



## South Australia Police

"Leading the way to a safer community"

PARLIAMENTARY JOINT COMMITTEE ON  
THE AUSTRALIAN CRIME COMMISSION

REC'D: 20. 2. 2006

FROM: SA Police

AUTHORISED FOR PUBLICATION

SECRETARY: \_\_\_\_\_

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20 FEB 2006

BOX 1539 GPO, ADELAIDE SA 5001

TELEPHONE: 8207 5000

ABN: 93 799 021 552

Your Ref

Our Ref

Enquiries

Telephone

Facsimile

17 February 2006

Mr Jonathon Curtis  
Committee Secretary  
Parliamentary Joint Committee on the Australian Crime Commission  
Parliament House  
Canberra ACT 2600

I refer to your correspondence of 8 December 2005 concerning the Parliamentary Joint Committee on the Australian Crime Commission inquiry into amphetamines and other synthetic drugs. I thank you for your invitation to provide information for the benefit of the Inquiry.

I am pleased to provide the following information to address the terms of reference of the inquiry -

### Trends In the production and consumption of AOSD in Australia and overseas

#### METHAMPHETAMINE

Australia maintains one of the highest levels of methamphetamine abuse in the world,<sup>1</sup> possibly a consequence of its geographical positioning in South East Asia where methamphetamine use is rife. The use of methamphetamine and MDMA remains extremely popular in South Australia, although there are some indications methamphetamine use has begun to fall amongst injecting users and is now stabilising amongst the general population after a period of rapid increase. Amongst party drug users there has been a recent increase in the use of crystalline methamphetamine ('ice') although the use of other forms has been stable for some time.

Methamphetamine in South Australia is imported, trafficked from interstate or locally manufactured. Most clandestine laboratories located in SA are capable only of small-scale methamphetamine production, and are believed to supply a minor section of the local market. Domestic production is considered likely to continue; however international sources of methamphetamine and precursors will become increasingly important in supplying the local market.<sup>2</sup> As restrictions on the sale of

<sup>1</sup> United Nations Office on Drugs and Crime (2004). *2004 World Drug Report*. United Nations Publications Sales No. E.04.XI.16. Vienna, Austria.

<sup>2</sup> ACC (2005). *Illicit Drug Data Report 2003-2004*. Australian Crime Commission, Canberra, ACT.



pseudoephedrine-based medication increasingly limit local production, the theft or diversion of bulk quantities of pseudoephedrine and medication can be expected to become more frequent.

The increasing popularity of crystalline methamphetamine (ice), which was expected over the past few years, became evident towards the end of 2004 through the frequent seizures of 'ice pipes', which are small glass pipes used to smoke the drug. Ice appears to be popular amongst particular groups of users including higher-level criminals and some previous users of cocaine.

### **MDMA (ECSTASY)**

The Oceania region, including Australia, has the highest reported use of ecstasy in the world,<sup>3</sup> with its use tripling over the period of 1995-2001. Indeed, ecstasy is now the second most widely used illicit drug in Australia after cannabis.<sup>4</sup> Almost all regular ecstasy users are also regular users of other illicit drugs, including cannabis, methamphetamine, ketamine, cocaine and GHB. SAPOL seizures increased three-fold in the year ending May 2005 compared to the previous corresponding period.

Ecstasy is also a highly popular drug in South Australia, although low to mid-level seizures are constrained by socially-based distribution networks.

Recent seizures of ecstasy are expected to have a limited impact on the local availability of the drug.

### **OTHER DRUGS**

This section contains information on GHB (Fantasy), ketamine and LSD.

SAPOL seizures of GHB (gamma-hydroxybutyrate) were very low over the past 12 months, with almost all seizures identified as being actually 1,4-butanediol, a commonly used chemical in certain industries. 1,4-butanediol (1,4-B) acts effectively as a precursor of GHB, converting directly to GHB upon ingestion. It is relatively easily obtained and there is little regulation governing its purchase. The use of 1,4-B removes the need for purchase of precursors required in the manufacture of GHB, thereby greatly limiting opportunities for intervention by law enforcement.

Although the use of ketamine is reported to be increasing, there has been no significant seizure in SA. Instead, most seizures are in the form of 'ecstasy' pills, where ketamine is frequently found in combination with methamphetamine.

Ketamine is very difficult to make and no clandestine laboratories have been located in Australia or the USA. As it has legitimate veterinary and medical uses, it is believed to be commonly obtained via diversion from veterinary surgeons or health professionals. The current lack of regulation of ketamine prevents the easy identification of local sources of diversion.

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<sup>3</sup> United Nations Office on Drugs and Crime (2004). *2004 World Drug Report*. United Nations Publications Sales No. E.04.XI.16. Vienna, Austria.

<sup>4</sup> AIHW (2005). *2004 National Drug Strategy Household Survey: First Results*. Australian Institute of Health and Welfare. Canberra, Australia.

The use of hallucinogens, including LSD, is decreasing nationally,<sup>5</sup> with use being concentrated amongst 'party drug' users. It is generally sold with other party drugs and appears to be predominantly used by a niche group with relatively stable numbers.

### **Strategies to reduce the AOSD market in Australia**

The SAPOL Illicit Drug Strategy reflects the principles, policies and priority areas of the South Australian and National frameworks with an emphasis on prevention. In relation to all illicit drugs including AOSD this balanced and integrated harm minimisation approach aims to:

- Prevent and deter illicit drug use, particularly by young people
- Reduce illicit drug supply at all levels including street level dealing
- Reduce criminal activity associated with illicit drug use.

The SAPOL Illicit Drug Strategy is being presently being revised to ensure consistency with the South Australian Drug Strategy 2005-2010, which was released last year. It had previously been aligned with the outcomes and Government responses to the SA Drug Summit 2002. These SA Government strategic frameworks are consistent with the National Drug Strategy 2004-2009, and previous versions.

Since its launch in 1997 the Australian Government has committed more than \$1 billion to the National Illicit Drug Strategy "Tough on Drugs" supply and demand reduction initiatives. In addition, the Australian Government funds a range of measures applicable to AOSD including:

- The Intergovernmental Committee on Drugs (IGCD) is a forum for Senior Officers from Health and Law Enforcement agencies for the Australian Commonwealth, States and Territories as well as New Zealand. The IGCD manages the undertaking of actions from the Ministerial Council on Drug Strategy (MCDS), a forum for Health and Enforcement Ministers from the same range of jurisdictions to provide a link with Governments and ensure coordinated implementation of the National Drug Strategy and its associated strategic frameworks. SAPOL supports and contributes to activities.
- The National Drug Law Enforcement Research Fund (NDLERF) - established as an initiative of the National Drug Strategy by the Ministerial Council on Drug Strategy (MCDS) in 1999 to promote quality evidence-based practice in drug law enforcement to prevent and reduce the harmful effects of both licit and illicit drug use in Australian society.

### **The extent and nature of organised crime involvement**

In South Australia the manufacture and distribution of methamphetamine is dominated by motor cycle gang (MCG) members and associates, although there is involvement at a lower level by users supplying a circle of friends.

The high level of ecstasy use and relative ease of distribution through extensive social and recreational networks has attracted organised criminal networks and allowed significant profits to be obtained. The scale of involvement of organised

<sup>5</sup> AIHW (2005). *2004 National Drug Strategy Household Survey: First Results*. Australian Institute of Health and Welfare. Canberra, Australia.

crime is indicated by the recent seizure of approximately five million tablets in Melbourne in April 2005. Given the size of the Australian market, however, the seizure appeared to have little impact on local availability.

In February 2005 over five thousand ecstasy tablets were located during the search of a house at Tea Tree Gully, along with half a kilogram of cocaine and almost a kilogram of methamphetamine. The 44 year old male arrested is known to have links to MCG's. Many of these tablets were the high MDMA 'Red Mitsubishi's', which received much media attention during 2004 for the adverse effects suffered by users. It is doubtful if the ecstasy markets is controlled by a single group or groups of organised criminals, but networks of particular ethnicities and those with links to MCG's are known to be heavily involved.

### **The nature of Australian law enforcement response**

The ACC operates against nationally significant crime including AOSD importation, manufacture and distribution across jurisdictional boundaries, supplemented by state police activity and collaborations. The SA Police led Viking Joint Task Force involving members of SA Police, the Australian Crime Commission and HM Customs is one such collaboration which has a focus on South East Asian organised crime, including its involvement in AOSD trafficking.

In SAPOL the enforcement response to AOSD is undertaken at a range of levels.

The Drug and Organised Crime Investigation Branch targets drug trafficking activity and incorporates specialist clandestine laboratory staff and a Chemical Diversion Desk. The clandestine laboratory staff are trained and equipped to investigate the laboratories which are a key source of AOSD in SA and oversee their dismantling by other government agencies. The Chemical Diversion Desk gathers intelligence on the movement of chemicals and diverted pharmaceutical drugs used in illicit AOSD manufacture.

Operation Mantle teams are deployed in metropolitan Local Service Areas with a focus on the disruption of street level drug markets and trafficking and diverting the users of drugs including AOSD to health and educative counselling.

Drug Action Teams operate in all Local Service Areas to initiate and progress local strategies that engage government and community representatives in a partnership approach to dealing with local licit and illicit drug issues.

Drug and Alcohol Policy Section of SAPOL is responsible for ensuring through consultation, research, policy development and the coordination of Drug Action Team activity. This Section ensures that SAPOL's alcohol and other drug related strategic responses, policy and procedures are consistent with national and SA drug strategic directions.

The Drug Use Monitoring in Australia (DJMA) Program, which is managed and funded jointly with the South Australian government by the Australian Institute of Criminology, operates at two metropolitan SAPOL prisoner facilities to provide background information on offender drug use. The data is utilised for the development of appropriate operational and policy responses to illicit drug issues including AOSD.

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

In South Australia the *Controlled Substances Act 1984* has been the subject of legislative amendment to align it with the Model Criminal Code Drug Offences. These amendments which substantially enhance the provisions targeting the trafficking and manufacture of drugs including AOSD will come into force later this year.


Provisions prescribing controls for precursor chemicals and the equipment used, such as tablet presses, in the manufacture of AOSD are not included in the pending amendments. They are, however, the subject of legislative submissions that SAPOL is presently preparing. A recommendation has been made for the draft Amphetamine-Type Stimulants (ATS) National Action Plan to include actions for the development of nationally consistent legislation for manufacturing offences and the possession of precursors.

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

In the interests of improving the range of initiatives being undertaken nationally in response to the impact of AOSD the South Australia Police have endorsed the draft ATS National Action Plan, which was developed by the ACC. SAPOL have also, through its representation on the Intergovernmental Committee on Drugs, agreed to the establishment of a working group to progress its further development.

South Australia Police supports the Australian Crime Commission Special Intelligence Operation on Amphetamines and Other Synthetic Drugs and has provided intelligence and person profiles for reference during coercive hearings conducted pursuant to the Australian Crime Commission Act.

Yours sincerely



**COMMISSIONER OF POLICE**