remain widely available across the country. A steady drip of newly detected substances – many of them dangerous or poorly understood – show up in the drug supply each year. Australia's purchasing power and persistent demand for drugs incentivise fierce competition for market share among criminal trafficking groups.

Highly risky substances such as methamphetamine or opioids and the much lower-risk cannabis are often thought of as separate policing issues, but the criminal ecosystem makes no such distinction: Australia's illicit drug trade features connections across all prohibited substances. As the substance with the highest prevalence of use, cannabis distribution facilitates creation of local access nodes used by the networks funnelling all manner of substances into our communities.

2.1 An increasingly unpredictable drug supply

The signature quality of unregulated drug markets is their adaptability. Attempts by traffickers to evade detection and increase profits drive continual innovation, as demonstrated by the frequent detection of novel, often highly potent psychoactive substances. The most notorious recent example is opioids, where the displacement of heroin by much more potent, cheaper to produce fentanyl created an unprecedented overdose crisis in North America. The threat of widespread fentanyl introduction into Australia's illicit opioid market continues to loom, and in 2024 several Australian states have registered an upsurge in detections of nitazenes, an even more dangerous class of synthetic opioid.[1]

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[1] NSW Health. 2024. Nitazenes causing severe opioid overdoses in NSW; Liz Gwynn. 2024. "Synthetic opioid nitazene linked to rise in overdose deaths is emerging in Australia." *ABC News* June 25, 2024.

These mutations are not unique to opioids. Over the past fifteen years, over 1,100 new psychoactive substances (NPS) have been detected worldwide.[2] Some of the most dangerous are novel benzodiazepines, psychedelics, and stimulants – which have led to repeated drug alerts by state agencies – but detections also include hundreds of new synthetic drugs designed to mimic the effects of cannabis, which European authorities warned in 2023 are increasingly being mixed with and tainting the supply of natural botanical cannabis.[3]

In addition to psychoactive contaminants, the presence of other potentially hazardous substances is common; for example, the Australian cocaine supply is commonly cut with the antiparasitic agent levamisole, while MDMA has been found to contain sildenafil (Viagra).[4] Similarly, the unregulated, uncontrolled nature of illicit cannabis production predictably results in contamination: studies have consistently found unsafe levels of pesticides, heavy metals, and organic contaminants in illicitly produced cannabis.[5]

The globalisation and digitalisation of commerce further enhances access to unsafe substances. Anyone with an internet connection can order powerful synthetic drugs and have them delivered to their doorstep. A recent study found that 35 per cent of the substances ordered via cryptomarkets by a sample of Australian consumers contained unexpected substances, some of them novel, highly potent, or unsafe compounds.[6]

2.2 Drug consumption and availability are higher

Over the past twenty years, the proportion of Australians who report ever having used illicit drugs has increased. Comparing 2001 to 2022-23, the proportion of Australians aged 18 and up who report ever having used illicit drugs increased by 24 per cent; lifetime use of cannabis, the most widely consumed drug, increased by 26 per cent (from 33.5 to 42.3 per cent of respondents).[7]

Data from Australia's wastewater monitoring program reveal broad stability in the overall volume of drugs consumed. Although COVID-19-related disruptions produced a temporary dip, the market has quickly recovered, underscored by the 17 per cent rise in consumption of methamphetamine, cocaine, heroin, and MDMA between August 2022 and August 2023.[8] Consumption is widely dispersed across the country: while use of heroin, ketamine, and cocaine tends to be higher in urban

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[2] United Nations Office on Drugs and Crime. 2024. *World Drug Report 2024 Executive Summary*. Vienna: UNODC. p. 50.

[3] European Union Drugs Agency. 2023. *European Drug Report 2023: Trends and Developments*. Lisbon: EUDA.

[4] Pack, Yoshimi, Alan R. Clough, and Peter N Culshaw et al. 2019. "Multi-drug cocktails: Impurities in commonly used illicit drugs seized by police in Queensland, Australia." *Drug and Alcohol Dependence* 201: 49-57.

[5] Dryburgh, Laura M., Nanthi S. Bolan, and Christopher P.L. Grof et al. 2018. "Cannabis contaminants: sources, distribution, human toxicity and pharmacologic effects." *British Journal of Clinical Pharmacology* 84(11): 2468–2476.

[6] Barratt, Monica J., Matthew Ball, and Gabriel T. W. Wong et al. 2024. "Adulteration and substitution of drugs purchased in Australia from cryptomarkets: An analysis of Test4Pay." *Drug and Alcohol Review* 43(4): 969-974.

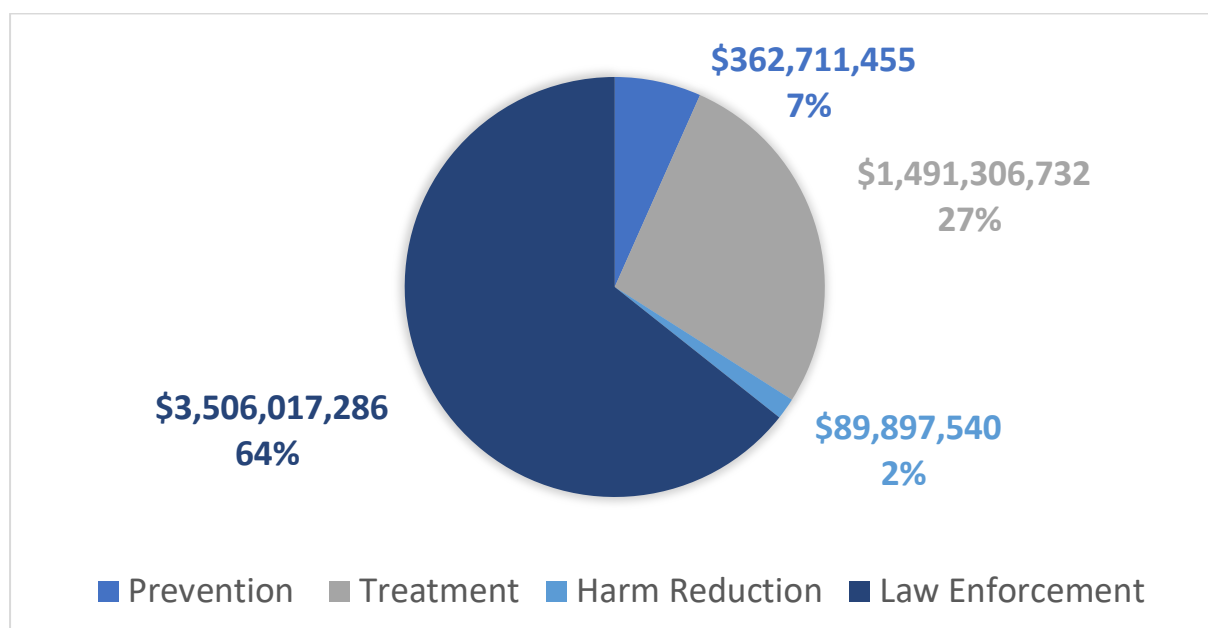[7] Australian Institute of Health and Welfare. 2024. "*National Drug Strategy Household Survey 2022-2023.*" Canberra: AIHW. Tables 5.2 and 5.48.

[8] Australian Criminal Intelligence Commission. 2024. *National Wastewater Drug Monitoring Program Report 21*. Canberra: ACIC. p. 13.

areas, cocaine consumption in regional Australia reached a record level in December 2023, and oxycodone and cannabis use are consistently higher in regional areas.[9]

Our anti-drug strategy is dominated by law enforcement efforts – $3.5 billion in the 2021-2022 financial year, compared to less than $90 million on harm reduction.[10] Yet data from law enforcement reveal the ineffectiveness of countering drug harms via an enforcement-led strategy. The Australian Criminal Intelligence Commission (ACIC) reported that in the ten years up to June 2020, while the Australian population grew by 14 per cent, the number of illicit drug seizures increased by 74 per cent, illicit drug-related arrests doubled, and the weight of illicit drug seizures increased by a startling 314 per cent.[11]

Figure 1. Domain contributions to total 2021-2022 Australian 'drug budget'

Pie chart with values:
- $362,711,455 — 7%
- $1,491,306,732 — 27%
- $89,897,540 — 2%
- $3,506,017,286 — 64%

Legend: ■ Prevention ■ Treatment ■ Harm Reduction ■ Law Enforcement

Ben Knight. 2024. "Illicit drugs: government spending lowest on prevention and harm reduction, shows new report."
UNSW News June 4, 2024.

These operations have not made drugs less available. Most people who inject drugs described access to both heroin and methamphetamine as 'very easy' in 2023,[12] while surveys of people who use ecstasy and related drugs point to stable or rising strength and availability for an array of substances including MDMA, ketamine, and cocaine.[13] As both ACIC wastewater and National Drug Strategy

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[9] Australian Criminal Intelligence Commission. 2024. *National Wastewater Drug Monitoring Program: Report 22*. Canberra: ACIC.

[10] Ben Knight. 2024. "Illicit drugs: government spending lowest on prevention and harm reduction, shows new report." *UNSW News* June 4, 2024.

[11] Australian Criminal Intelligence Commission. 2023. *Submission 54 to the Parliamentary Inquiry into Australia illicit Drug Problem: Challenges and Opportunities for Law Enforcement*. Canberra: Commonwealth of Australia.

[12] Sutherland, Rachel, Julia Uporova, and Kate King et al. 2023. *Australian Drug Trends 2023: Key Findings From the National Illicit Drug Reporting System (IDRS) Interviews*. Sydney: National Drug and Alcohol Research Centre.

[13] Sutherland, Rachel, Antonia Karlsson, and Cate King et al. 2023. *Australian Drug Trends 2023: Key Findings From the National Ecstasy and Related Drugs Reporting System (EDRS) Interviews*. Sydney: National Drug and Alcohol Research Centre.

Household Survey (NDSHS) prevalence data confirm, cannabis also remains widely available across Australian communities.

2.3 The growing burden of drug harms

Both the deadliness of the drug supply and the geographic dispersal of drug harms are visible in public health and criminal justice data.

2.3.1 Overdose deaths

The number and the rate of unintentional drug-induced deaths in Australia have each risen over the past two decades. Comparing 2001 to 2021 – a period in which the cumulative drug-induced death toll reached 37,724 Australians – Table 1 shows that the annual number of unintentional drug-induced deaths per 100,000 people has grown by double-digit percentages in every state, with Victoria's spike of over 52 per cent matched only by South Australia's 55 per cent rise.[14]

Table 1. Unintentional drug-related deaths per-100,000 people, by jurisdiction

Jurisdiction	2001	2021	Per cent increase
SA	3.4	5.3	55.9%
VIC	4.2	6.4	52.4%
WA	6.1	8.0	31.1%
TAS, NT, ACT	5.2	6.5	25.0%
NSW	5.8	6.7	15.5%
QLD	5.2	5.7	9.6%

Penington Institute. 2023. *Australia's Annual Overdose Report 2023*. Melbourne: Penington Institute.

As shown in Figure 2, over the past ten years, areas outside of capital cities have experienced even greater rates of unintentional drug-related deaths than capital cities, underscoring the extension of drug harms to rural and regional Australia.

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[14] Penington Institute. 2023. *Australia's Annual Overdose Report 2023*. Melbourne: Penington Institute.

Figure 2. Unintentional drug-related deaths in Australia
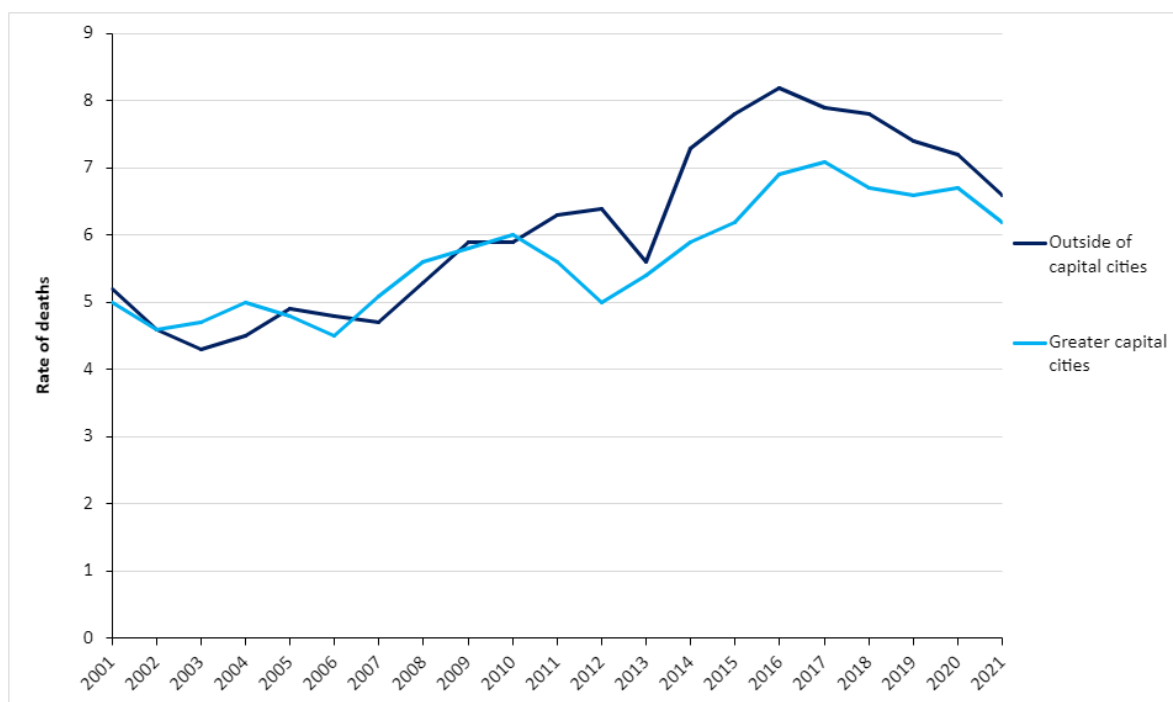
Penington Institute. 2023. *Australia's Annual Overdose Report 2023*. Melbourne: Penington Institute. p 22.

2.3.2 Additional health and social harms

Australia's uncontrolled drug market imposes a range of additional harms on people and communities. According to the Australian Institute of Health and Welfare, between 2003 and 2018 the total burden of disease and injury associated with illicit drug use increased by 35 per cent.[15] In addition to the rising fatal overdose toll, nonfatal overdoses are common, with 18 per cent of respondents to the Illicit Drugs Reporting System (IDRS) stating they had experienced a nonfatal overdose in 2023.[16]

Over 10 per cent of respondents to the 2022-2023 NDSHS – an estimated 2.2 million people – reported being the victim of an illicit drug-related incident of physical or verbal abuse or intimidation.[17] A Victorian study found that routine urine screens conducted on patients presenting at hospital for non-transport-related trauma showed the presence of illicit drugs in nearly one-third of presentations, with even higher rates for presentations involving injuries from interpersonal violence (54.7 per cent) and injuries from cutting/piercing objects (41.5 per cent).[18]

The burden of the uncontrolled drug market affects all of the economy and society. KPMG and Rethink Addiction estimated $12.9 billion in productivity and associated losses to the economy in

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[15] Australian Institute of Health and Welfare. 2021. Australian Burder of Disease Study 2018: Interactive data on risk factor burden. Canberra: AIHW.

[16] Sutherland, Rachel, Julia Uporova, and Cate King et al. 2023. *Australian Drug Trends 2023: Key Findings From the National Illicit Drug Reporting System (IDRS) Interviews*. Sydney: National Drug and Alcohol Research Centre.

[17] Australian Institute of Health and Welfare. 2024. "*National Drug Strategy Household Survey 2022-2023*." Canberra: AIHW. Tables 5.37 and 5.38.

[18] Lau, Georgina, Miswadev Mitra, and Belinda J. Gabbe et al. 2024. "*Prevalence of alcohol and other drug detections in non‐transport injury events*." *Emergency Medicine Australasia* 36(1): 78-87.

2021 from drug use (prescription and illicit, but excluding alcohol and tobacco).[19] Long wait times and complex bureaucracies impede access to detoxification and other treatment facilities,[20] perpetuating the costs of our ineffective drug policy to people and communities.

3. Organised crime networks: drugs, money, and violence

3.1 International dynamics

Despite its relative geographic isolation, Australia's wealth and drug demand makes it an important market for international drug trafficking networks. According to the Australian Federal Police (AFP), as of 2022 Australia was a destination for cocaine produced in the Andes, heroin made in Southeast and Southwest Asia, MDMA manufactured in Europe, and methamphetamine originating in both Myanmar and Mexico.[21] The United Nations Office on Drugs and Crime's World Drug Report 2023 adds further links, citing Australia as a market for ketamine manufactured in China and Southeast Asia and methamphetamine produced in both Europe and Afghanistan.[22] As the ACIC notes, the international supply chain also includes the transport of methamphetamine precursors from China and India that abet domestic production.[23]

These networks feature Australians playing central roles not only as recipients of drugs shipped from abroad but also as managers of drug networks operating from safe havens. Exploiting limited extraterritorial law enforcement capacity abroad and traffickers' deep ties within Australia, criminal networks operating out of safe havens like Dubai "have almost perfected the way to bring drugs into Australia", according to a former senior NSW law enforcement official.[24]

3.2 Organised crime and the drug trade in Australia

The illicit drug trade in Australia is extremely profitable and dominated by flexible and adaptable organised crime networks, often with international links, that use violence and corruption to generate revenue, fend off competitors, and insulate themselves from law enforcement efforts.

Submissions by law enforcement agencies to a 2023 Joint Committee on Law Enforcement inquiry identified numerous vulnerabilities stemming from the embeddedness of transnational criminal groups into Australian society. The Australian Criminal Intelligence Commission (ACIC) characterised groups operating in Australia's illicit drug market as "virulent, highly resilient and adaptable".[25] The

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[19] KPMG. 2022. The $80 billion dollar cost of addiction to Australia.
[20] Edwina Storie. 2022. "Thousands are waiting for drug and alcohol treatment. For Chloe, the long wait for help almost took her life." *ABC/triple j hack* 3 October 2022.
[21] Commonwealth of Australia. 2024. *Committee Report on the Parliamentary Inquiry into Australia illicit Drug Problem: Challenges and Opportunities for Law Enforcement – Chapter 2 – Illicit drugs in Australia*. Canberra: Commonwealth of Australia.
[22] United Nations Office on Drugs and Crime. 2024. *World Drug Report – Chapter 8: Developments and Emerging Trends in Selected Drug Markets*. Vienna: UNODC.
[23] Australian Criminal Intelligence Commission. 2023. *Submission 54 to the Parliamentary Inquiry into Australia illicit Drug Problem: Challenges and Opportunities for Law Enforcement*. Canberra: Commonwealth of Australia.
[24] Nick McKenzie and Amelia Ballinger. 2024. "Australian drug smuggling suspects right at home as Dubai makes world's worst welcome." *The Age* 15 May 2024.
[25] Australian Criminal Intelligence Commission. 2023. *Submission 54 to the Parliamentary Inquiry into Australia illicit Drug Problem: Challenges and Opportunities for Law Enforcement*. Canberra: Commonwealth of Australia. p 2.

AFP emphasised "an alarming interoperability and cooperation between different crime groups and crime types", observing that most transnational serious organised crime networks targeting Australia are either engaged directly in the illicit drug trade or in supporting activities such as weapons smuggling, money laundering, and violence.[26]

The NSW Crime Commission highlighted a direct connection to violence, reporting that among homicides prosecuted between 2018 and 2022 in NSW, over 50 per cent (13 homicides) can "reasonably be said to have originated in a conflict fuelled by the market in illicit drugs".[27] According to the AFP, the impact of the illicit drug trade is estimated to cost the Australian economy $16.5 billion every year.[28] These impacts prompted the Department of Home Affairs to characterise transnational organised crime activity as having "reached a scale of national concern [that] is eroding Australia's prosperity and the safety of our community".[29]

3.3 Cannabis and the Australian criminal drug market

The stability and sheer size of the cannabis market makes it an alluring business for criminal suppliers. Using data from the 2019 NDSHS, economists estimated the size of the illicit retail cannabis market at over $5 billion[30] – nearly equivalent in size to the entire Australian complementary medicines market ($5.69 billion), which includes vitamins, supplements and other non-prescription medicines.[31]

While not all suppliers are members of violent criminal syndicates, the evidence strongly suggests that a substantial share of the revenue accrues to criminal mafias. According to a 2023 study of nearly 600 Australian organised crime groups involved in drug trafficking by the Australian Institute of Criminology, 21.6 per cent of the sample participated in the criminal cannabis market, with cannabis ranking behind only methamphetamine and cocaine among the drugs most trafficked by criminal organisations. Within the subset of groups that traffic cannabis, 54 per cent participate in cannabis cultivation, with 74 per cent deriving income from cannabis distribution (see Table 2).[32]

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[26] Australian Federal Police. 2023. *Submission 59 to the Parliamentary Inquiry into Australia's Illicit Drug Problem: Challenges and Opportunities for Law Enforcement*. Canberra: Commonwealth of Australia.

[27] New South Wales Crime Commission. 2023. *Submission 55 to the Parliamentary Inquiry into Australia's Illicit Drug Problem: Challenges and Opportunities for Law Enforcement*. Canberra: Commonwealth of Australia.

[28] Australian Federal Police. Drug Crime.

[29] Department of Home Affairs. 2023. *Submission 63 to the Parliamentary Inquiry into Australia's Illicit Drug Problem: Challenges and Opportunities for Law Enforcement*. Canberra: Commonwealth of Australia.

[30] Jenny Williams and Christiern Rose. 2024. "How can we measure the size of Australia's illegal cannabis market – and the billions in taxes that might flow from legalising it?" *The Conversation* 10 May 2024.

[31] Complementary Medicines Australia. 2022. *Pre-Budget Submission 2022-23*.

[32] Morgan, Anthony and Christopher Dowling. 2023. "Enablers of illicit drug trafficking by organised crime groups." *Trends & Issues in Crime and Criminal Justice* no. 665 Canberra: Australian Institute of Criminology. Table 1.

Table 2. Illicit drug trafficking by organised crime groups, by drug type and role in supply chain (*n*=587)

	Importation/ exportation	Manufacture/ cultivation	Distribution	Unknown	More than one stage
Methamphetamine (*n*=435)	45.5	30.1	74.9	2.5	44.6
Cocaine (*n*=248)	59.3	0.4	60.1	3.2	23.3
Heroin (*n*=109)	56.9	0.0	69.7	0.9	27.8
Ecstasy (*n*=98)	43.9	21.4	66.3	1.0	25.8
Cannabis (*n*=127)	3.9	53.5	74.0	2.4	34.7
Other (*n*=33)	42.4	3.0	69.7	12.1	-
All drug types (*n*=587)	58.3	32.2	76.5	1.9	54.0

Morgan, Anthony and Christopher Dowling. 2023. "Enablers of illicit drug trafficking by organised crime groups." *Trends & Issues in Crime and Criminal Justice* no. 665 Canberra: Australian Institute of Criminology. Table 1.

Cannabis growing operations connected to organised crime are often large-scale, involving hundreds or thousands of plants cultivated on regional or rural properties, producing crops with street values in the millions of dollars. Multiple reports disseminated by the AFP in the context of *Operation Ironside*, a long-term effort undertaken in conjunction with the US Federal Bureau of Investigation, illustrate the extent of cannabis integration into organised crime activities:

- Seizures of approximately 200kg of cannabis and over 750 cannabis plants during operations targeting a Queensland syndicate that also yielded numerous high-powered firearms, luxury goods, and traffickable quantities of other drugs.[33]
- A 2021 raid in South Australia that led to the seizure of $1.5 million in cannabis and cash from individuals connected to the Rebels outlaw motorcycle gang (OMCG).[34]
- A raid in regional NSW in 2022 that yielded over 19,000 plants – believed to be an unprecedented quantity – worth an estimated $66 million.[35]
- The 2023 raid on a cannabis grow house in South Australia during investigations of the Comancheros OMCG that yielded traffickable quantities of dry cannabis, cannabis plants, weapons, and cash.[36]

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[33] Australian Federal Police. QLD: Ironside Northern-Shropshire (Case Study).
[34] Australian Federal Police. SA: Operation Lepanto (Case Study).
[35] Australian Criminal Intelligence Commission. 2022. "Six charged during record cannabis seizure worth nearly $67 million – Dandry." *ACIC* 19 January 2022.
[36] Australian Criminal Intelligence Commission. 2023. "OMCGs targeted during national Taskforce Morpheus week of action." *ACIC* 8 August 2024.

These large-scale operations are connected to additional crimes, including money laundering and migration law violations, which may be facilitated by corruption.[37] Law enforcement officials have also reported that criminal networks exploit the high, steady demand for cannabis to fund activities involving drugs such as cocaine and heroin that feature higher margins and correspondingly violent competition. Because cannabis crops can be grown and harvested multiple times per year, illicit cannabis production is an efficient way to generate cashflow, a pattern the ACIC has linked to both heroin[38] and methamphetamine trafficking.[39]

State police forces confirm this dynamic. The South Australian police have linked cannabis production to interstate drug trafficking and associated violence.[40] In 2021 a New South Wales Detective Superintendent described cannabis as "the jet fuel of organised crime [...] the profitability allows organised crime to generate significant income to fund the importation of other drugs".[41] The prevalence and steadiness of cannabis consumption also leads criminal groups to create access points that supply people who have little or no other contact with criminal syndicates and drug markets. By reinforcing criminal networks that undermine community health and wellbeing, the impact of the illicit cannabis market therefore extends beyond direct cannabis-related harms.

Within Victoria, geographic data further suggest the integration of activity in the illicit cannabis market with trafficking of other drugs. Although precise linking data are unavailable, Figures 3.1 and 3.2 shows a strong correlation between the local government areas (LGAs) where cannabis trafficking and commercial cultivation offences are concentrated and those where offences for dealing and trafficking of other drugs are recorded. Contrary to the common perception that cannabis is supplied by hobbyists, the data reinforces the inclusion of cannabis as part of concentrated criminal economies that undermine community safety and wellbeing.

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[37] Hughes, Caitlin Elizabeth, Jenny Chalmers, and Monika Klimoski. 2017. "Assessing concordance between trends in high-level drug trafficking and other serious and organised crimes in Australia, 2005–2006 to 2014–2015." *Drugs: Education, Prevention and Policy* 25(3).

[38] Australian Criminal Intelligence Commission. 2023. *Submission 54 to the Parliamentary Inquiry into Australia illicit Drug Problem: Challenges and Opportunities for Law Enforcement*. Canberra: Commonwealth of Australia.

[39] Australian Criminal Intelligence Commission. 2017. *Organised Crime in Australia 2017*. Canberra: ACIC.

[40] South Australia Police. 2023. *Submission 11 to the Parliamentary Inquiry into Australia illicit Drug Problem: Challenges and Opportunities for Law Enforcement*. Canberra: Commonwealth of Australia.

[41] Ava Benny-Morrison. 2021. "Sydney drug ring: Six men arrested as $120k in cash, $300k in designer goods seized." *Daily Telegraph* 5 June 2021.

Figure 3.1. Incidents of commercial illicit drug offences by Local Government Area (Victoria)
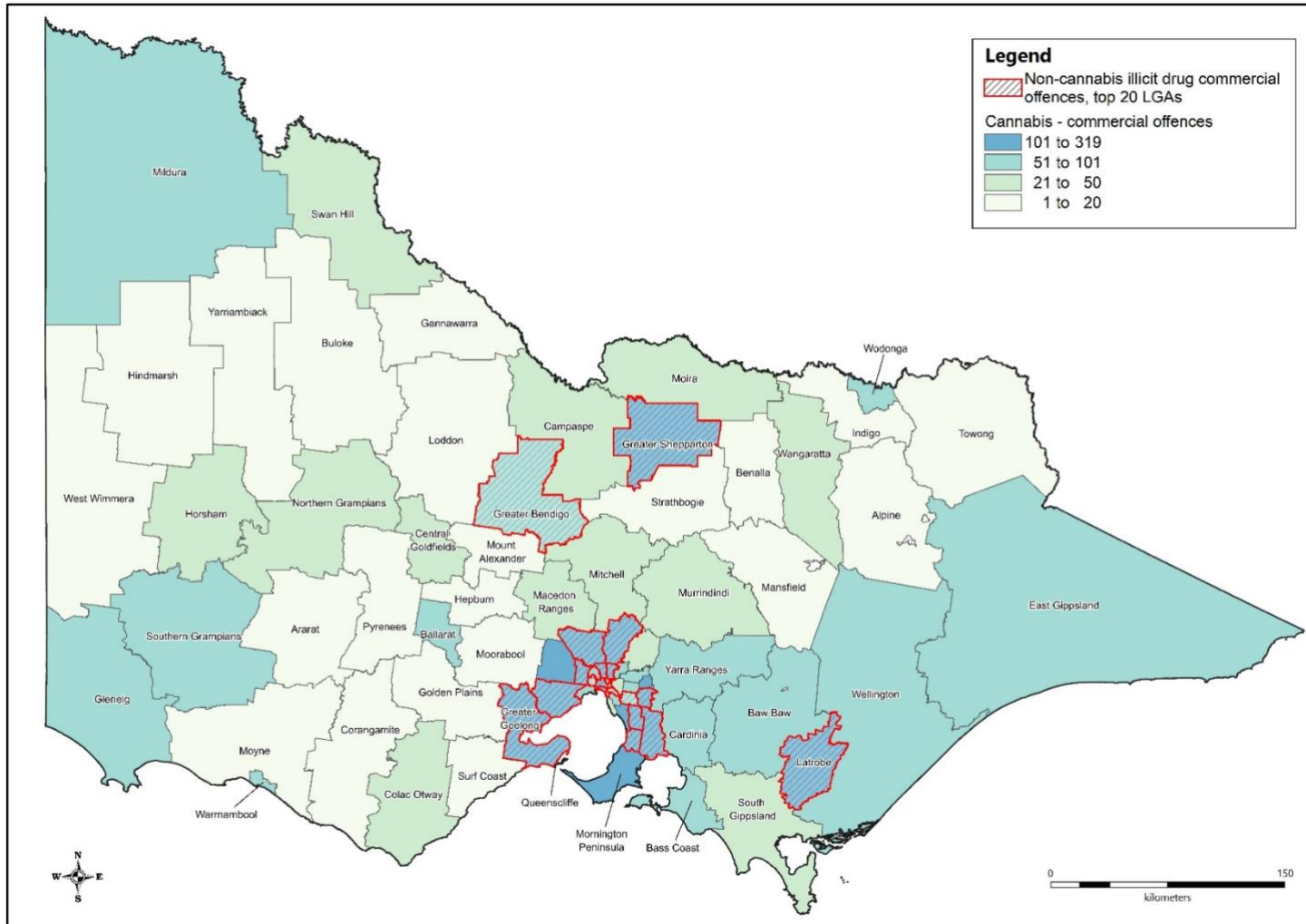
See Appendix.

Figure 3.2. Incidents of commercial illicit drug offences by Local Government Area (Melbourne)

See Appendix.

4. Criminalised cannabis is counterproductive

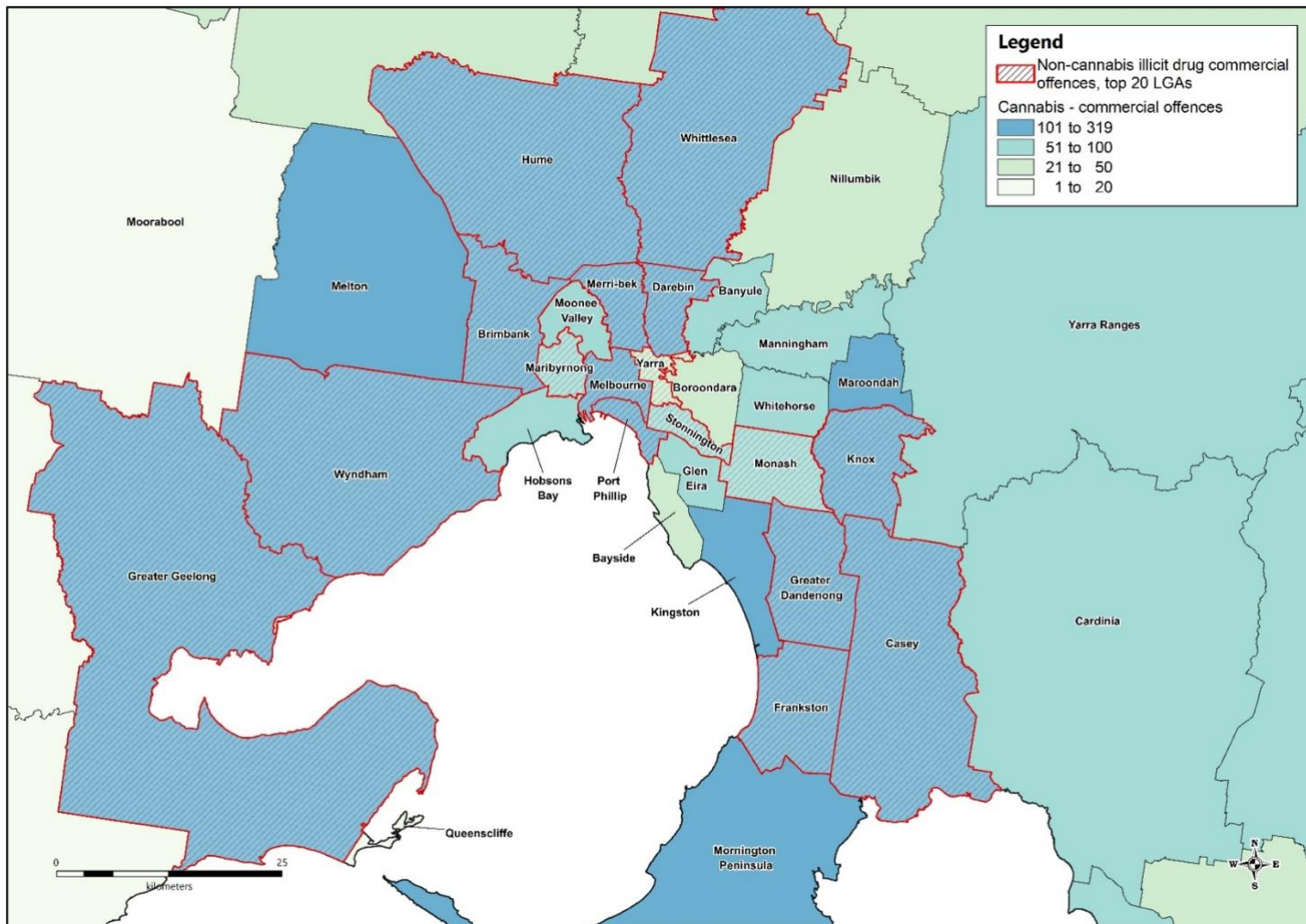Responding to the economic and health impacts of our drug markets is notoriously complex. However, when we begin to disaggregate the drug market's components, there is one substance where our unyielding commitment to criminalisation stands out as particularly unproductive. Cannabis is by far the most widely consumed illicit substance in Australia. It has a lower harm profile than nearly any other commonly used psychoactive substance – including alcohol[42] – yet it dominates arrests for drug use and possession. Continuing to channel people into the criminal justice system while funnelling money to criminal groups that sell uncontrolled products to Australians of all ages is a policy anachronism, and it is time to acknowledge the evidence that our cannabis policy has been thoroughly unsuccessful.

4.1 Expensive enforcement, low return

Vast law enforcement resources are dedicated to cannabis law enforcement – $1.7 billion in 2015-2016 alone;[43] with costs assumed steady and adjusted for inflation,[44] this implies spending of up to $2.1 billion in 2023-2024.

If this spending resulted in the diminution of criminal networks or registered a significant impact on cannabis markets it would be visible in arrest patterns and measures of cannabis availability. On the contrary, however, data on cannabis availability and arrests strongly suggest that this enforcement is both highly ineffective and poorly targeted.

4.1.1 Cannabis remains widely available and is getting stronger

Whether measured by prevalence, potency, or price, the return on our large-scale, poorly targeted, continually renewed investment in anti-cannabis enforcement is very low.

Cannabis consumption is prevalent across Australian communities. According to the 2022-2023 NDSHS, 11.6 per cent of the Australian population aged 18 and over reported consuming cannabis within the past year, with 42.3 per cent reporting lifetime use[45] – a figure that is likely an underestimate due to stigma and sensitivity about reporting illegal activity.[46]

Although the potency of illicit cannabis in Australia has not been systematically tested or tracked over time, a study published in 1997 tested illicit cannabis samples and found that most contained 0.6-2.5 per cent THC.[47] By 2013, a study of illicit cannabis found that most samples analysed

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[42] Bonomo, Yvonne, Amanda Norman, and Sam Biondo et al. (2019). "The Australian drug harms ranking study." *Journal of Psychopharmacology* 33(7): 759-768.

[43] Penington Institute. 2022. *Cannabis in Australia 2022*. Melbourne: Penington Institute. Drawing on data from Whetton, Steve, Robert J. Tait, and Agata Chrzanowska et al. 2020. "Quantifying the Social Costs of Cannabis Use to Australia in 2015/16." *National Drug Research Institute.*

[44] Reserve Bank of Australia. Inflation Calculator. Calendar years 2016 to 2023.

[45] Australian Institute of Health and Welfare. 2024. *National Drug Strategy Household Survey 2022-2023*. Canberra: AIHW. Tables 5.5 and 5.48.

[46] Brown, Sarah, Mark N. Harris, and Pretty Srivastava et al. 2016. "Modelling Illegal Drug Participation." *Journal of the Royal Statistical Society Series A: Statistics in Society* 181(1): 133–154.

[47] Hall, Wayne, and Wendy Swift. 2007. "The THC content of cannabis in Australia: evidence and implications." *Australian and New Zealand Journal of Public Health* 24(5): 463-558.

contained between 10 and 15 per cent THC.[48] This tracks international experience; in the USA, the average potency of illicit cannabis increased from 9.75 to 13.88 per cent from 2009 to 2019.[49]

As with other illicit drugs, Australia's criminalised cannabis policy has failed to constrain consumption by raising the price. The ACIC reports that the median price for an ounce of illicit hydroponic cannabis declined from $362.50 in 2011-12 to $300 in 2020-21.[50]

4.1.2 Cannabis use and possession arrests are inefficient and arbitrary

Australia's enforcement-based strategy is periodically able to disrupt specific criminal operations, but it has proven ineffective at deterring consumption, raising prices, or preventing a trend toward higher potency. Instead, the main output of large-scale anti-cannabis spending is arrests for low-level cannabis use and possession offences.

Despite its comparatively low harm profile, cannabis accounts for almost half of all drug-related arrests in Australia. Between 2010-2011 and 2019-2020, a remarkable 702,866 people were arrested for cannabis-related offences. Of the nearly 77,000 cannabis offences registered in 2019-2020, over 90 per cent involved personal possession or use rather than illegal drug selling.[51] The proportion of arrests involving consumers surpassed 85 per cent in every state and territory.[52]

Table 3. Proportion of cannabis-related arrests that involved consumers (2019-2020)

Jurisdiction	Proportion of cannabis-related arrests that involved consumers
NSW	88.5%
VIC	94.9%
QLD	90.4%
SA	88.8%
WA	91.5%
TAS	88.3%
NT	86.9%
ACT	85.6%
Australia	91.0%

Penington Institute. 2022. *Cannabis in Australia 2022*. Melbourne: Penington Institute. p. 102.

These arrests are the worst of both worlds: they harm the individuals affected while failing to alter social behaviour. People convicted for consumer cannabis offences encounter consequences that are grossly disproportionate to the offence committed. Formal contact with the criminal justice system can create downstream complications for employment, education, relationships, parenting,

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[48] Swift, Wendy, Alex Wong, and King M. Li et al. 2013. "Analysis of Cannabis Seizures in NSW, Australia: Cannabis Potency and Cannabinoid Profile." *PLoS ONE* 8(7): e70052.

[49] ElSohly, Mahmoud A., Suman Chandra, and Mohammed Radwan et al. 2021. "A Comprehensive Review of Cannabis Potency in the United States in the Last Decade." *Biological Psychiatry: Cognitive Neuroscience and Neuroimaging* 6(6): 603-606.

[50] Australian Criminal Intelligence Commission. 2023. *Illicit Drug Data Report 2020–21*. Canberra: ACIC.

[51] Australian Criminal Intelligence Commission. 2021. *Illicit Drug Data Report 2019-20.* Canberra: ACIC.

[52] Penington Institute. 2022. *Cannabis in Australia 2022*. Melbourne: Penington Institute. p. 102.

and housing.[53] Meanwhile, the rate of arrest is approximately 1 of every 3,300 incidents of cannabis use;[54] this low rate is unlikely to significantly deter use, but by normalising non-compliance, it may contribute to rule of law erosion.[55]

Criminal offence data from Victoria between 2018 and 2023 illustrates in detail how this harmful dynamic affects every local government area in the state (see Appendix). In this six-year span, the Victorian Crime Statistics Agency reported 64,754 cannabis-related offences.[56] Of these, 53,629 – or nearly 83 per cent – were for possession and use-related offences; if low-level (non-commercial) cultivation is added, fully 91.2 per cent of cannabis offences were unrelated to trafficking activities. Of the personal use and possession offences, 62.4 per cent (or 33,496 offences) resulted in an arrest or summons rather than a caution or formal warning.[57]

The average cost of arrest for a cannabis offence has been estimated at over $1,900,[58] so the current model represents a cumulative outlay of tens of millions of dollars in law enforcement and court costs and the imposition of significant repercussions on the thousands of people designated as offenders – all in service of enforcing laws that a majority of Victorians prefer to see eliminated and replaced with a regulated cannabis market.[59]

The data also indicate that the geographic and sociodemographic burden is uneven. Figures 4.1 and 4.2 shows that LGAs with higher possession and use offence rates per capita tend to be in more rural and regional areas, while LGAs with low per capita offence rates are situated closer to Melbourne.

These figures also highlight the concentration of offences in less advantaged communities. The Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD) combines factors such as unemployment rate, education level, and income to rank Australian regions by their relative socioeconomic position. As the figure indicates, per capita offence rates tend to be higher in areas that rank lower by IRSAD score. Indeed, among the top 20 LGAs with the highest per capita offence rates, 18 out of 20 are in the bottom half of the Victorian IRSAD distribution. A similar pattern is visible at the other end of the spectrum: 15 of the 20 LGAs with the lowest per capita offence rates are in the top half of the IRSAD distribution.[60]

[53] See, for example, Lenton, Simon, Mike Bennett and Penny Heale. 1999. "The social impact of a minor cannabis offence under strict prohibition – The case of Western Australia." *National Centre for Research into the Prevention of Drug Abuse*; Lenton, Simon, Jodie Grigg, and John Scott et al. 2015. "The social supply of cannabis among young people in Australia." *Trends and Issues in Crime and Criminal Justice* 503: 1-6.

[54] Penington Institute. 2023. Cannabis in Australia 2023. Melbourne: Penington Institute.

[55] Tyler, Tom. 2006. *Why People Obey the Law*. Princeton: Princeton University Press.

[56] No data is available regarding the proportion of incidents in which cannabis possession or use was recorded as the most serious offence, but Victoria Police have noted that in 2019, only "40 per cent of cannabis use or possession offences co-occurred with another offence". See Victoria Police. 2020. *Submission 901 to the Inquiry into the use of Cannabis in Victoria*. Melbourne: Government of Victoria.

[57] Penington Institute analysis of data obtained from Crime Statistics Victoria.

[58] Shanahan, Marian, Caitlin Hughes, and Tim McSweeney. 2016. *Australian police diversion for cannabis offences: Assessing program outcomes and cost effectiveness*. Canberra: National Drug Law Enforcement Research Fund.

[59] Penington Institute. 2023. Community Views on Cannabis in Victoria: Research Findings.

[60] The LGA of Melbourne is clearly an outlier due to its nightlife and the high number of visitors it receives compared to its residential population.

Figure 4.1. Cannabis possession and use offences per 10,000 residents and IRSAD rank (Victoria)
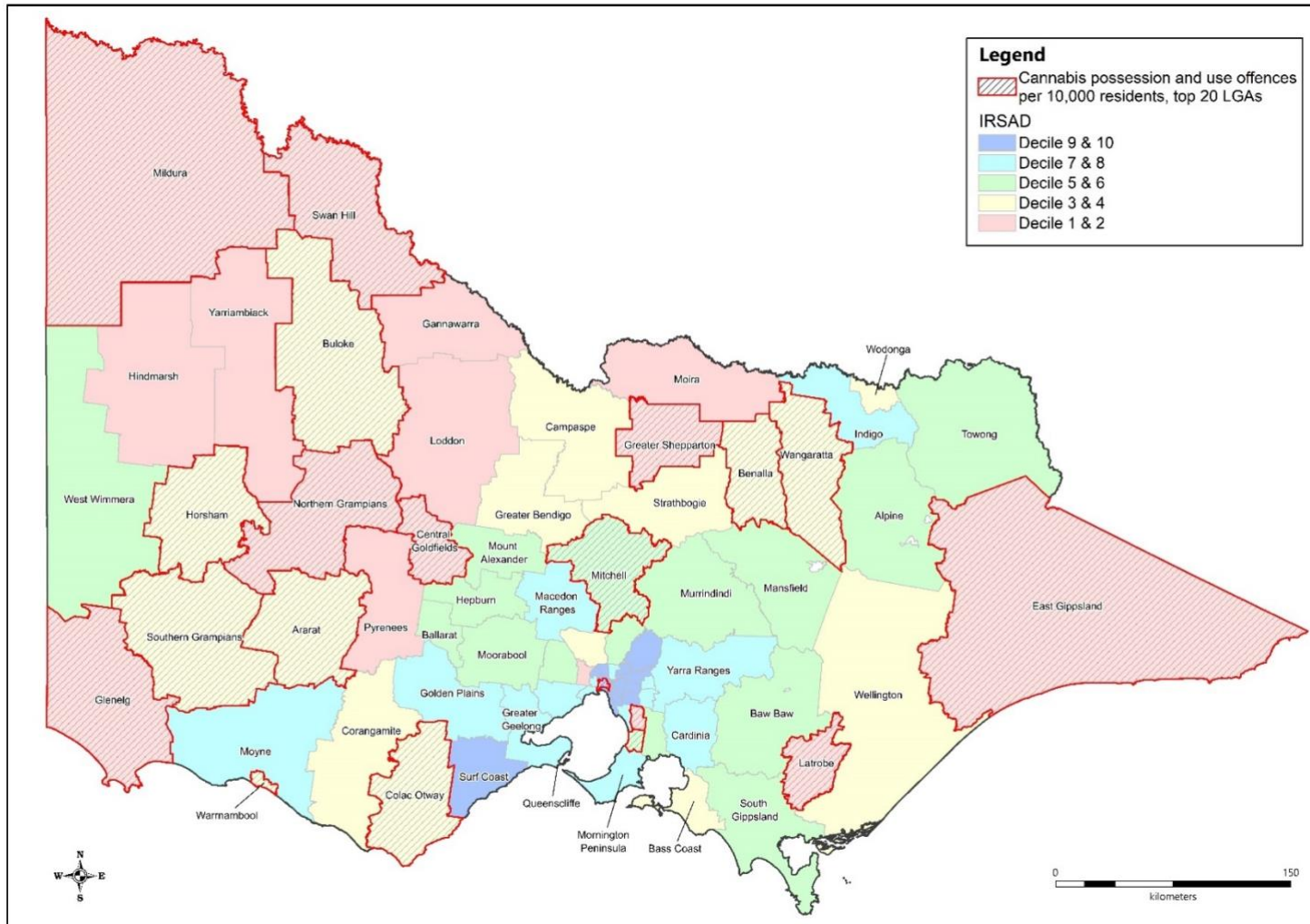
See Appendix.

Figure 4.2. Cannabis possession and use offences per 10,000 residents and IRSAD rank (Melbourne)

See Appendix.

Not only is concentrating the burden of cannabis criminalisation on members of these communities unjust, but the strategy also produces little discernible effect on public safety – and potentially undermines it, as the pursuit of 'tough on drugs' strategies tends to undermine positive relationships between police and communities.[61]

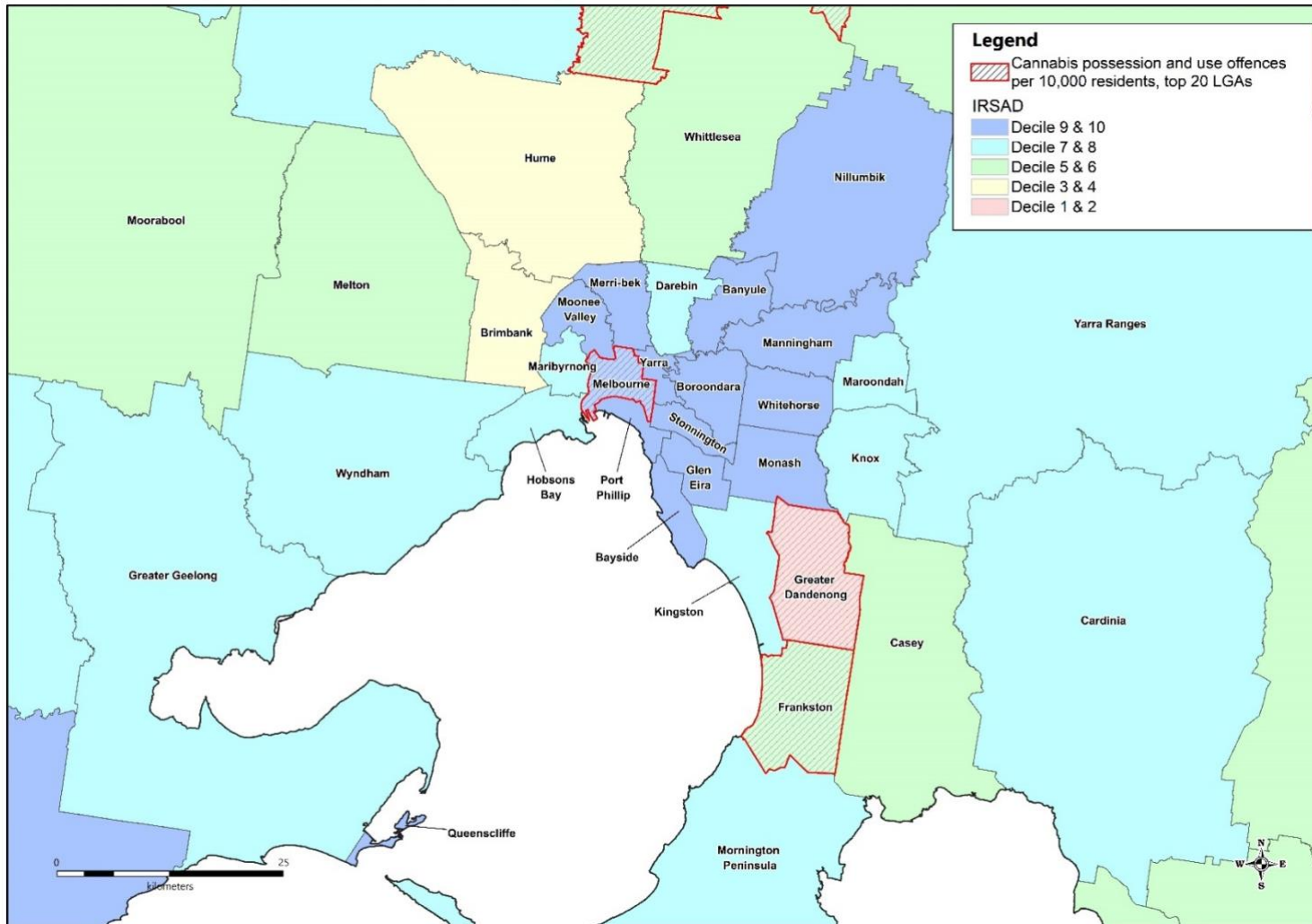In summary, our criminalised, law enforcement-centred cannabis regime enriches criminal groups, drains resources, does little to constrain cannabis availability, and manifests primarily as the generation of thousands of low-level offences disproportionately borne by members of vulnerable communities. Establishing an effective cannabis management model has the potential to reverse these negative patterns and their entrenched social harms.

5. Breaking the inertia of ineffective policy

Australia's policy reform is long overdue. Its delay has resulted in misused resources and ongoing harms to people and communities. That said, the reform lag enables us to maximise the positive impact of these necessary changes by drawing upon accumulating evidence from overseas – including evidence that regulated cannabis markets fulfill community expectations.

5.1 Policy reform: following the evidence on decriminalisation versus regulation

One policy alternative to drug prohibition is *decriminalisation*, which focuses on removing the harms associated with entangling people in the criminal legal system. Advocates of decriminalisation generally emphasise the value of treating all psychoactive substances equally.

A second track is the reduction of unsafe criminal drug markets by implementing *regulated drug markets*. Proposals for regulation sometimes encompass all drugs, but more commonly focus on those with relatively higher prevalence of use and relatively lower harm profiles. This is the justification for legal access to alcohol, and it is also the reasoning behind regulated cannabis markets.

As the following indicates, the evidence supports cannabis regulation rather than decriminalisation.

As a tool to reduce arrests, decriminalisation appears to be successful, but as studies have noted,[62] far more evidence is required to understand the effects of decriminalisation on individuals, communities, and drug markets. In particular, decriminalisation is not designed to address the health harms from a criminal monopoly on the drug supply, and cannot:

- *Reduce consumer contact with the illicit drug market*. In the ACT, where cannabis has been decriminalised since January 2020, adults are allowed to grow up to two cannabis plants (four per household); however, residents who use cannabis continually navigate unclear boundaries between legal and illegal activity. According to a survey of 340 Canberrans engaging in home cultivation, 66 per cent reported breaking the law in order to access plant

[61] Scher, Benjamin D., Scott D. Neufeld, and Alissa Greer et al. 2023. "'Criminalization Causes the Stigma': Perspectives From People Who Use Drugs." *Contemporary Drug Problems* 50(3).

[62] Scheim, Ayden, Nazlee Maghsoudi, and Zack Marshall et al. 2020. "Impact evaluations of drug decriminalisation and legal regulation on drug use, health and social harms: a systematic review." *BMJ Open* 10(9): e035148.

material, thereby exposing themselves to legal sanctions.[63] The number of arrests for cannabis offences in the ACT declined from 188 in 2018-19 to 74 in 2020-21,[64] but the illicit market clearly persists: NDSHS data indicates that in 2022-23, of the approximately 40,000 people aged 14 and up who used cannabis in the past 12 months, only 12.8 per cent (fewer than 5,000 people) grew their own cannabis.[65]

- *Create more predictable and safer products*. The experience of the US state of Oregon highlights the limits of decriminalisation. The state's decriminalisation of all drugs took effect in February 2021 until being repealed in March 2024. During the first two years of decriminalisation, drug arrests declined sharply – but overdose fatalities increased significantly as fentanyl became ubiquitous in the local drug supply,[66] underscoring the inability of decriminalisation alone to address the pervasive toxicity and uncertainty of the drug supply, let alone disrupt illicit drug markets.

A regulated cannabis market, by contrast, affords the potential to both address product toxicity and undermine a large criminal market. Given that cannabis use also presents a much lower health risk than other drugs, the balance weighs strongly in favour of differentiating cannabis policy from other drugs and using the accumulated evidence from other jurisdictions to guide policy reform.

Regulated access: medicinal cannabis

Medicinal cannabis exemplifies the benefits provided by a legal and regulated cannabis framework.

As of 2023, approximately 700,000 Australians used cannabis for medicinal purposes in the past 12 months.[67] Prior to the establishment of regulated access in 2016, these people were forced to use unregulated products sourced from criminal suppliers.

Companies that cultivate and manufacture medicinal cannabis products are licensed and monitored. The products they produce must conform to strict quality and labelling standards. Access to medicinal cannabis products is controlled by state and federal government departments overseen by qualified healthcare professionals. These benefits are only possible within a regulated framework.

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[63] Steve Jones. 2023. "Legal growers in ACT still anxious they are law breakers, study finds." *Cannabiz* 1 August 2023.

[64] For 2018-2019, see Australian Criminal Intelligence Commission. 2021. Illicit Drug Data Report 2019-20. Canberra: ACIC. p 66; for 2020-2021, see Australian Criminal Intelligence Commission. 2023. Illicit Drug Data Report 2020-21. Canberra: ACIC. p 54.

[65] Australian Institute of Health and Welfare. 2024. National Drug Strategy Household Survey 2022–2023: State and Territory summaries of alcohol, tobacco, e-cigarette and other drug use. This estimate "has a Relative Standard Error between 25 per cent and 50 per cent and should be interpreted with caution".

[66] Zoorob, Michael, Ju Nyeong Park, and Alex H. Kral et al. 2024. "Drug decriminalization, the introduction of fentanyl to drug markets, and fatal overdose in Oregon." *medRxiv* preprint.

[67] Australian Institute of Health and Welfare. 2024. *National Drug Strategy Household Survey 2022-2023*. Canberra: AIHW. Table 8.1.

5.2 Cannabis regulation is evidence-based

When setting drug policy reform priorities, policymakers should consider the depth of evidence associated with different options. The policy reform that is currently backed by the most well-developed evidence is the creation of a regulated adult-use cannabis market.

In contrast to the nascent experiments with decriminalisation, an array of jurisdictions – at least four countries and 24 US states, including politically conservative states such as Montana, Missouri, Ohio, and Alaska – have embraced regulated cannabis markets, providing instructive lessons for Australia. The models adopted in these jurisdictions vary significantly, but they offer accumulating evidence indicating that the twin imperatives of reducing the illicit market and protecting community health are achievable.

Within North America, there is a clear distinction between the commercialised models adopted in most US states and the more stringently regulated systems instituted in Canadian provinces. The evidence from US state cannabis models suggests that relatively liberal regulatory markets (featuring comparatively loose standards for promotion, packaging, and potency) can achieve rapid growth of legal cannabis industries and less fertile environments for the criminal market,[68] but can struggle to maintain regulatory control.[69]

The evidence from the US also suggests that the patchwork of states with regulated markets and those in which cannabis remains criminalised, combined with widely diverging tax rates and regulatory structures, has sometimes complicated the transition from illegal to legal cannabis markets. Nevertheless, as illustrated in Figure 5, a 2023 survey found that in states with regulated markets, 52 per cent of consumers primarily purchased from retail dispensaries, and only 6 per cent from a dealer.[70] Another report from 2022 suggested that in the first four states to implement regulated markets (Colorado, Washington, Alaska, and Oregon), legal retailers had captured between 70 and 99 per cent of cannabis sales by 2022.[71]

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[68] Steve Neavling. 2023. "Michigan's cannabis legalization strikes a blow to underground market." *Metro Times* 18 July 2024.

[69] Patrick McGreevy. 2022. "Inside California's pot legalization failures: Corporate influence, ignored warnings." *LA Times* 22 September 2022.

[70] Of the substantial portion of cannabis consumers reporting that access came primarily through "friend" or "delivery," it is also reasonable to assume that a much larger share of that activity is ultimately connected to the illicit market in states where cannabis remains criminalised. New Frontier Data. 2023. *Cannabis Consumers in America 2023*. p. 26.

[71] Barcott, Bruce, and Beau Whitney. 2022. *Opt-Out Report 2022*. Seattle: Leafly.

Figure 5. Primary source of cannabis by laws of home state

The Canadian cannabis model offers a particularly compelling template for a system that suits Australian communities. Despite most provinces featuring stricter limits on the cannabis industry compared to US states, the data indicates steady progress in Canada's efforts to shrink the illicit market. Respondents to the government-sponsored Canadian Cannabis Survey (CCS) who reported they "always" obtained cannabis from a legal or licensed source increased from 37 per cent in 2020 to 69 in 2023, while "only 3 per cent of people reported using an illegal purchase source."[73]

Importantly, these illicit market reductions are possible without compromising public health or community safety. Even in the commercialised US environment, evidence suggests no or little rise in the prevalence of youth consumption,[74] and no increase in cannabis-induced schizophrenia or psychosis following the implementation of regulated markets.[75] Such evidence bolsters confidence that health harms do not mechanically follow from the establishment of regulated cannabis markets.

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[72] Of the substantial portion of cannabis consumers reporting that access came primarily through "friend" or "delivery," it is also reasonable to assume that a much larger share of that activity is ultimately connected to the illicit market in states where cannabis remains criminalised.

[73] Government of Canada. 2023. Canadian Cannabis Survey 2023. Figures 16 and 18; note that social sources comprised a large share of non-retail purchases, especially among people aged 16-19.

[74] Coley, Rebekah Levine, Noaka Carey, and Claudia Kruzik et. al. 2024. "Recreational Cannabis Legalization, Retail Sales, and Adolescent Substance Use Through 2021." *JAMA Pediatrics* 178(6): 622-625.

[75] Elser, Holly, Keith Humphreys et. al. 2023. "State Cannabis Legalization and Psychosis-Related Health Care Utilization." *JAMA Network Open* 6(1).

With respect to community safety, the evidence suggests that the reallocation of police resources to more serious offences is impactful: in some of the earliest states to establish regulated cannabis markets, clearance rates for violent crime improved following the policy shifts.[76]

Policy variation across jurisdictions also shows how Australia can further mitigate health risks. For example, one of the most clearly demonstrated harms associated with legalisation in US states – acute accidental intoxication of children and adolescents – has been far less visible in Quebec, where edible cannabis products that resemble candy in shape and taste, are banned.[77] Some jurisdictions have also sought to limit cannabis's health harms by proposing or implementing caps on the volume and/or percentage of THC in cannabis products,[78] while others apply higher tax rates to high-potency products to disincentivise their use.[79] Canada imposes sharp restrictions on packaging and promotions for all cannabis products, and has been effective in enforcing compliance.[80] These variations offer a wealth of information to shape a regulated market that simultaneously undercuts the criminal market and protects community health.

5.3 Cannabis regulation meets community expectations

Not only does our outdated criminalised approach to cannabis drain police and legal resources and result in unnecessary community harms, it is also unpopular with Australians, who increasingly see its flaws. NDSHS data show that support for cannabis legalisation has been growing steadily and consistently since at least 2007,[81] and recent research commissioned by Penington Institute found that only 28.5 per cent of Victorians are opposed to the tightly regulated use of cannabis by adults.[82]

Jurisdictions that have adopted regulated markets have also been satisfied with the results. Regardless of the choice of model, there is no evidence of community regret, and no jurisdiction that instituted a regulated market has subsequently returned to the criminalised cannabis model.[83] As Figure 6 shows, among the US states with at least one year of legal cannabis at the time of the poll in April 2020, "success" responses were at least twice "failure" responses.[84]

[76] Makin, David A., Dale W. Willits, and Guangzhen Wu et al. 2019. "Marijuana Legalization and Crime Clearance Rates: Testing Proponent Assertions in Colorado and Washington State." *Police Quarterly* 22(1): 31-55; Wu, Guangzhen, Yongtao Li, and Xiaodong Lang et al. 2022. "Effects of recreational marijuana legalization on clearance rates for violent crimes: Evidence from Oregon." *International Journal of Drug Policy* 100: 103528.
[77] Manthey, Jakob, Tobias Hayer, and Britta Jacobsen et al. 2023. Effects of legalizing cannabis. Hamburg: Institut für interdisziplinäre Sucht-und Drogenforschung.
[78] Pardal, M., Wadsworth, E. (2023). "Strictly regulated cannabis retail models with state control can provide lessons in how jurisdictions can regulate THC." *Addiction* 118(6): 1005–1007.
[79] Hoffer, Adam. (2023). "Does Your State Tax Recreational Marijuana?" Washington, DC: Tax Foundation. 18 April 2023.
[80] Government of Canada. (2024). Legislative Review of the *Cannabis Act:* Final Report of the Expert Panel. p. 2.
[81] Australian Institute of Health and Welfare. 2024. *National Drug Strategy Household Survey 2022-2023*. Canberra: AIHW. Table 11.23.
[82] Penington Institute. 2023. Community Views on Cannabis in Victoria: Research Findings.
[83] Thailand is on the verge of recriminalising cannabis, but it never established regulations for its cannabis market; rather, the country's thriving retail cannabis market emerged from a regulatory vacuum when cannabis plant matter was removed from the list of scheduled narcotics in 2022. See: Bangkok Post. 2024. "Control weed, don't kill it." *Bangkok Post* 16 May 2024.
[84] Linley Sanders. 2020. "States with recreational marijuana laws view the legislation as a success." *YouGov* 13 May 2020.

Figure 6. Perceptions on success or failure of regulated cannabis markets
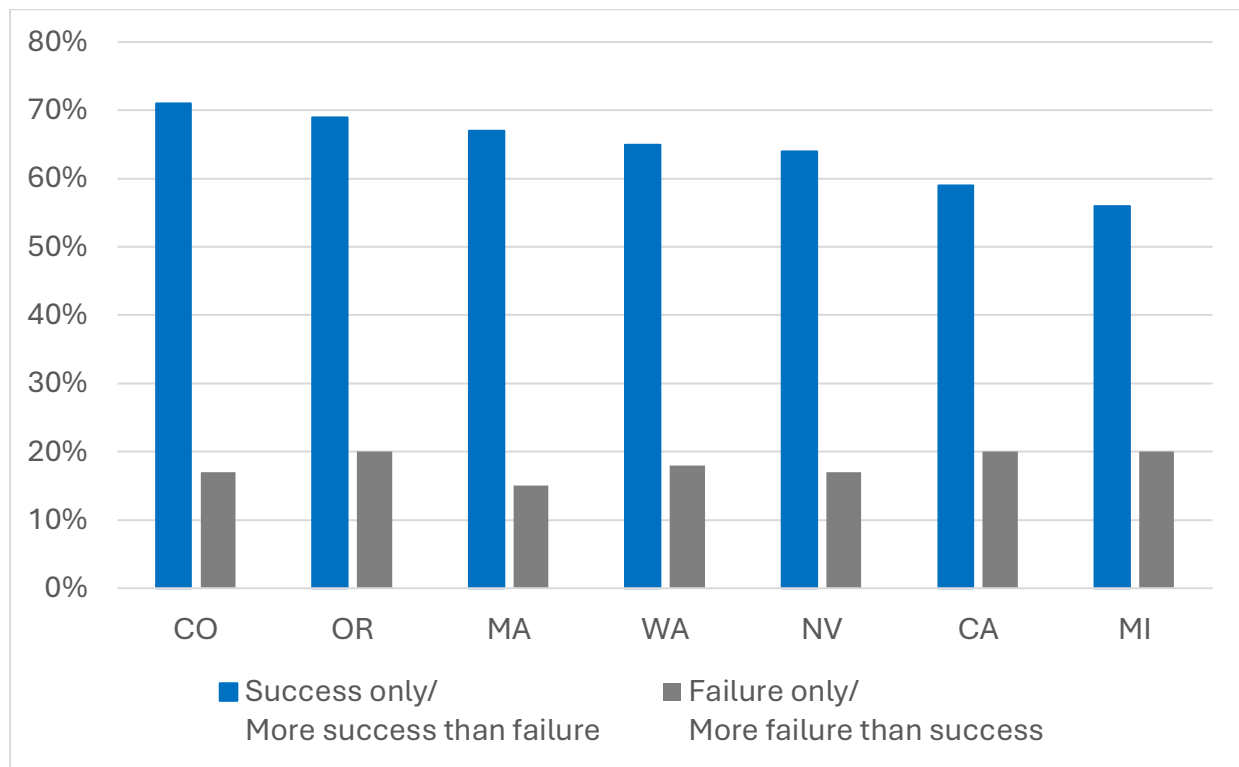
Linley Sanders. 2020. "States with recreational marijuana laws view the legislation as a success." *YouGov* 13 May 2020.

Polling also reveals that increasing approval for regulated cannabis markets is not merely a function of cultural differences between more progressive and more conservative states. A Gallup poll in October 2023 showed fully 70 per cent support for legal cannabis among US adults, with no difference between residents of states that had already legalised and those that had not.[85]

Results in Canada are similar: an October 2023 poll found that 64 per cent of Canadians strongly or somewhat agreed with the legal status of cannabis, compared to 31 per cent who strongly or somewhat disagreed.[86]

5.4 Achieving a sensible regulated cannabis model

There is now a wealth of evidence from a variety of jurisdictions that establishing a regulated cannabis market is both sensible and supported by community opinion. By integrating evidence from other jurisdictions and creating objectives aligned with the Australian context and priorities of our communities, we can implement a viable regulated cannabis model that will protect community health and welfare.

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[85] Lydia Saad. 223. "Grassroots Support for Legalizing Marijuana Hits Record 70%." *Gallup* 8 November 2023.
[86] Mario Canseco. 2023. "Under Legal Cannabis, Canadians Endorse Drug Tests and Pardons." *Research Co.* 27 October 2023.

A cannabis regime that incorporates insights from overseas and addresses Australian needs could be guided by the following core principles:

- *Protect health* through stringent, evidence-based regulations regarding what products are available, how they are accessed and consumed, and prevention of underage access.
- *Assure quality and safety* by creating a safe, efficient, and sustainable industry that undermines the illicit cannabis market by prioritising quality and product safety and holds market participants to the highest ethical standards.
- *Reduce government inefficiency* by ceasing unnecessary arrests and charges that impose costs and downstream repercussions on thousands of Australians each year, redirecting spending from the criminal market to a productive industry, and reallocating law enforcement resources to more serious crime.
- *Maximise social and economic benefits* by creating an Australia-leading industry that creates commerce and employment and generates revenue for governments to invest in health, social support services, and higher law enforcement priorities.
- *Ensure best practice regulation* that demands compliance with stringent standards and provides ample data for monitoring public health, economic, and criminal justice outcomes that will facilitate the transition to a safe, controlled regulated market.

The unifying principle is that cannabis can be disentangled from Australia's dangerous, criminal-enriching drug market. It is illogical to subsidise serious criminal organisations, expose our families to unsafe products from a criminal economy, and impose the burden of a criminal record on people detected with cannabis when a sensible and safer alternative exists.

Conclusion

Australia can offer our people and communities drug policies that achieve more than maintaining the inertia of existing strategies. Our current cannabis model imposes compounding layers of harm: the benefits of criminalised cannabis accrue to criminal organisations reaping the proceeds from our persistent demand, while the costs are borne by communities affected by the cannabis shadow economy, taxpayers footing the bill for suboptimal allocation of law enforcement resources, and the thousands of people unnecessarily arrested and harmed each year.

The implementation of carefully controlled cannabis markets is neither a panacea nor a radical shift; rather, it represents a sensible change of course that offers maximal impact with minimal risk. Removing a cog of the criminal economy and creating a sustainable industry will convert a drain on our resources to a contributor to the public good. By carefully evaluating and applying lessons from jurisdictions at the forefront of the reform trend, we can attenuate risk and maximise protections for the public.

Australians are aware that it is time for more practical drug policies; it is policymakers' responsibility to attend to community preferences by moving forward with the transformation of cannabis management.

Appendix

Cannabis offences data

Obtained from Crime Statistics Agency Victoria, extracted from Law Enforcement Assistance Program on 18 January 2024. Time period selected: 2018-2023 inclusive.

Data on 40 cannabis-related offences were reported by Local Government Area (LGA), including investigation status. Offences were subsequently grouped into those related to a) personal use and possession, b) non-commercial cultivation, and c) commercial cultivation, trafficking, and possession offences.

Offence groupings
Personal use and possession
• 617A - POSSESS CANNABIS
• 617AC - POSSESS CONTROLLED DRUG - CANNABIS
• 617AD - POSSESS CANNABIS (NOT TRAFFICKING)
• 617C - USE CANNABIS
• 617E - CONSPIRE POSSESS CANNABIS
• 617M - ATT. POSSESS CANNABIS
• 617P - ATT. TO USE CANNABIS
• 617Y - POSSESS TETRAHYDROCANNABINOL
• 617Z - USE TETRAHYDROCANNABINOL
Non-commercial cultivation
• 667A - CULTIVATE NARCOTIC PLANT-CANNABIS
• 667C - CONSPIRE CULTIVATE CANNABIS
• 667D - AID & ABET CULTIVATE CANNABIS
• 667K - CULTIVATE NARCOTIC PLANT-CANNABIS
• 667L - ATT CULTIVATE NARCOTIC PLANT-CANNABIS
Commercial cultivation, trafficking, and possession offences
• 617AB - POSSESS COMMERCIAL QUANTITY - CANNABIS
• 647A - IMPORT BORDER CONTROLLED DRUG - CANNABIS
• 657AB - ATT TRAFFICK TETRAHYDRACANNIBANOL
• 657AC - TRAFFICK CANNABIS
• 657AP - TRAFFICK CONTROLLED DRUG - CANNABIS
• 657AQ - TRAFFICK CANNABIS
• 657AR - ATT TRAFFICK CANNABIS
• 657AT - TRAFFICK TETRAHYDROCANNABINOL
• 657AV - ATT POSS COMM QTY BORD CONT PLANT-CANNAB
• 657D - CONSPIRE TRAFFICK CANNABIS
• 657G - AID & ABET TRAFFICK CANNABIS
• 657J - TRAFFICK LARGE COMM QTY - CANNABIS
• 657K - ATT TRAFFICK COMM QTY - CANNABIS
• 657N - TRAFFICK LARGE COMM QTY - TETRAHYDRACANN
• 657P - TRAFFICK COMM QTY - CANNABIS
• 657Q - ATT TRAFFICK COMM QTY - CANNABIS
• 657T - TRAFFICK COMM QTY - TETRAHYDRACANNIBANOL
• 657V - TRAFFICK CANNABIS
• 657W - ATT TRAFFICK CANNABIS
• 657Z - TRAFFICK TETRAHYDRACANNIBANOL

- 667G - CULT NARC PLANT LGE COMM QTY-CANNABIS
- 667H - ATT CULT NARC PLANT LGE COMM QTY-CANNAB
- 667I - CULT NARC PLANT COMM QTY-CANNABIS
- 667J - ATT CULT NARC PLANT COMM QTY-CANNABIS
- 667M - CONSPIRE TO CULTIVATE CANNABIS- COMM QTY
- 667N - CONSPIRE TO TRAFFICK COMM QTY - CANNABIS

Offence rate per-10,000 residents calculated using data obtained from Australian Bureau of Statistics, SAIFA 2021 by LGA (Table 3, Usual Resident Population).

Non-cannabis illicit drug offences data

Obtained from Crime Statistics Agency Victoria, online data table (LGA Recorded Offences Year Ending December 2023, Table 6). Time period selected: 2018-2023 inclusive.

CSA Drug Types selected: Amphetamine; Cocaine; Ecstasy; GHB; Heroin; Methylamphetamine; Prescription; Not Coded; Not Recorded; Other.

Offence Groups selected: C11 Drug dealing; C12 Drug trafficking; C21 Cultivate drugs; C22 Manufacture drugs; C23 Possess drug manufacturing equipment.

IRSAD rank

Obtained from Australian Bureau of Statistics, SAIFA 2021 by LGA (Table 3, IRSAD within-state ranking).

LGAs	Cannabis - Personal use and possession offences	Cannabis - Personal use and possession offences per 10,000 residents	Cannabis - Commercial cultivation, trafficking, and possession offences	Non-cannabis illicit drug offences	IRSAD rank	Usual resident population (2021)
Alpine	89	67.2	6	12	48	13235
Ararat	268	225.6	18	86	18	11880
Ballarat	743	65.3	94	263	33	113763
Banyule	1039	82.3	100	398	67	126236
Bass Coast	260	63.7	64	85	28	40789
Baw Baw	578	100.3	70	180	38	57626
Bayside	356	35.1	44	117	78	101306
Benalla	177	121.8	16	37	20	14528
Boroondara	478	28.5	40	209	80	167900
Brimbank	1714	88.1	319	907	13	194618
Buloke	86	139.2	6	28	22	6178
Campaspe	293	75.6	21	76	17	38735
Cardinia	709	60.0	92	178	50	118194
Casey	2768	75.8	286	920	44	365239
Central Goldfields	201	149.1	31	44	1	13483
Colac-Otway	260	116.0	33	63	19	22423
Corangamite	79	49.0	17	25	26	16115
Darebin	1550	104.3	139	558	61	148570
East Gippsland	774	158.9	59	159	15	48715
Frankston	1576	113.2	152	672	42	139281
Gannawarra	112	104.8	6	35	4	10683
Glen Eira	566	38.0	87	285	75	148908
Glenelg	267	132.5	52	100	5	20152

Golden Plains	37	14.8	9	15	52	24985
Greater Bendigo	852	70.1	96	531	29	121470
Greater Dandenong	2298	145.3	197	666	3	158208
Greater Geelong	1845	68.1	170	674	49	271057
Greater Shepparton	1156	169.0	104	564	16	68409
Hepburn	33	19.9	6	7	43	16604
Hindmarsh	62	108.8	7	10	8	5698
Hobsons Bay	735	80.5	72	211	59	91322
Horsham	412	201.7	38	94	30	20429
Hume	2395	98.2	218	939	24	243901
Indigo	50	28.8	2	9	51	17368
Kingston	954	60.3	153	395	64	158129
Knox	1750	110.0	171	716	58	159103
Latrobe	1614	208.7	165	491	2	77318
Loddon	38	49.0	10	15	10	7759
Macedon Ranges	332	64.5	34	80	63	51458
Manningham	341	27.3	53	181	71	124700
Mansfield	44	43.2	9	13	47	10178
Maribyrnong	769	90.2	70	470	62	85209
Maroondah	835	72.6	122	325	60	115043
Melbourne	3642	243.4	170	2306	73	149615
Melton	1164	65.0	184	400	40	178960
Merri-bek	1161	67.8	101	411	65	171357
Mildura	1007	176.8	100	311	7	56972
Mitchell	577	116.7	38	151	35	49460
Moira	294	96.3	32	99	11	30522
Monash	922	48.4	97	518	68	190397
Moonee Valley	725	59.5	60	335	66	121851
Moorabool	252	67.0	18	57	46	37632
Mornington Peninsula	1228	72.7	104	342	56	168948

Mount Alexander	122	60.2	14	31	45	20253
Moyne	67	38.6	19	22	53	17374
Murrindindi	137	90.1	25	40	37	15197
Nillumbik	247	39.3	32	57	74	62895
Northern Grampians	299	250.3	24	57	6	11948
Port Phillip	1032	101.2	101	873	76	101942
Pyrenees	32	41.7	2	29	14	7671
Queenscliffe	4	12.2	1	0	69	3276
South Gippsland	165	54.0	34	35	34	30577
Southern Grampians	275	165.8	56	112	32	16588
Stonnington	821	78.4	64	474	79	104703
Strathbogie	58	50.6	4	9	25	11455
Surf Coast	96	25.5	8	30	72	37694
Swan Hill	393	183.6	23	90	12	21403
Towong	15	24.1	5	0	36	6223
Wangaratta	463	155.3	28	211	27	29808
Warrnambool	489	138.1	57	214	31	35406
Wellington	444	97.3	82	196	21	45639
West Wimmera	41	102.3	3	1	39	4006
Whitehorse	643	38.0	60	255	70	169346
Whittlesea	1647	71.8	257	613	41	229396
Wodonga	484	111.9	54	155	23	43253
Wyndham	1514	51.8	221	579	54	292011
Yarra	953	105.8	43	811	77	90114
Yarra Ranges	884	56.6	92	249	55	156068
Yarriambiack	42	64.1	6	7	9	6556