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ODC Licensee: Indica Industries Pty Ltd

**Indica Industries Pty Ltd t/as**

**MedReleaf Australia**

**(ABN 25 611 697 762)**

**Submission: Joint Committee on Law Enforcement -  
Australia's illicit drug problem: Challenges and  
opportunities for law enforcement**

**January 2023**



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## About MedReleaf Australia

MedReleaf Australia (MRA) is licensed to cultivate and manufacture medical cannabis in Australia by the Office of Drug Control (ODC) and has a strategic and exclusive partnership with Aurora Cannabis Enterprises Inc. (TSX|ACB). Our Queensland-based company is backed by more than 50 years of pharmaceutical and healthcare expertise, and is currently importing and distributing the widest range of GMP medical cannabis products into the growing market in Australia for the benefit of patients in need.

MRA is also a founding member of the Medicinal Cannabis Industry Association (MCIA).

## Submission

Although Australia now has a legal medical framework, cannabis has been used illicitly for many years. Although there are many different types of drugs traded illicitly, with cannabis being just one, our submission is focused more specifically on cannabis rather than other substances.

According to the Australian Institute of Health and Welfare's 2019 National Drug Strategy Household Survey, an estimated 9.0 million (43%) people aged 14 years and over in Australia had illicitly used a drug at some point in their lifetime (including the non-medical use of pharmaceuticals), and an estimated 3.4 million (16.4%) had used an illicit drug in the previous 12 months. In 2019, the most common illicit drug used in the previous 12 months was cannabis (11.6%). [Illicit drug use - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au)

According to the most recent Pennington Institute report, "more than a third of Australians aged over 14 have used cannabis at least once – 37%, or 7.6 million people. Around 2.4 million Australians used cannabis in 2019, as did 200 million people worldwide." <https://www.penington.org.au/cannabis/cannabis-in-australia/>

As of 5<sup>th</sup> January 2023, the TGA reports that there are more than 4,700 Australian Doctors that are prescribing medical cannabis. In total, more than 325,000 patient approvals have been granted for more than 220 medical conditions via the TGA special access category B. The majority of these patients were prescribed medical cannabis for pain, sleep or mental health conditions. [TGA - medicinal-cannabis-special-access-scheme-category-b-data](#)



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Cannabis is deeply entrenched in all aspects of Australian society. Despite legislative and regulatory measures, its use is expected to increase in future as the awareness and understanding of the health benefits and improvement in quality of life of patients comes to light. The TGA has successfully so far included many formulations and strengths of medical cannabis to cater for a wide range of conditions as listed on the TGA website. The TGA has also recognised cannabis under the established history-of-use pathways (visit [TGA](#)), making it easier to prescribe for certain conditions. MRA believes that allowing doctors to prescribe all medical cannabis products for any condition they are treating via this pathway will improve patient access in the immediate term.

### **Terms of Reference and MedReleaf Australia Responses:**

#### **1) Trends and changes relating to illicit drug markets in Australia, including the supply, trafficking, production, distribution and use of illicit drugs.**

Cannabis has been a trafficked drug since its prohibition. The prohibition of cannabis is a failed and flawed global policy that hadn't, until recently, considered or acknowledged the properties of cannabis as a medicine. During this time, the black market has flourished both in Australia and certainly internationally.

Drug availability has increased significantly in recent years, with social media and other means routinely used to communicate, arrange, and execute drug dealing and trafficking. According to the AFP working with Commonwealth and state partners, 38.4 tonnes of illicit drugs and precursors were seized in 2020–2021. [Australia's drug use – scarier than Halloween | Australian Federal Police \(afp.gov.au\)](#). Most if not all of this was arranged via online channels.

As medical cannabis is a scheduled medicine by the TGA and cannot be advertised, local and overseas illegal suppliers have been able to market products online and distribute to Australians via post. The seller is unlikely to be prosecuted and, in many cases, the potential buyer can unknowingly break the law and be prosecuted.

The processes used to cultivate illicit cannabis and other products derived from cannabis are unsafe. These cultivation and production processes can cause significant harm to consumers due to the heavy metals, toxic solvents and other additives used. There is no quality control or testing of illicit cannabis, so a person who purchases illicit cannabis does not know what is in that flower, oil or product. There is, for example, no



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information about the percentages of THC (the psychoactive compound) or CBD (the non-psychoactive compound), leading to ineffective and/or inconsistent efficacy.

MedReleaf Australia is a supporter of patient access through healthcare professionals in Australia, and ideally with government subsidisation as is the case with other medicines. If patient access was made easier through Pharmacies under consultation with a Pharmacist, and Pharmacies and licensed medical cannabis companies were able to advertise to patients, then it is our belief that there would be a significant reduction in the sourcing of unsafe and illegal cannabis via online methods.

The use of social media has increased in the last 10 years, according to eSafety (an independent statutory office supported by the Australian Communications and Media Authority) refer to [eSafety.gov.au](https://www.esafety.gov.au). Access to such technology is also facilitating the sourcing and securing of illicit drugs. Criminal organisations have shifted from the street corner to the dark web. Unfortunately, cannabis has been caught in this due to its prohibition.

Any form of illicit drug use can be harmful not only to our youth but also the general population. Now that a legal medical market is available, we believe that public awareness could be significantly improved. This would mean that the Australian public would not need to break the law by sourcing cannabis illegally, but rather allow a Doctor to clinically intervene. This could be achieved by allowing national advertising and social media campaigns targeted to illicit cannabis users in Australia, encouraging them to engage with a Doctor prescribing medical cannabis. The TGA has some tools that we believe could be improved to assist Australians to access medical cannabis - [Refer to the TGA website here.](#)

## **2) Emerging trends and risks, such as new psychoactive substances, adulterated drugs and other new sources of threat.**

In relation to cannabis, there has been an increase in production and an increase in deaths associated with synthetic cannabis. Many turn to these synthetics or purchase them unknowingly due to a lack of access to medical cannabis or by not informing their Doctor about their prior or current cannabis use. [Synthetic cannabis deaths and side effects | news.com.au — Australia's leading news site](#)



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[New study highlights risks of synthetic cannabis | NDARC - National Drug and Alcohol Research Centre \(unsw.edu.au\)](#)

In relation to the illicit growing of cannabis, the cannabis plant contains hundreds of natural compounds, including the psychoactive compound THC. Illegal growers typically cannot know the THC level of any of their plants. They use unsafe methods in their cultivation, including pesticides that can be toxic when inhaled directly into the lungs, while the soil they use can contain heavy metals that are also harmful. Illegal growers and sellers do not have any compliance, safety restrictions or guidance. As such, they have no indication of the chemical content of their home-grown cannabis.

Decriminalisation of cannabis could see an increase in the unsafe cultivation and production of cannabis and cannabis products.

This is in great contrast to the highly regulated medical cannabis that is available via a Doctor and Pharmacist. Medical cannabis is highly regulated by the TGA in Australia, as are all other medications. Cannabis medicines are produced under Good Manufacturing Practice (GMP) and contain NO pesticides and NO heavy metals. Furthermore, every batch of products produced has a Certificate of Analysis (CofA) that lists the concentration of all actives (components) in each product.

**3) 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.**

**4) The involvement of law enforcement in harm reduction strategies and in efforts to reduce supply and demand, including the effectiveness of its involvement.**

There has been an increase in the number of local illegal growers of cannabis in Australia, as the plant can be grown in both indoor and outdoor settings. The supply chain of illegal suppliers has increased with the demand and growth in population. For example, in January 2022, we saw that NSW Police seized a record \$67 million worth of cannabis. [Record \\$67m cannabis bust in western NSW | 7NEWS](#)

Similarly, we have seen an increase in the supply of illicit cannabis to Australia from abroad. According to the Australian Border Force, there has been an increase in seizures of cannabis products sourced illegally and sent to Australia. [Increase in](#)



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[seizures prompts warning to potential importers of products containing cannabis \(abf.gov.au\)](#)

These illegal outfits operate without any standards, safety or rules, seemingly above the law and without care for the end users' welfare. Australian state and federal law enforcement should continue their efforts and strategies in shutting down illicit supply operations locally and internationally.

MedReleaf Australia believes that Australian law enforcement departments at all levels should firstly have more education and awareness about what cannabis is, and, secondly, how the legal medical cannabis market has a place in assisting to improve the general health of Australians, and how law enforcement needs to interact with this. Law enforcement should also be directing those searching for or using illicit cannabis to Australian healthcare professionals for further advice. All Australian Doctors can prescribe medical cannabis, and products are available via the highly regulated Australian pharmacy network of over 6,000 pharmacies.

**5) The strengths and weaknesses of decriminalisation, including its impact on illicit drug markets and the experiences of other jurisdictions; and**

Any illicit unregulated drug trade, whether it be online or on the street, is harmful to everyone, especially young and vulnerable people. The illegal trade of drugs sees the breakup of families, and increases in domestic violence, mental health issues, hospitalisations and associated healthcare costs, and, worst of all, increased mortality. All this comes at a significant cost to the taxpayer. According to the Pennington Institute report on Cannabis, released December 2022, there have been 702,866 cannabis-related arrests in Australia since 2010–11, more than 90 per cent of which were for personal use or possession. In 2019–2020, nearly half of all drug-related arrests (46.1 per cent) were for cannabis. More than \$1.7 billion was spent on cannabis-related law enforcement in 2015–16. [Cannabis in Australia – 2022 > Penington Institute](#)

While decriminalisation of cannabis would assist in reducing this burden of the cost of law enforcement in Australia, the growing industry supplying illegal cannabis (including online supply) would continue to prosper unless patient access to legal, quality products is made easier, such as via the legal medical cannabis market that currently exists in Australia.



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Canada has federally legalised both access to medical cannabis and also adult use of cannabis. According to Health Canada, an estimated 68.4% of cannabis users reported having obtained at least some of the cannabis they consumed from a legal source.

[Health Canada](#)

Also in Canada, where there were allowances to home grow in a medical market, there was an increase in the number of personal and designated production registrations refused or revoked. See [Revoked personal medical cannabis production registrations surge in Canada \(mjbizdaily.com\)](#). This highlights that we still require a higher level of regulation that is safe and free from diversion. More awareness of the available legal medical market in Australia would reduce the size of the illegal black market. National general public awareness campaigns should be promoted by governments at every level towards patient access of cannabis via appropriate clinical intervention with healthcare professionals under the medical cannabis framework that currently exists.

MedReleaf Australia is a supporter of the TGA and believes that all medical cannabis products should follow a down-scheduling approach that still sees the interaction of a healthcare professional, such as a Pharmacist, immersed in a regulated environment. This could see cannabis products available in pharmacies without a prescription over time. This would reduce the regulatory burden, reduce costs to patients and would see more competitive pricing to compete and disrupt the illicit black market of cannabis that exists in Australia.

## **6) Other related matters.**

Frustrated patients searching for relief of their conditions are a direct contributor to the increasing illicit supply of cannabis. Even those who self-medicate with illicit cannabis are possibly unaware that they can talk to their Doctor – something that MedReleaf Australia hears on a daily basis.

Australians are still medicating with illicit cannabis, although numbers accessing prescription products have risen dramatically, from data released on the 12<sup>th</sup> of January 2023 from the Lambert Institute, Sydney:

<https://www.sydney.edu.au/news-opinion/news/2022/08/24/legal-use-of-medicinal-cannabis-on-the-rise-.html>



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As a licensed manufacturer and supplier of medical cannabis in Australia, we believe that being able to advertise the benefits of public access to medicinal cannabis via a health professional would help to direct patients to a medical and reliable source of medicinal cannabis and decrease dependence on illicit supplies.

MedReleaf Australia wishes to see this change to reduce the need for the public to search for and access products that are unsafe and harmful. We propose that a remunerated clinical intervention at Pharmacy or medical level be promoted to greatly reduce the illicit trade of cannabis, and to reduce the use of PBS-subsidised opioids and benzodiazepines.

Russell C Harding B.Pharm, B.HMS, MACP, MAICD.

Chief Executive Officer

**-END -**