

Families and Friends for Drug Law Reform (ACT) Inc.

Committee preventing tragedy that arises from illicit drug use

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17 March, 2006

Dear Mr Curtis

INQUIRY INTO AMPHETAMINE AND OTHER SYNTHETIC DRUGS

I refer to your letter dated 8 December inviting Families and Friends for Drug Law Reform to provide a submission to the Committee's inquiry into amphetamine and other synthetic drugs and to subsequent telephone conversations between your office and Mr Bush. We are grateful for the generous extensions that your office has allowed us.

Please find attached a submission that we have prepared. You will see that reference is made in it to a number of submissions of Families and Friends for Drug Law Reform to various parliamentary inquiries. In particular our present submission refers to the two submissions we made last year for the Committee's review of the *Australian Crime Commission Act 2002*. We would be grateful if the Committee would consider the present submission in conjunction with those.

We would also be grateful for the opportunity to appear before the Committee to expand on aspects of the submission.

Yours sincerely,



(John Ley)
Vice-President

Mr Jonathan Curtis
Committee Secretary
Parliamentary Joint Committee
on the Australian Crime
Commission
Parliament House
CANBERRA ACT 2600

Associated with the **AUSTRALIAN DRUG LAW REFORM FOUNDATION**



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EXECUTIVE SUMMARY

In this submission, Families and Friends for Drug Law Reform addresses the terms of reference of the Committee to “inquire into the manufacture, importation and use of Amphetamine and Other Synthetic Drugs (AOSD) in Australia.”

Trends in the production and consumption of amphetamine and other synthetic drugs

- There is now a robust and growing market for methamphetamine and ecstasy in Australia. The involvement of highly resourced and very well organised criminal syndicates is obvious. Under the present policy settings, the market for the more potent forms of methamphetamine has escalated since about 2000 from virtually nothing.
- The more potent forms of crystal and base methamphetamine made their appearance in the Australian market at the end of the 1990s (§§34-46).
 - ◆ From 2000 and around the time of the heroin drought the market for them grew several times over. For example, by 2004 46% of regular ecstasy users surveyed in New South Wales used crystal compared to just 6% in 2000 (§§34-40 & 85-86)
 - ◆ Powdered forms of methamphetamine have become about five times more potent (§111).
- Large quantities of methamphetamine tablets manufactured in Australia and from overseas are now passed off as ecstasy (§§57-62 & 89-91).
 - ◆ Between 1998 and 2004 there was a 22% increase in the number of people who reported recent use of what they thought was ecstasy (§89).
 - ◆ According to the *2005 World Drug Report* of the United Nations Office on Drugs and Crime, Australia has the unenviable distinction of having the highest usage rate in the world for these drugs (§93).

Strategies to reduce the amphetamine and other synthetic drugs market in Australia

- There is no realistic prospect that growth in the methamphetamine market can be reversed under the same policy settings that have existed since the market ballooned from about 2000. Nor does there appear to be any realistic prospect under current policy settings that the enormous harm associated with these potent drugs will do anything other than grow and, in the process, absorb increasingly more scarce public and private resources.
 - ◆ The market cannot be reduced by intensification of supply reduction measures.
 - ◆ Governments should embrace a treatment- and prevention-orientated drug strategy in which law enforcement plays a supporting role rather than the current situation where law enforcement dominates the other arms of drug policy.

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- ◆ The capacity of treatment and other demand reduction measures should be applied to reduce the market for drugs as discussed in a submission of Families and Friends for Drug Law Reform to the review of the *Australian Crime Commission Act 2002* (FFDLR 2005b, App. B).
 - The processes of the criminal law which have a negative impact on the mental health and general well being of young people who use illicit drugs should be avoided. (Recommended in submission of Families and Friends for Drug Law Reform to the Senate Standing Committee on Mental Health (FFDLR 2005c, pt. III).
- ◆ The immediate focus should be on reducing the market for the particularly harmful potent forms of methamphetamine rather than aiming in the short term to reduce illicit drug use across the board.
 - Such measures should include a system of credible health warnings combined with pill testing (submission of Enlighten Harm Reduction).
- ◆ Longer term market reduction measures should use the best available evidence to develop strategies that undermine the economic conditions in which the illicit market thrives, particularly:
 - the direct marketing peer group system that strongly promotes market growth;
 - the profit which drives the extraordinarily efficient retail distribution system;
 - the motive of the user who deals to support a habit;
 - the capacity of the distribution system to supply a smorgasbord of drugs. There is a need to quarantine the distribution of less dangerous drugs from more dangerous ones;
 - risk factors for use and thus demand. There is a particular need to address mental health risk factors by ensuring that the *National Drug Strategy 2004–2009* and the *National Mental Health Plan 2003-2008* are thoroughly integrated as recommended in the submission of Families and Friends for Drug Law Reform to the Senate Standing Committee on Mental Health (FFDLR 2005c, §§115-19); and
 - addiction which arises from drug use. Address it by promoting treatment and, where there is no adequate treatment, tailoring law enforcement effort so that users are channelled to less dangerous drugs.

The extent and nature of organised crime involvement.

- The co-operation and integration of large-scale criminal enterprises is evident in the production and trafficking of both imported and locally produced drugs (§§12ff & 95ff).

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The nature of Australian law enforcement response

- On the supply side, the Australian law enforcement response relies on seizures of drugs and precursors, detecting clandestine laboratories and attempts to disrupt criminal organisations (§§95 & 115ff).
- Even with the existence of diversion schemes, at the retail end law enforcement relies largely on arrests and prosecutions of users and low level dealers who are in fact users who deal to support their habit (§§63 & 119ff; Macintosh 2006, app. C).
 - ◆ Law enforcement should support and not undermine measures to improve the general well being of drug users

The adequacy of existing legislation and administrative arrangements between Commonwealth and States agencies

- Guidelines for police and prosecutors should be adopted to ensure that serious drug offence legislation that exposes drug users to very severe penalties is not implemented so as to cause more harm to the user than the drug itself or to impede the social reintegration of drug users.
 - ◆ In particular such guidelines should be adopted for the Commonwealth *Law and Justice Legislation Amendment (Serious Drug Offences and other Measures) Act 2005* which, as described in a submission last year of Families and Friends for Drug Law Reform to the Senate Legal and Constitutional Affairs Committee, overlaps state and territory law, extends down to mere possession and imposes draconian penalties on activities regularly undertaken by illicit drug users (FFDLR 2005d).

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

- The advent and growth of a market for more potent methamphetamine and false and genuine ecstasy tablets in Australia has happened almost exactly as criminal intelligence forecast that it would happen (§§12ff).
- The ACC should routinely undertake assessments of the effectiveness of drug law enforcement based on market indicators of price, purity, level of use and surveys of availability (§§121ff).
- The ACC in conjunction with appropriate drug research agencies should routinely publish estimates of the size of the Australian illicit drug market (§§125-126).
- The Australian Federal Police should abandon its current performance indicators which simply reflect the level of drug seizures without any assessment of the influence of those seizures on the drug markets (§§128ff).



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I. INTRODUCTION

The flood of potent methamphetamines onto the Australian drug scene over the past seven years is a case study of the power of criminals to inflict huge harm on the Australian community and the incapacity of law enforcement to prevent this.

2. The background of the advent of these drugs into Australia and their impact is well documented. In this submission Families and Friends for Drug Law Reform summarises the information available from public sources.

3. Of the drugs that fall within the committee's terms of reference, the submission limits itself to methamphetamines. Ecstasy is also discussed but only because methamphetamine is commonly passed off in the form of ecstasy tablets.

4. The failure of Australian border control to block in any meaningful way the importation of the potent methamphetamines is shown by:

- the apparent full implementation of a business plan developed by South East Asian crime syndicates to promote these drugs; and
- the flexibility of the crime syndicates in swapping these drugs for their previous mainstay, heroin.

5. The failure of domestic law enforcement is shown by:

- the rapidity with which the potent methamphetamines became available on the Australian market;
- the speed and extent to which they were taken up in the dance party scene; and
- the rapidity with which and extent that criminals have developed a domestic manufacturing base for more potent methamphetamine and false ecstasy.

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The more potent drugs flooded the Australian market in about 2000. After describing this occurrence, the submission looks at the current situation and describes how the market has consolidated and expanded.

6. The means are already at hand to apply drug market indicators like price, purity and surveys of availability to assess the effectiveness of law enforcement. The application of these indicators confirms that law enforcement is not applying an effective break to the illicit drug market. The application of the performance measures devised by the Australian Federal Police – benchmarking and its drug harm index – is demonstrably flawed and misleading. Based as these measures are on seizures, they can claim success as the drug situation deteriorates.

7. The submission then turns to the serious harm that these drugs are causing. This is shown by the following:

- The distress of families who often have to cope with stressful behaviour induced by these stimulants. Violent and psychotic behaviour is frequent. This is in contrast to the pharmacological effects of a depressant like heroin.
- The pressure on drug treatment services because there are few and relatively ineffective treatment options for these stimulants compared to those available for heroin.
- The insupportable burden in treating people with psychotic behaviour placed on a mental health system that is already in crisis.

8. Finally, the submission suggests some ways forward including:

- The paramount importance of integrating law enforcement in a co-ordinated approach which engages all of government and community resources and in which law enforcement plays a supporting role rather than the dominant one it presently does; and
- The need to recognise that some drugs are indeed much more dangerous than others and that, within an overall policy that discourages drug use, action can be taken to make it more likely that those who do use drugs have recourse to the less dangerous ones.

II. BUSINESS PLAN BY SOUTH EAST ASIAN CRIME SYNDICATES TO PROMOTE METHAMPHETAMINE

9. By 2001 Australian law enforcement authorities were aware of a bold business plan of South East Asian crime syndicates to introduce and aggressively market potent methamphetamine in Australia. The plan and its implementation shows the clear commercial focus and capacity for organisation of criminal groups. The elements of this plan were:

- reliance on methamphetamines as their principal commodity in place of heroin;

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- development of a very large potential market for people prepared to use an orally ingested drug; and
- provision of reduced quantities of heroin to the smaller market for an injected drug.

10. The AFP Commissioner himself revealed this during the height of the heroin drought. In a press interview that he gave in June 2001 he was reported as saying that there had been: “a business decision by Asian organised crime gangs to switch from heroin production as their major source of income to the making of methamphetamine, or speed, tablets. . . . Mr Keelty said the Asian drug barons would continue to supply some heroin to the Australian market, but intelligence suggested they were gearing up to aim for a new and much bigger market of people prepared to use methamphetamine pills.” The decision, he stressed, was “a conscious” one “to move the market away from heroin into something that is far easier to put into the marketplace” (Moor 2001a). He revealed that “their market research . . . tells them that these days people are more prepared to pop a pill than inject themselves” (Moor 2001b). The general manager, Australian Federal Police National Operations, confirmed the accuracy of this report in evidence he gave on 16 August 2002 to the House of Representatives Family and Community Affairs Committee inquiring into substance abuse in Australian communities (McDevitt 2002, 1,221).

11. The AFP Commissioner was also reported in 2001 as saying:

“ . . . Burma was thought to be producing about 700 million methamphetamine tablets a year. ‘And while most of them currently end up in Thailand we do expect the syndicates to also target Australia,’ he said. He said large quantities of crystalline methamphetamine from South-East Asia, known as ice, had already turned up in Australia. A record seizure of 79kg was made in Sydney on December 21 last year [2000]. And AFP intelligence suggests getting the Burmese methamphetamine tablets, known as ‘yaa baa’ (crazy medicine) pills, on to the Australian market is high on the agenda of Asian organised crime gangs” (Moor 2001b).

III. BACKGROUND TO THE DECISION TO PROMOTE METHAMPHETAMINES

12. Those in criminal intelligence had watched with foreboding the establishment in the 1990s of the building blocks of this strategy:

- the rapid growth in opiate consumption in China drew off large quantities of heroin from Myanmar, which also supplied Australia;
- a big decline in opium production in Myanmar;
- the growth of production and consumption of methamphetamines in South-East Asia;
- the close association between the production and trafficking of both heroin and methamphetamines;
- the ready availability of precursors for amphetamines; and

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- the impetus that economic globalisation has given to the greater integration of criminal organisations into a range of drugs and other criminal activities.

A. The rapid growth in opiate consumption in China

13. During the 1990s there was a rapid growth in the consumption of illicit opiates in China. The 1997 report of the International Narcotics Control Board stated that “[a]lthough the number of opium abusers is falling in south-east Asia, the abuse of heroin is on the rise. The practice of injecting heroin is increasing in certain parts of China, particularly in Yunnan Province” (INCB 1997 §286 & §275). This rising Chinese market was principally supplied from the same South East Asian sources as Australia. The Director of the Office of Strategic Crime Assessments wrote in 1999:

“Heroin use in China is widespread and is unlikely to be affected by current Chinese policy settings and can be expected to continue to grow, potentially to alarming levels. Heroin use in China is currently well supplied by Burma, with a number of other sources emerging such as Afghanistan, Pakistan, Kazakhstan, Tajikistan and North Korea” (Wardlaw (1999) 4).

14. The Australian Federal Police has since noted that “in the region predominantly now supplied by the Golden Triangle – East and South East Asia [including China], Australia and Canada – opium and heroin addiction grew. According to official Chinese data, opium and heroin addiction in China rose by 870 per cent in the period from 1990-99” (Gordon 2001, 20 & 19; Morrison 2003, 6; ODCCP 2002, 238-39; Degenhardt *et al.* 2004, 57).

15. The Office of Strategic Crime Assessments regarded the growth of heroin demand in the potentially huge Chinese market as enough by itself to produce a shortage of that drug.

“The analysis of the impact of trends in the Chinese heroin market on Australia indicates that the future of the heroin market in Australia may be influenced by changes in the Chinese heroin market. There is potential for the supply of heroin to Australia to be temporarily affected by significant increases in demand elsewhere, particularly in potentially large markets such as China. Such a temporary shortage could alter the dynamics of the local market by increasing the price of heroin, lowering its purity, leading to users substituting heroin with other types of drugs and increasing drug related crime. The likelihood of this occurring is limited by the surplus of heroin internationally and the fact that heroin use in China is not likely to exceed 6.5 million people in the next five years. If the number of regular heroin users in China does exceed 6.5 million, it could be a catalyst for a heroin shortage internationally and in Australia” (Wardlaw 1999, 5).

16. Indeed, as early as 1996 the Office of Strategic Crime Assessments was forecasting a heroin shortage likely to be felt by countries such as Australia:

“In 1996, a scenario was considered by Australia’s Office of Strategic Crime Assessment (OSCA) which made use of many of the supply indicators available at that time. The conclusion was reached that a shortage of heroin

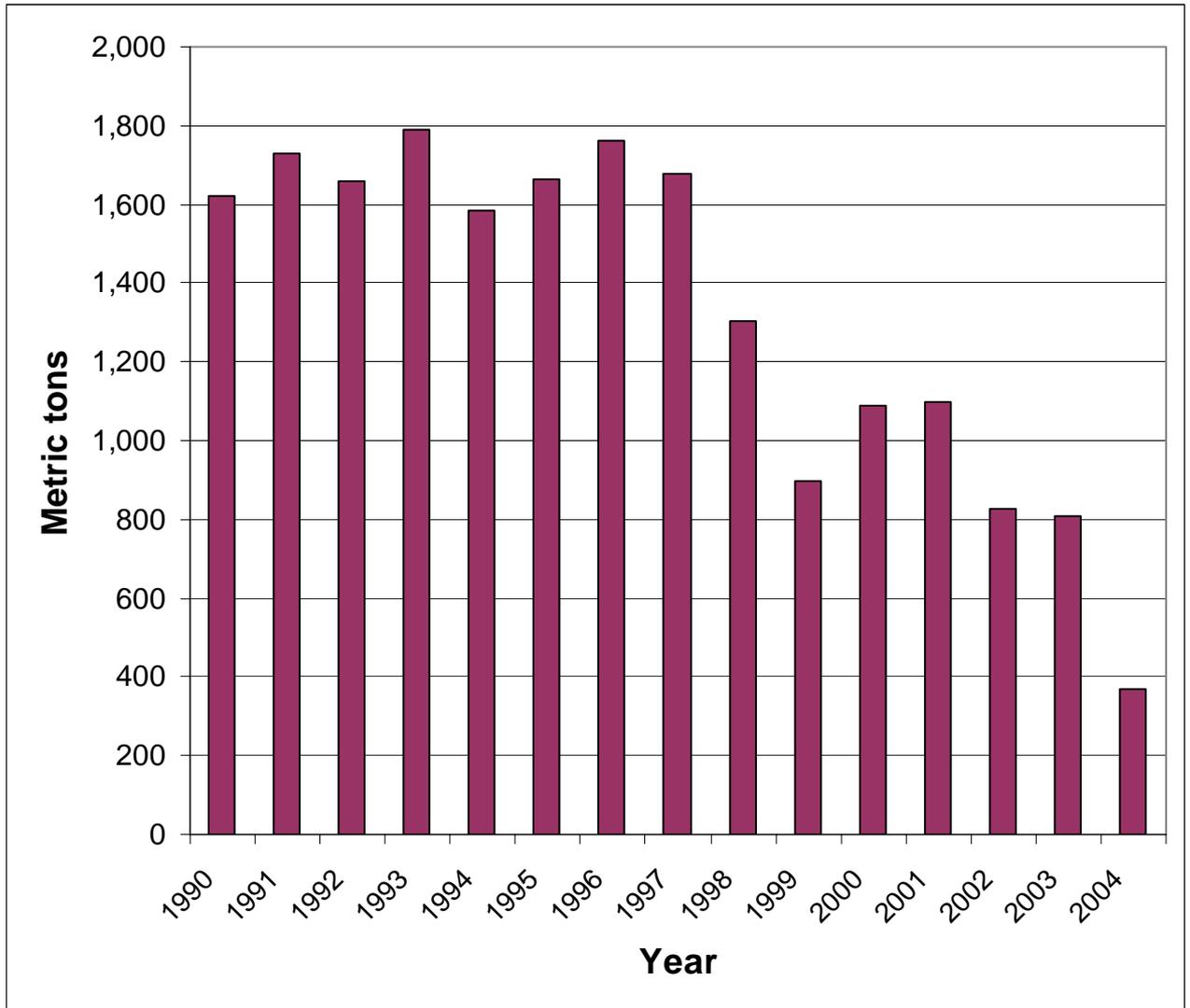
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might be expected within five years in countries located at the tail end of international trafficking routes (such as Australia)” (Morrison 2003, 6).

B. Big decline in opium production in Myanmar

17. In the lead up to 2001 there was a big decline in opium production in Burma or Myanmar. “Three years of drought was followed by abnormal flooding and frost in Burma” (Gordon 2001, 20; AIDR 2001, 29). According to figures of the United Nations Office on Drugs and Crime the potential yield for 1999 was 53% of the estimate for 1997. Production increased in 2000 but was still only 65% of the estimate for 1997 (ODCCP 2002, 47; Degenhardt *et al.* 2004, 11). The decline was even greater according to estimates of the US Department of State. It considered that the potential yield for 2000 was only 46% of the estimate for 1997 (US, DOS, 2000; US, DOS 2001, VIII-6 & 14; Morrison 2003, 2). The following chart shows the United Nation’s estimate of potential production from detected opium crops for Myanmar from 1990 to 2004.

Figure 1: Potential Production of Opium in Myanmar in Metric Tons between 1990 and 2004



SOURCE: UNODC 2005, 177.

C. Growth of production and consumption of methamphetamine in South East Asia

18. There was an alarming growth in production and consumption of methamphetamine-type stimulants in the same region that supplied Australia with heroin (Gordon 2001; US, DOS 2001, VIII-6, 11-12). The 1999 report of the International Narcotics Control Board reflected the seriousness of the situation:

“The abuse of and trafficking in amphetamine-type stimulants are spreading quickly across the entire region of East and South-East Asia. . . . China has remained a major source of clandestinely manufactured amphetamine-type stimulants. Traffickers of such stimulants appear to be targeting vulnerable

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groups in major urban areas, especially the young. In Thailand, for example, amphetamine-type stimulants have recently become the drug most widely abused by students” (INCB 1999, §321).

19. According to the Board’s 2000 report:

“In East and South-East Asia, there has been a drastic increase in the manufacture of, trafficking in and abuse of amphetamine-type stimulants in the past few years. Illicit methamphetamine laboratories continue to operate in the border areas between Myanmar and Thailand and between Myanmar and China. Those three countries and the neighbouring countries have reported sizeable seizures, low prices and wide availability of stimulants” (INCB 2000, §330).

20. The 1998-99 *Australian illicit drug report* recorded that syndicates were starting to manufacture methamphetamine in the Philippines:

“There is a growing amount of intelligence that suggests Chinese 14K and Taiwan-based ‘United Bamboo’ criminal syndicates will use the Philippines to further extend the manufacturing base of shabu [as “ice” is known there] and also as a point for transshipping the drug to other countries” (AIDR 2000, 50).

D. Close association between the production and trafficking of heroin and methamphetamines

21. The growth in methamphetamine production and trafficking took place in close association with that of heroin. In 1997 the Department of State *International Narcotics Control Strategy Report* mentioned that:

“A growing amount of methamphetamines is reportedly produced in labs co-located with heroin refineries in the Wa region and the former Shan United Army territory in southern Shan State. Heroin and methamphetamines produced by Burma’s ethnic groups are trafficked largely through unmarked transit routes crossing the porous Chinese and Thai borders, and to a lesser extent the Indian, Bangladesh and Lao borders, as well as through Rangoon onward by ship to other countries in the region. Although Thailand remains an important route for Burmese heroin to exit Southeast Asia, trafficking through China and other countries is on the increase” (US, DOS 1997, Burma pt. III).

22. This was echoed in the 1999 report of the International Narcotics Control Board:

“In the area of the Golden Triangle, facilities that once were used exclusively for the refining of heroin are increasingly being used for the manufacture of methamphetamine as well” (INCB 1999, §321).

23. The Australian Bureau of Criminal Intelligence in its *Australian illicit drug report* and Office of Strategic Crime Assessment saw this close association between heroin and booming methamphetamine production as threatening the introduction of

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methamphetamine into Australia. The 1995-96 *Australian illicit drug report* mentioned that:

“There are . . . reliable reports and signs that the production of amphetamines in Asia has increased significantly, which will provide a ready source for Australia. The infrastructure and supply networks for groups importing heroin to Australia means that it would be relatively simple to bring amphetamines in too” (AIDR 1997, 56).

24. The 1997-98 *Australian illicit drug report* included an even more explicit warning from the Office of Strategic Crime Assessment (OSCA):

“Because of the increase in production of amphetamine and methylamphetamine alongside heroin in Asia, the Office of Strategic Crime Assessments (OSCA) has identified the potential for increased amphetamine importation to Australia from Asia. It considers that production of synthetic drugs by heroin producers in the Golden Triangle region poses a serious threat to Australia since these producers already supply the bulk of heroin consumed here and so the infrastructure and networks required to penetrate the Australian drugs market already exist. If the purity levels of Australian made drugs remain low and precursor chemicals become increasingly difficult to obtain this threat could become a reality” (AIDR 1999, 53).

25. A year or so later an obviously worried Director of the Office of Strategic Crime Assessment issued a similar warning in a paper that was made public:

“As has been the case with heroin, for synthetic drugs such as amphetamines, Ice, and Ecstasy, there has been an increasing demand in Asian markets. Partly to service this demand, production of synthetic drugs has increased in the Golden Triangle. Given that this region also supplies Australia with most of its heroin, the infrastructure and networks to supply synthetic drugs to the Australian market from this source are already in place” (Wardlaw 1999, 5).

E. Ready availability of precursors for methamphetamines

26. Methamphetamine can be manufactured from either a naturally or synthetically produced precursor. The ability to use entirely synthetic precursors frees the production of methamphetamines from the vagaries associated with crop production. Both synthetic and natural precursors are readily available in South East Asia where methamphetamine are manufactured.

27. The key precursors required were explained in a 2001 paper presented on behalf of the AFP Commissioner:

“Methamphetamine production . . . requires ephedrine, which can be obtained either from the Ephedra bush, which grows naturally in northwest China, or can be synthesised. The synthesised product – pseudo-ephedrine – is more commonly used. Significantly, pseudo-ephedrine is not subject to the vagaries experienced in agricultural production” (Gordon 2001, 19).

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28. Speaking of amphetamine-type substances (ATS) generally, the AFP Commissioner himself has noted that:

“The fact that this family of drugs can be manufactured from synthetic substances removes the risk of being tied to crop production sites - ATS can be produced from clandestine laboratories anywhere. The precursor chemicals are widely available which makes these drugs more difficult for law enforcement to counter” (Keelty 2001).

29. The Commissioner has also remarked that the greater flexibility to manufacture such a drug has “. . . a lot of appeal . . . for drug syndicates because there is less risk and higher profits involved in its production” (*ibid.*). He expanded on the advantages in a press interview in June 2001:

“The problem for world law enforcement is that where it has in the past been able to focus on crop eradication - whether it be the opium poppy for the production of heroin or the coca plant for manufacturing cocaine - there is no crop with methamphetamine production. It can be manufactured in almost any place where the precursor chemicals are available and ephedrine, which is the main chemical used in methamphetamines, is largely available right through China and most parts of Asia. This is going to be a real problem for the future,’ he said” (Moor 2001a &, similarly, Moor 2001c).

30. Effective controls on precursors are essential if there is to be a hope of limiting the manufacture of methamphetamine. In this context, the Office of Strategic Crime Assessment observed a trend for “the displacement of synthetic drug production from countries with stronger precursor controls to those with weak controls” (Wardlaw 1999, 5). Myanmar was just such a location. Both synthetic and natural ephedrine were readily available from across the border in China. The Commissioner told a journalist that “the base plant for amphetamines grew wild throughout China, Thailand and Burma” (Ludlow 2001) and a paper presented on his behalf explained that:

“Production of amphetamines in Burma was also facilitated by another development, this time in China. With the advent of economic liberalisation in China, many of the inefficient state run chemical plants lost their captive markets and could not find new ones. This provided an incentive to ‘turn a blind eye’ to chemical precursor diversion.

“It is noteworthy that the very routes now used to take heroin out of Burma could also be used in reverse to bring precursors back in. There was thus a natural symbiosis between the production of heroin and methamphetamine opened up by the shifting of the trafficking routes from Thailand to China” (Gordon 2001, 19).

F. Economic globalisation

31. Australian criminal intelligence was very conscious of the extent that economic globalisation was facilitating the international illicit drug trade. “Globalisation has significantly expanded the opportunities for sophisticated illegal

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activity and facilitated closer interaction between organised criminal groups from different locations and cultures” (AFP 2001, 17; Wardlaw 1999, 2-3). In particular, “[g]lobal drug markets are now closely interconnected, both in terms of markets for the same drug type and markets between drug types” (Gordon 2001, 22). In other words the environment was conducive for criminal organisations that had, for example, specialised in one drug such as heroin, “speed” or MDMA to become involved in the production or distribution of other drugs as well.

IV. ADVENT IN AUSTRALIA OF MORE POTENT METHAMPHETAMINES

32. Until the appearance of the new potent forms of methamphetamine, the traditional form of the drug available in Australia was as a fine or course powder known as speed (McKetin & McLaren 2004, 3). This was a hydrochloride or hydrosulphate salt marketed as a low purity powder called “speed”. 79-80% of speed available during the mid to late 1990s was actually methamphetamine (*ibid.* 2). The “overwhelming majority” of this form was manufactured in Australia (AIDR 1997, 56). The powder continued to be available. Its median purity judged from seizures from 1997 to 2002 was only 10% (McKetin *et al.* 2005, 21). The more potent methamphetamine appeared principally either as an oily “base” or as crystalline methylamphetamine hydrochloride or “ice”.

33. Methamphetamine is produced as an oil which for ease of handling and use is converted into a salt (AIDR 1999, 49; AIDR 2002, 34). What is sold as “base” is “a sticky, gluggy, waxy or oily form of damp powder paste or crystal [As such it] is probably poorly purified methamphetamine crystal resulting from an incomplete conversion of methamphetamine base to methamphetamine crystal” (McKetin & McLaren 2004, 3). The median purity of base that was seized was 21%, twice that of powder (McKetin *et al.* 2005, 21). Methamphetamine has also come to be sold as tablets of varying purity as ecstasy in the “party drug” scene (McKetin & McLaren 2004, 5). As a crystal it should have a purity of about 80% “however over half of the methamphetamine seizures that had a crystalline appearance were less than 60% pure” indicating that it included an adulterant (McKetin *et al.* 2005, 23). Even in adulterated forms crystalline methamphetamine is much more potent than “base”.

A. Crystalline methamphetamine

34. Initially at least, purified crystalline methamphetamine was not manufactured in Australia. It thus has been the typical imported potent form (McKetin & McLaren 2004, 4). It can be administered by smoking, intranasally or by injection (AIDR 2002, 35). The first mention in the *Australian illicit drug report* of more potent forms of methamphetamine imported from South East Asian being found in Australia was in the report of 1996-97. “There are already signs,” it noted, “of this occurring:

- there has been an increase in the number and size of seizures of ice (crystalline methylamphetamine hydrochloride);
- amphetamines in tablet form, manufactured overseas, are starting to appear in larger quantities in Australia;

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- there has been an increase in the number of Customs seizures of amphetamines” (AIDR 1997, 56).

At the time “most ice available in Australia [was] believed to be imported from the Philippines” (*ibid.*, 62).

35. The chief indicators of the advent of imported crystalline methamphetamine in Australia were surveys of drug users as well as the level of border seizures. General household and secondary school surveys around the time are of limited use because they do not differentiate at all or do so only partially the forms of methamphetamine or amphetamine.

1. Rise in usage of crystalline methamphetamine in Australia

36. From the late 1990s annual surveys among injecting drug users showed a sharp increase in use by them of methamphetamine in all jurisdictions except New South Wales. There was no reference to the crystalline form in the 1997 survey (IDRS 1997, 8-11). A reference crept into the 1998 survey. That mentioned a “low use of smokable freebase methamphetamine (also called ‘ice’ or ‘shabu’).” It still reported that “the type of amphetamine used in each state was overwhelming[ly] ‘powder’ amphetamine” and that few injecting drug users “reported use of prescription amphetamine or liquid amphetamine (‘oxblood’)” (IDRS 1998, 12 & 14). The situation was altogether different by the 2000 survey, “There were reports of increased availability and use of more potent and higher purity forms of methamphetamine in all jurisdictions from 1999 to 2000. These include the crystalline forms of methamphetamine known as ‘crystal meth’, ‘ice’ and/or ‘shabu’, and the waxy or oily form of methamphetamine . . .” (IDRS 2000, 39). By the next survey, which was carried out during the height of the heroin drought, use of the imported “ice” as well as the oily “base” “became very apparent among injecting drug users” (McKetin & McLaren 2004, 34). “Between 2000 and 2001, every jurisdiction recorded dramatic increases in the proportion of current methamphetamine users who reported recent use of crystalline forms of methamphetamine known variously as ice, shabu and crystal meth” (IDRS 2001, 72).

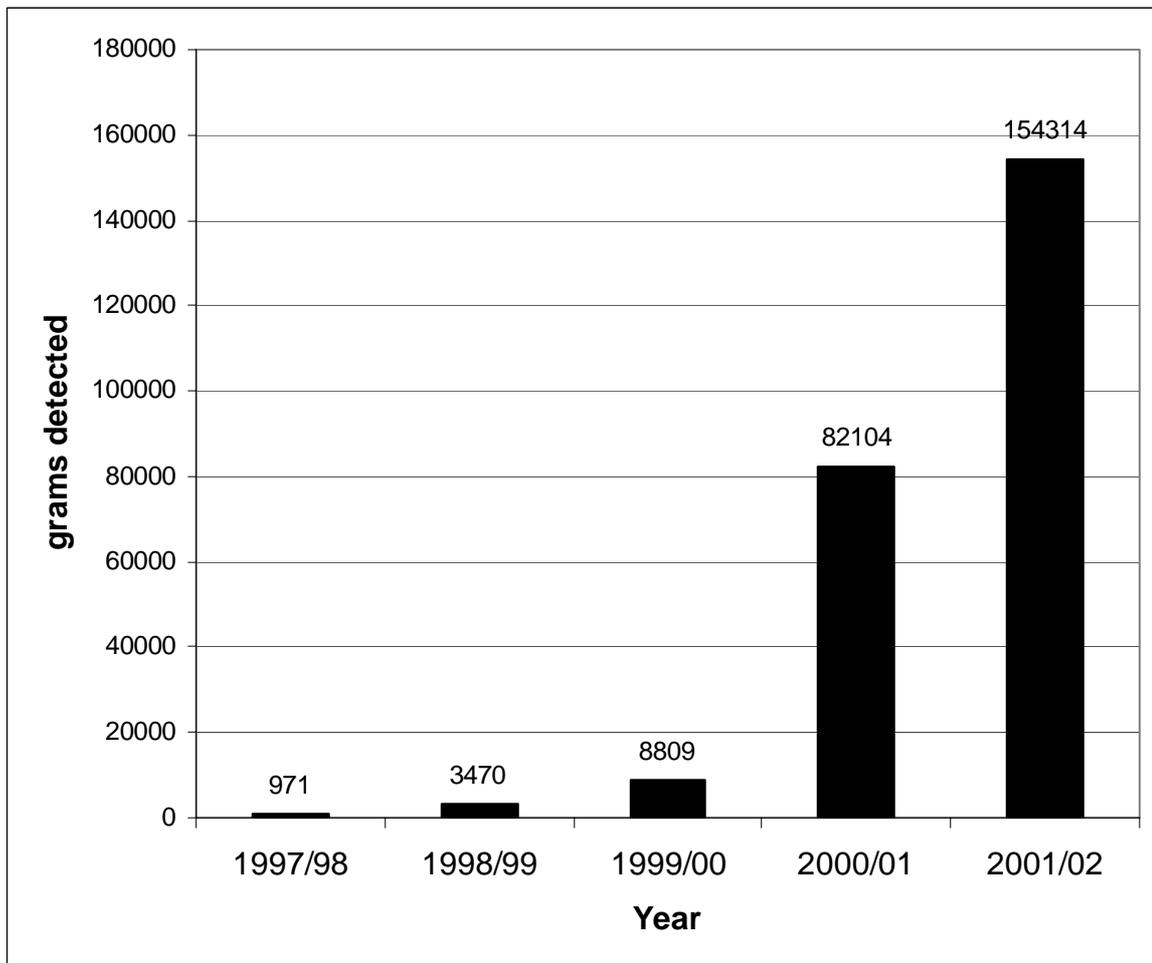
37. An indication of the extent of uptake of crystalline methamphetamine in the general population, as opposed to the small injecting one, is shown by the 2001 household survey. Of the 534,200 who had used methamphetamine in the past year, 37.7% had used the crystal form (AIHW 2002b, 63). These results are probably inflated by those who used the still potent “base” which was not specifically asked about in the 2001 survey. That survey asked users of “amphetamines” about the forms of powder, liquid, “crystal”, tablet and “prescription amphetamines”. Even so, as researchers have remarked this level was “surprisingly high” and “very high considering that crystal methamphetamine use was very rare in Australia until several years ago” (McKetin & McLaren 2004, 7). “Crystal methamphetamine as well as the oily “base” form became “relatively commonplace among the dance party scene since 2001.” A quarter of “party-drug-users” interviewed in Sydney during 2001 “had used the crystalline form of the drug” (*ibid.*, 34).

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2. Rise in border seizures of crystalline methamphetamine

38. There were huge increases in the amount of crystalline methamphetamine seized that was detected at the border by Customs. As figure 2 shows, the amount seized grew from less than a kilogram in 1997-98 to over 82 kg in 2000-01 and, in the following year, a further increase of 88% to over 154 kg (IDRS 2002, 69-70 & IDRS 2003, 74). The 2003 IDRS report remarked that: “The increase in weight of detections supports the [injecting drug use] survey data that there has been an increase in use and availability of ice in recent years” (IDRS 2003, 73). Even the AFP annual report has acknowledged that higher seizures generally point to greater availability: “The profile of amphetamine-type stimulants (ATS) in Australia has become starker, with indicators of availability and seizures increasing (AFP 2001, 22).

Figure 2: Total weight of crystalline methamphetamine detected by the Australian Customs Service, 1997/98 to 2001/02



SOURCE: IDRS 2002, 700; ACS 2002, 85.

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3. Consignment of “ice” with other drugs from South East Asia

39. The concern of the Office of Strategic Crime Assessment and others that crime syndicates that had supplied heroin to Australia would diversify into “ice” and other drugs was realised by 2000-2001. The AFP report of that year mentioned that “we are starting to see major importations from Asia” (AFP 2001, 3). These importations included heroin as well as the methamphetamines. The report gave as an instance a large seizure at the end of 2000:

“An investigation involving the Joint Asian Crime Group which includes the National Crime Authority, AFP, Customs and Hong Kong authorities resulted in the seizure [on December 21, 2000] of 79kg of the amphetamine drug known as ‘Ice’ and 184kg of heroin in Sydney. This seizure is ten times the size of the previous largest seizure of ‘Ice’ in Australia. The Ice was found in the construction of two containers of plastic modular storage units that were sent by sea from China to Sydney. Further analysis of suspect consignments led to another three containers being identified which were subsequently found to contain heroin” (AFP & NCA (2001) also mentioned at AFP 2001, 23).

40. The *Australian illicit drug report* for 2000-01 included the assessment of the National Crime Authority that the diversification into drugs other than heroin was the result of the shortage of heroin:

“Crime groups originating from countries regional to Australia are importing illicit drugs such as amphetamine-type stimulants, MDMA and cocaine. The National Crime Authority attributes this activity to the heroin shortage. As a result, crime groups are possibly importing larger amounts of cocaine and amphetamine-type stimulants to compensate for this gap in the market” (AIDR 2002, 65).

B. Methamphetamine “base”

41. The sticky methamphetamine powder paste or crystal appears to be manufactured in Australia rather than imported (McKetin & McLaren 2004, 3). It is known by other names such as “point” and “wax” as well as “base”. The fact of it being poorly purified methamphetamine crystal invites the suggestion that its appearance was a response of Australian illicit “speed” manufacturers to the advent of the attractive imported crystalline methamphetamine. Indeed the 2000-01 *Australian illicit drug report* points to evidence that this happened:

“As yet, no discoveries of local manufacture of crystalline methylamphetamine have been made. However, the increasing popularity of this higher purity methylamphetamine is driving New South Wales manufacturers to sell product straight from the ‘cook’ and market the paste as ‘base’” (AIDR 2002, 46 & similarly 43).

1. Reports of its emergence in Brisbane

42. The first reference to the “base” in the *Australian illicit drug report* was in the 1999-2000 edition which reported that it first appeared in Brisbane.

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“Health and law enforcement agencies across Australia are reporting a greater level of use of the very pure methamphetamine called ‘base’. Base methamphetamine is described as being either moist or oily in consistency and beige in colour—like putty. Its appearance and the name ‘base’ suggest that it is methamphetamine at the penultimate stage of production, before being converted to methamphetamine crystals. Because of its dampness, base is difficult to smoke or snort, so the preferred method of administration is injection.

“A number of social, health and law enforcement problems are now emerging as a result of the high prevalence of base, particularly in the greater Brisbane area where base is believed to have first emerged. The Community Based Drug Reporting Working Group reported that use of base methamphetamine is rapidly increasing among young [54] people of both sexes (Davey & Davies 1999).¹ In a survey of its clients, the Brisbane Youth Service found that 44 per cent were currently using base. Further, 15 per cent of the clients were using it at least once a day. . . . It was concluded that the greater prevalence of amphetamine and base use is a result of high levels of manufacture, both mobile and static, in the outer areas of Brisbane, particularly in the Pine Rivers, Caboolture and Logan districts.

“But the high prevalence of base methamphetamine use is not confined to Queensland. Turning Point Alcohol and Drug Centre in Victoria, claim that there has been an increase in the use of methamphetamine, as opposed to amphetamine sulphate, in Melbourne. South Australia Police reported that high-purity methamphetamine is currently being sold in the southern and western suburbs of Adelaide” (AIDR 2001, 53-54 & also 51; similarly IDRS 2000, 39).

43. Law enforcement agencies also detected that:

“In response to the growing demand for products such as base, production has moved to smaller laboratories with shorter distribution chains to the user” (*ibid.*, 54 & similarly 55).

2. Growth in availability and use

44. Unfortunately law enforcement statistics do not generally identify what proportion of “amphetamine type substances” “base” amounts to but it is clear from subsequent illicit drug surveys and *Australian illicit drug reports* that availability and use grew rapidly from the first signs in 1999.

“The increase in the use of ‘base’ and ‘ice’ methamphetamine became very apparent among injecting drug users during the 2001 heroin shortage. At this time an estimated 76% of injecting drug users surveyed by the IDRS in Australia had recently used methamphetamine – a notable increase from the previous years. The increase of 2001 appeared to have stabilized in 2002.

1. Davey, J & Davies, A 1999, *Community Based Drug Reporting Working Group, Queensland University of Technology*, Brisbane.

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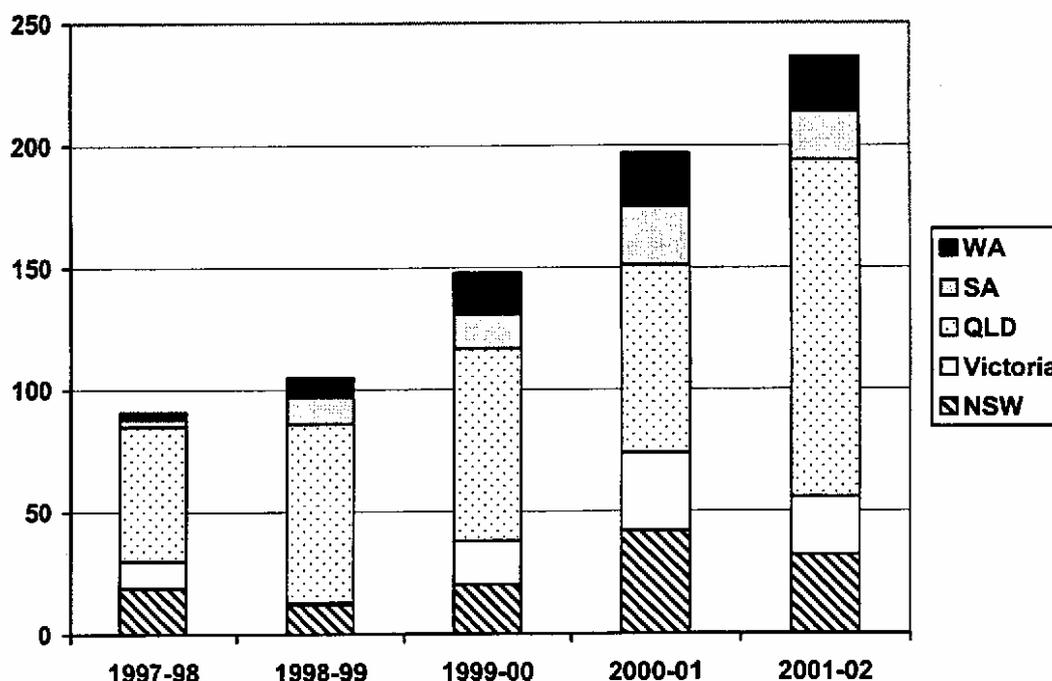
Still 73% of IDU reported recent use of methamphetamine and the presence of the more potent forms of methamphetamine was still evident. For example, one-quarter of the injecting drug users surveyed through the IDRS in Sydney had recently used crystalline methamphetamine and/or methamphetamine base, which exposure was substantially higher than this in South Australia (56%), Western Australia (74%) and Queensland (39%). This level of exposure to methamphetamine 'base' and 'ice' was similar to that seen in 2001, although markedly higher than previous years. For example, in 1999 only a handful of injectors in Sydney reported use of 'ice' (3%), and 'base' methamphetamine was being reported for the first time. Even though exposure to 'base' and 'ice' were similar among injectors, 'ice' was used less frequently than either 'base' or powdered methamphetamine. Powder methamphetamine was still the most common form of the drug used by injectors.

"Use of 'base' and 'ice' methamphetamine has also become relatively commonplace among the dance party scene since 2001. One in five 'party-drug-users' interviewed in Sydney during 2001 had used methamphetamine 'base' recently, while one-quarter had used the crystalline form of the drug. Even though similar numbers had been exposed to both 'ice' and base, the 'base' form of the drug was used more often: most of this group used 'base' once a month compared with only having used 'ice' once in the past 6 months. Similar to use among IDU, powdered methamphetamine was still by far the most common form of the drug used in the dance-party scene" (McKetin & McLaren 2004, 34).

3. Growth in clandestine laboratories detected

45. Like border seizures of imported crystalline methamphetamine, the number of clandestine laboratories detected for domestically produced synthetic "base" is an indicator of the growing level of production.

Figure 3: Number of clandestine laboratories found in Australia, 1997-98 to 2001-02



SOURCE: McKetin & McLaren 2004, 25

46. The steady increase in laboratories detected over five years since 1997-98 is consistent with the growth in availability and usage of “base” at least since 1999.

C. Tablets: ecstasy and fake ecstasy

47. The intelligence revealed in 2001 by the AFP Commissioner included a strategy by Asian crime syndicates to target the population who could be tempted to swallow a tablet. This, the syndicates were aware, is potentially a much larger market than the two percent or so of the population that household surveys showed are prepared to inject themselves (AIHW 2005b, 81).

48. The so-called “party scene” was an obvious target. In 1998, before the advent of “ice” and “base”, the two most used drugs in that scene were methamphetamine powder or “speed” and ecstasy. According to the household survey of that year, 16.4% of males between 20 and 29 and 7.6% of females had used “meth/amphetamines” in the past 12 months. The proportion of the same age group then that had used ecstasy was 11.9% of males and 8.3% of females (AIHW 2005a, 31 & 33).

49. At least three obvious tactics to develop that market further were:

- supply the real thing;

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- pass off other drugs as the real thing; and
- develop a taste for other drugs within that market.

50. It seems that Asian crime syndicates have followed all three of these tactics and that local producers have followed suit as far as they are able.

1. Supply of ecstasy by Asian crime syndicates

51. Ecstasy is the term most commonly given to the chemical MDMA (methylenedioxymethylamphetamine). It is one of many amphetamine-like phenethylamines which have both hallucinogenic and stimulant properties (Victoria Police 2002, 1-51). The *Australian illicit drug report* for 1996-97 recorded the assessment of the AFP that “the Netherlands is the major source country of ecstasy found in Australia” (AIDR 1997, 54). Unlike the more potent methamphetamine, little of it was being manufactured in South East Asia. Europe was also the principal source for the domestic markets in South East Asia. The 1999 report of the International Narcotics Control Board described the situation as follows:

“Most of the MDMA (‘ecstasy’) available in East and South-East Asia has been smuggled into the region after being illicitly manufactured in Europe. In the past few years, however, there have been attempts to manufacture the substance clandestinely in some countries in East and South-East Asia. Law enforcement authorities in Singapore, for example, uncovered in 1999 for the first time a clandestine laboratory for making ‘ecstasy’ tablets on a large scale” (INCB 1999, §337).

52. Around the time of the heroin drought, Australian law enforcement agencies became aware of the actual involvement of Asian crime syndicates in the importation of European ecstasy into Australia. South East Asia was being used as a transshipment point, the drug was arriving in consignments mixed with heroin and methamphetamine of South East Asian origin.

“Investigations conducted throughout the year pointed to Southeast Asian centres, particularly Indonesia, becoming more significant in the organising and transshipping of amphetamine-type stimulants, MDMA and heroin to Australia. Couriers travel westward from Southeast Asian centres to Europe carrying heroin and return east with MDMA for consumption in Southeast Asia or for transshipment further afield, including Australia. Some MDMA passes through Hong Kong to mainland China and high purity methylamphetamine is carried on the return trip. . . .

“The National Crime Authority has noted a convergence between heroin importation and large-scale importation of MDMA and amphetamine-type stimulants. This has given criminal entrepreneurs greater market flexibility and allowed them to increase profits by using contacts and networks already established for the heroin trade” (AIDR 2002, 52-53).

53. What is more, by then Asian crime interests were expanding their involvement in the drug. MDMA produced in China was also appearing in Australia:

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“There are indications that an increased number of seizures of MDMA are originating in China. Given its dominance in the precursor market, especially for ephedrine, criminal elements in China appear poised to produce even more MDMA and crystalline methylamphetamine” (AIDR 2002, 53).

54. A paper delivered in 2001 on behalf of the AFP Commissioner and the 2000-01 *Annual report* of the AFP provided more detail of these developments:

- “. . . [T]here is an increasing trend for European-sourced ecstasy to be trafficked to Australia by Asian criminals, who tranship it through South East Asian transport nodes” (Gordon 2001, 21-22).
- “In Australia, *Operation Pataka* involved 15kg of heroin and 125kg of MDMA (source unknown, but possibly pressed in China)” (*ibid.*, p. 22).
- “The extent of MDMA and similar drug use in Australia continued to expand during the reporting period. South-East Asian centres have increasingly been used as transshipment points for the drug as it is being trafficked from Europe to Australia. . . . The co-shipment of ATS and heroin from South-East Asia was a notable development that illustrates how traffickers spread the range of commodities they smuggle” (AFP 2001, 22).
- “Australia’s largest seizure of MDMA to date [i.e. to June 2001] occurred in March 2001 when a cargo container arrived in Sydney from China by sea and was found to contain 15 kg of heroin and 125 kg of MDMA concealed in cartons of tinned pineapples” (AFP 2001, 23).

55. Asian syndicates were also diversifying into transshipment to Australia of South American cocaine as well as European ecstasy. “. . . [W]e are now seeing,” the AFP reported, “higher levels of trafficking of cocaine by Asian criminals, including into Australia” (Gordon 2001, 22). The *Australian illicit drug report* for 2000-01 mentioned the “emergence of poly-drug importations” and that an operation had “provided a link which indicated that the cocaine was part of a large importation, subsequently distributed by different crime groups” (AIDR 2002, 72, 68).

56. The integration of arrangements for the trafficking of different drugs was a manifestation of the globalisation of criminal activity. “These developments are all part of a global phenomenon of convergence of criminal networks and, concomitant to this, poly-drug trafficking” (Gordon 2001, 22). The National Crime Authority, which noted “a convergence between heroin importation and large scale MDMA and amphetamine-type stimulant importation,” commented that: “This provides criminal entrepreneurs greater market flexibility and allows them to increase profits by using established contacts and networks in the heroin trade” (AIDR 2003, 76).

2. Passing off drugs containing methamphetamine and other substances as ecstasy

57. The 1997-98 *Australian illicit drug report* remarked on the passing off of methamphetamine as ecstasy tablets in Europe and, closer to home, in Malaysia. “Information,” it recorded, “from the Australian Federal Police suggests that amphetamine is increasingly produced in tablet form: this is directly attributed to the ecstasy culture in the United Kingdom. The amphetamine tablets that have been

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seized have designs similar to those on the ecstasy tablets—a clear indicator that the amphetamine was intended to be sold as ecstasy” (AIDR 1999, 51). Of Malaysia, the report simply noted that: “There is evidence to suggest that many recent seizures of ecstasy are actually locally produced ephedrine-based amphetamine tablets” (*ibid.*, 53). The report went on to speculate that, as elsewhere, some of the tablets seized by Customs at the border in Australia as ecstasy may be methamphetamine:

“With the increase in the marketing of amphetamines as ecstasy in Europe, it is possible that ecstasy detections or obvious-looking ecstasy tablets are in fact amphetamines” (*ibid.*, 53).

58. The report explained that this could have been happening because: “All suspected ecstasy seized is recorded as ecstasy at the time of seizure. Chemical analysis is done at a later date and it may be some time before the actual substance is known and the drug type confirmed” (*ibid.*).

59. Passing off was already occurring in the case of domestically produced tablets:

“South Australia Police reported a recent trend in Adelaide whereby amphetamine powder is compressed into tablets and sold as ecstasy. This is most probably a replication of ecstasy-marketing practices in the United Kingdom. The sale of ‘fake’ ecstasy has been reported as occurring in most States: police in Western Australia, South Australia, Victoria and Tasmania have all reported amphetamine tablets being sold as ecstasy. Cocktail tablets containing a combination of several drugs are also being marketed as ecstasy. Chemical analysis of several seizures of what was thought to be ecstasy showed that the tablets in fact contained no ecstasy. The Victorian Forensic Science Centre reported that in one instance 15 000 suspected ecstasy tablets that were seized actually contained methylamphetamine, lignocaine, cocaine, ephedrine and heroin” (*ibid.*, 56)

60. The report concluded that in 1997-98, “. . . there has been an increase in amphetamine tablets being sold as ecstasy” and that this was “a deliberate marketing ploy on the part of drug syndicates” (*ibid.*, 61).

61. The *Australian illicit drug report* in 1999-2000 cited scarcity of MDMA as the reason for the manufacture of tablets to be passed off as ecstasy.

“Australian forensic laboratories’ analyses of seized tablets confirm the continuing trend of tablets containing ketamine and methylamphetamine being sold as MDMA. The two drugs together produce effects similar to those produced by MDMA, and are easier to make.

“MDMA is a scarce commodity—to meet the high demand for the drug, illicit tablet manufacturers are using anything available, including veterinary and agricultural drugs. Analysis has revealed methylamphetamine being mixed with such drugs as benzodiazepines, caffeine and agricultural chemicals. In some instances heroin or LSD has been found in seized tablets. Intelligence suggests that the tablets are being sold to users who believe they are buying MDMA” (AIDR 2001, 44)

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62. It is clear from the *Australian illicit drug reports* by 2001, when the heroin drought occurred, that MDMA substitution was well entrenched with the following features:

- widespread domestic production of tablets that could be marketed as ecstasy but which contained methamphetamine and a variety of other drugs; (AIDR 2002, 52; AIDR 2003, 79-80);
- the importation of tablets and some capsules of probable South East Asian manufacture that contain mainly methamphetamine (AIDR 2002, 52) though “the majority of fake MDMA is widely believed to be produced in Australia rather than imported” (AIDR 2003, 72); and
- the importation of such drugs in association with genuine MDMA from Europe and China and crystal methamphetamine, cocaine and heroin (AIDR 2002, 52-53, 65).

3. Arrests

63. An indicator of the advent of methamphetamine without distinction of its form is the level of arrests concerning that drug and the drugs consumed by those who are arrested. Consumer and provider arrests for offences concerning methamphetamine-type stimulants increased by 10% between 1999-00 and 2000-01 (IDRS 2001, 71-72). Testing of police detainees at several urban sites around Australia showed either pre-existing high percentages of positive tests or increases. A site in Western Australia ranged “fairly consistently” between 37% and 46% though there was a “significant increase” “between the last quarter in 1999 and the first quarter in 2000.” During 2001 a site in Queensland increased from 19% of adult male detainees to 32%, an increase of 68%. Even in Sydney where cocaine use grew most rapidly during 2001, the report of detainees noted that “as opiate use has declined . . . amphetamine use seems to be increasing” (Makkai & McGregor 2002, 11, 13 & 14).

Sourcing of precursors for domestic manufacture of fake ecstasy

64. Another element that was in its early stages of development by 2001 was the smuggling into Australia of methamphetamine precursors. These imports began supplementing local supplies that were bought or stolen from a range of sources. The *Australian illicit drug report* for 2000-01 listed a number of large border seizures of precursors (AIDR 2002, 42). The report also noted that:

“Customs and the National Crime Authority have highlighted the possibility that increasing volumes of chemicals required for amphetamine-type stimulant manufacture may be imported by organised crime networks. Large precursor-producing industries already exist in China and India. Furthermore, due to regional instability, vulnerable states may become conduits in the future for the illicit supply of precursors for the Australian amphetamine-type stimulant market” (AIDR 2002, 38).

65. The next *Australian illicit drug report* mentioned that:

“Outlaw motor cycle gangs are establishing connections in Southeast Asia and are believed to be increasingly sourcing amphetamine-type stimulant

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precursors from Thailand and Vietnam. Southeast Asian groups have also emerged as illicit importers of pseudoephedrine from Asian countries. New South Wales Police reported at least two instances where offenders were caught attempting to bring Actifed® and Rambaxi® tablets into Australia from Vietnam” (AIDR 2003, 50).

66. The extent of the passing off of fake ecstasy was large. New South Wales police reported that in 2001-02 something over half the tablets sold as ecstasy contained methylamphetamine and not the active ingredient of ecstasy, the phenethylamine known as MDMA. The proportion had been 3:1 in favour of methamphetamine in 2000-01 (AIDR 2003, 80).

67. By 2000-01 the marketing of fake ecstasy was booming in apparent fulfilment of the marketing strategy that saw the future in drugs in tablet form. Tablets were attractive to a much bigger population than was ever likely to be tempted to inject a drug. The *Australian illicit drug report* for 2000-01 put it this way:

“The demand for amphetamine-type stimulants in Australia is on the increase. The prevalence of tablet-form methylamphetamine being marketed as ecstasy further generates a whole new market and user group for the drug. In Queensland alone, the amphetamine-type stimulant market has evolved to the extent that its consumers outnumber those in the heroin market and cross a variety of licit and illicit drug markets via polydrug usage” (AIDR 2002, 48).

68. Australia by then was experiencing a world wide trend of exposure to methamphetamine in tablets mixed with other drugs as well in the relatively pure crystalline form: “Methylamphetamine is trafficked globally in two main forms: as high purity crystals or powder, and mixed in tablets with caffeine and sometimes ketamine and other drugs” (AIDR 2003, 51).

4. Ya ba: methamphetamine tablets not marketed as ecstasy

69. Law enforcement authorities warned after the onset of the heroin drought of the influx of mostly methamphetamine tablets that were being manufactured mostly in Myanmar. These were known as “ya ba” or “crazy medicine”.

“Burma is the primary source for the tablet form (known as ya-ba or ‘crazy medicine’), producing an estimated 800 million tablets per year. During 2001, it was assessed that approximately 700 million of these tablets were trafficked into Thailand where consumption levels of the drug—particularly among school-age youth—have reached ‘epidemic’ proportions.” (AIDR 2003, 51).

70. An article in the *Sydney Morning Herald* in October 2001 reporting law enforcement sources mentioned that:

“‘Going back four or five years a lot of heroin labs changed over to producing Yaba,’ one law enforcement source said. The makers saw amphetamines as not having the same stigma as heroin, and perhaps carrying a lighter penalty should they be caught” (Mercer 2001).

71. The AFP Commissioner announced at that time that:

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“European sourced ATS is now being overtaken by Asian-sourced amphetamine type stimulants. Recent seizures have consisted of the highly pure methamphetamine known as ‘ice’ and the form of methamphetamine known as ‘ya ba’, which consists of a mix of methamphetamine and caffeine” (Keelty 2001).

Police at that time described ya bah as “about 70 per cent caffeine and about 15 per cent amphetamine” (Mercer 2001).

72. There were occasional seizures of methamphetamine tablets. For example, in 1999-2000 Customs officers had detected 5.31 kilograms of methamphetamine tablets with 7.16 kilograms of crystalline methamphetamine (AIDR 2001, 48). Even so, the feared big influx has not occurred. A 2005 study noted that:

“There has only been one significant border seizure of methamphetamine tablets in Australia to-date. The characteristics of this seizure were atypical of other detected large-scale drug importations, and therefore it is believed that it does not reflect a broader underlying trend in methamphetamine tablet importation. Methamphetamine tablets seized in Australia tend to have a different appearance and chemical profile to their Southeast Asian counterparts” (McKetin *et al.* 2005, 28).

73. It might be supposed that Asian crime syndicates involved in importation of drugs into Australia believed that the dance party scene was sufficiently lucrative with the supply of crystalline methamphetamine, genuine or fake MDMA tablets and, probably, the supply of precursors for the local manufacture of base and more fake MDMA tablets.

D. Information on the source and supply routes of illicit drugs to Australia

74. Methamphetamine-type stimulants originating either in South-East Asia or Europe were being imported into Australia via similar channels to heroin (Gordon 2001, 21-22; AFP 2001, 3, 22 & 23). The Asian group operating through Fiji that police broke up in the lead up to the heroin shortage trafficked in methamphetamine as well as heroin (Hawley 2002, 48). This action led to no reduction in availability of those stimulants.

75. Asian crime groups that had concentrated on heroin were also becoming involved in the supply of South American cocaine to Australia. “The New South Wales Police/Australian Federal Police Joint Asian Crime Group in New South Wales obtained information from overseas agencies regarding cocaine seized within Australia, which suggested cooperation between South American cocaine cartels and individuals from Southeast Asian crime groups that had previously concentrated on heroin trafficking”(AIDR 2002, 68). The following year’s report noted that: “Southeast Asian centres, where heroin and amphetamine-type stimulants have a long history of use, are increasingly used for storage and transit of cocaine” (AIDR 2003, 90).

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V. WHERE WE ARE NOW WITH METHAMPHETAMINES

76. In little more than a year to early 2001 higher potency methamphetamine had grown from negligible quantities to become widely available in Australia and large quantities of fake and genuine ecstasy were being imported or manufactured locally. Commentators at the time used strong language to describe various of these changes: terms such as “stark” and “dramatic” increases. To onlookers there appeared to be a flood of these drugs. The AFP has nevertheless denied that the changes amounted to a flood. In answer to a supplementary estimates question last year from Senator Stott Despoja, the AFP has asserted that: “There is no evidence of any ‘flood’ into Australia of ‘methamphetamine stimulants’” (answer to question no. 230 following hearing of 31 October 2005). Semantics aside, this section of the submission looks at the expansion and consolidation to the present of changes that so suddenly afflicted this country.

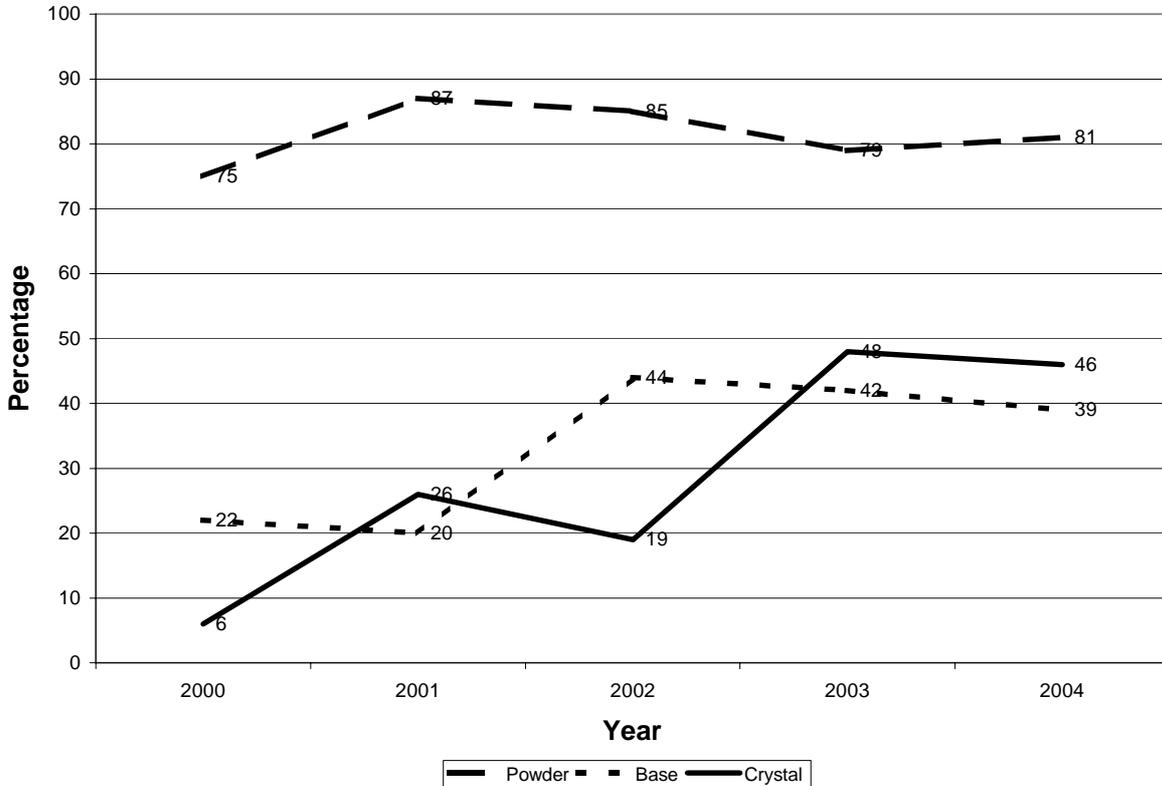
A. Growth in usage of methamphetamines and ecstasy

77. The last six or seven years has seen more potent forms of methamphetamine become firmly entrenched in Australia and the use of the drug in one form or another expanded. In the words of the 2003-04 *Illicit drug data report* “Demand for [amphetamine type substances] within Australia appears to be increasing, with no reduction likely in the foreseeable future” (IDDR 2005, amphetamines 6).

78. Three main surveys throw light on the current situation of methamphetamine powder, base, crystalline methamphetamine and tablets sold as ecstasy. These surveys are those conducted annually for the illicit drug reporting system (IDRS) and the party drugs initiative (PDI) and the household surveys that took place in 2001 and 2004. The IDRS survey focuses on injecting drug users while the party drugs survey focuses on “people who engaged in the regular use of the drug sold as ‘ecstasy’” (PDI 2004, 2). Only two percent or so of the population seem prepared to inject themselves (AIHW 2005b, 81) so that the rest of the population is ruled out of participation in the IDRS survey. Developments picked up in the party drug survey are thus of particular significance in judging the extent that more potent methamphetamines are gaining ground among those who regularly use tablets. The household survey gives an insight into use by the general population.

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Figure 4: Methamphetamine use in New South Wales 2000-2004 from Party Drug Survey



SOURCE: Party Drug Initiative surveys

1. Methamphetamine powder or speed

79. Powdered “speed”, the common form of methamphetamine that was around before the advent of the potent forms, is still with us. According to the 2004 party drug trends survey, 68% of those surveyed had used the less potent powder in the last six months of which a particularly worrying 14% had injected it. The median days of use over the last 6 months was six (PDI 2004, 41). In New South Wales, the recent use of the powder has remained stable since the surveys began in 2000 at about 80% though in South Australia and Queensland there has been a decrease from 90% to 62% in the case of the former and from 74% to a low 39% in the case of the latter. (Other states had not been surveyed for that long.) (*ibid.*, 51).²

80. The 2004 household survey also indicated a decline in usage of powder. Whereas in 2001, 83% of those who reported using methamphetamines recently said

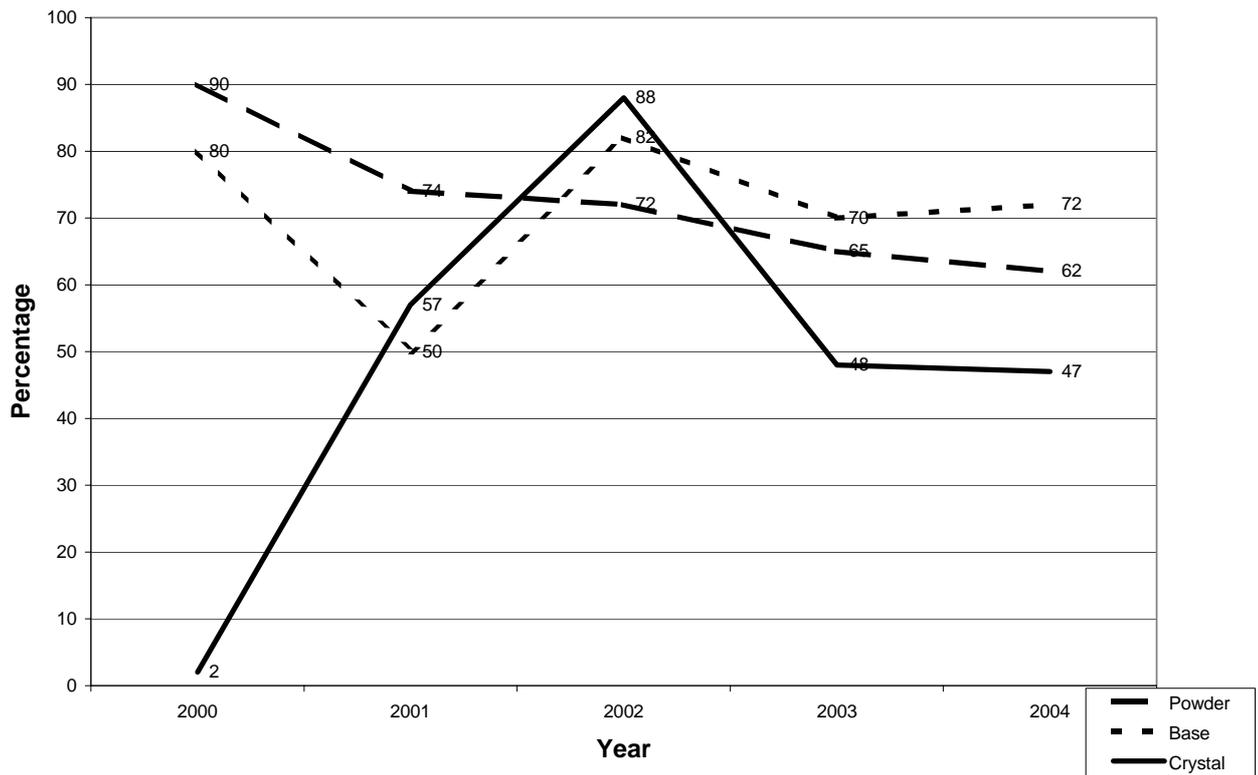
2. Percentage of usage of various forms of methamphetamine that come from early years of surveys of the party drug initiative or its pilot predecessor. For New South Wales: White *et al.* 2003, 43-45. For South Australia: Weekley *et al.* 2004, 29-32. For Queensland: McAllister *et al.* 2001, 10; Fischer & Kinner 2004, 42-44.

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that they had used powder, this had sunk to 74.3% in 2004 (AIHW 2002b, 63; AIHW 2005b, 60).

81. According to the illicit drug reporting system, use of powder nationally has remained at between 53% and 62% of injecting drug users surveyed. 58% reported using powder in 2000 and 53% in 2004 (IDRS 2004, 58).

Figure 5: Methamphetamine use in South Australia 2000-2004 from Party Drug Survey



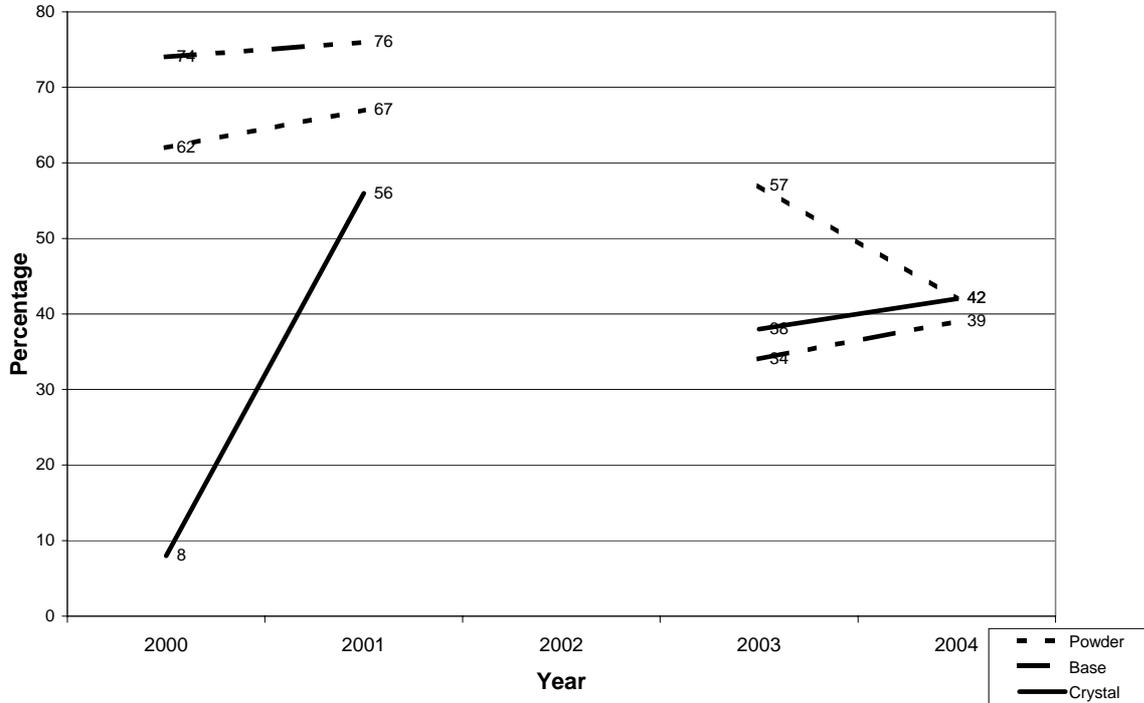
SOURCE: Party Drug Initiative surveys

2. Methamphetamine “base”

82. 39% of those who participated in the 2004 party drugs survey had used “base” in the last six months of which 24% had injected it compared to the 14% of the recent users of speed who had injected that powder. This points to a tendency of those who do inject the drug to favour the more potent “base”. Five was the median number of days used for those who had used “base” in the past six months (PDI 2004, 45). In New South Wales recent use of “base” increased since the first survey in 2000 to 2002 and remained around 40% since then. In South Australia recent use has remained stable at around a high 70% since a decline in 2003. In Queensland there has been a decrease since 2001. (Other states had been surveyed only for 2003 and 2004.) (*Ibid.*, 51-52).

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Figure 6: Methamphetamine use in Queensland 2000-2004 from Party Drug Survey



SOURCE: Party Drug Initiative surveys

83. The 2004 household survey found that 25.8% of those who reported using methamphetamines recently said that they had used “base/paste/pure”. The 2001 survey did not inquire about this category so that many of the 37.7% of positive responses then to whether “crystal” was used probably referred to “base” (AIHW 2002b, 63; AIHW 2005b, 60).

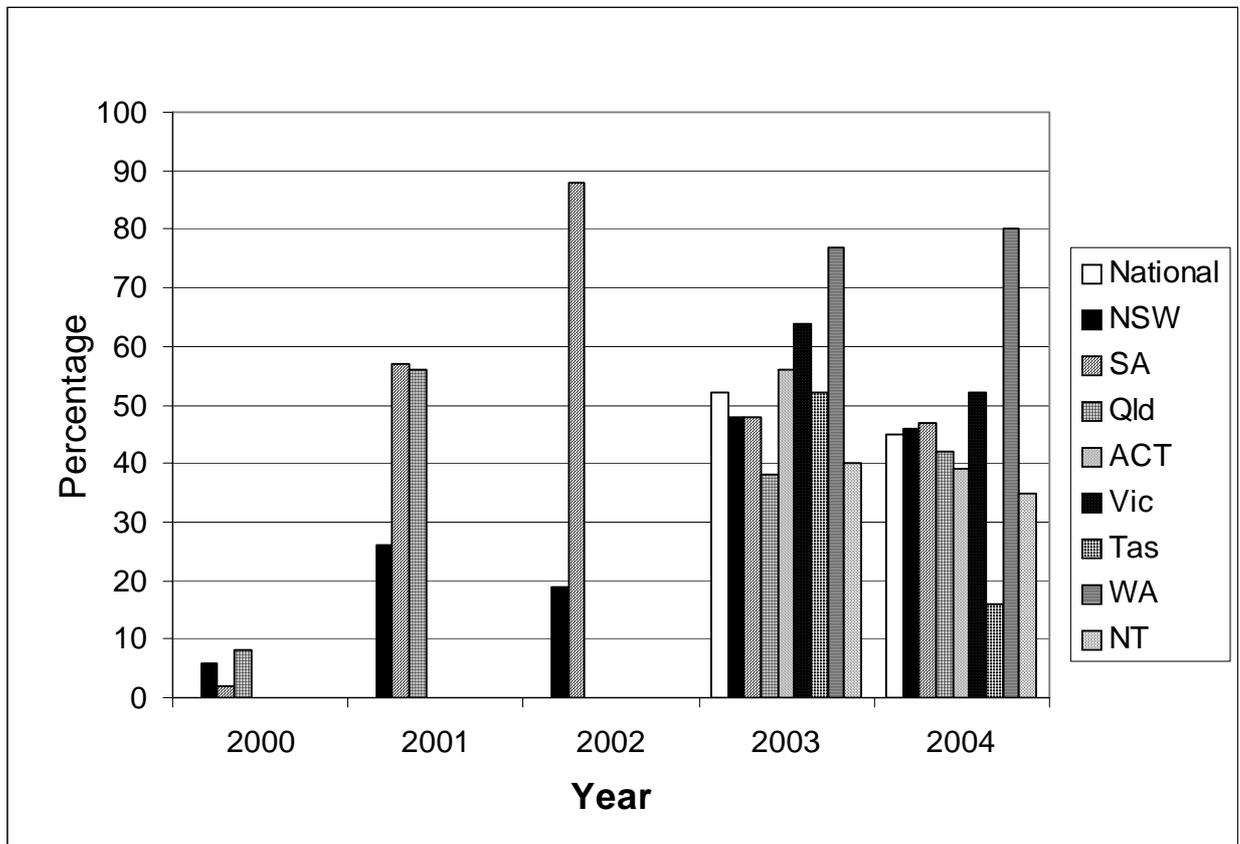
84. According to the illicit drug reporting system, use of “base” nationally has remained at about 40% of injecting drug users surveyed (IDRS 2004, 58).

3. Crystalline methamphetamine

85. Across Australia 45% of those in the 2004 party drugs survey had used the crystalline form within the last six months. Most of these (65%) smoked it and 17% injected it. As with “base”, five was the median number of days used for those who had used crystalline methamphetamine in the past six months (PDI 2004, 48). In New South Wales use of this form of methamphetamine increased from 6% in 2000 to 46% in 2004. In South Australia recent use rose steeply from something like 2% in 2000 to about 80% in 2002 and fell away to about 40% in 2004. In Queensland use increased from 8% in 2000 to about 40% (*ibid.*, 51-52). (Other states had been surveyed only for 2003 and 2004.) Usage of crystalline methamphetamine is highest in Western Australia. 77% of those surveyed in 2003 had used it recently. This rose to 80% in 2004.

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Figure 7: Methamphetamine Crystal use 2000-2004 from Party Drug Survey



SOURCE: Party Drug Initiative surveys

86. The 2001 household survey found that 37.7% of those who reported using methamphetamines recently said that they had used “crystal”. This increased to 38.6% in the 2004 survey. The increase of crystalline methamphetamine use was probably much bigger between the surveys because of the absence of a category for “base” in 2001 with the result that in that year many users of “base” probably nominated “crystal” (AIHW 2002b, 63; AIHW 2005b, 60).

87. When the heroin drought struck in 2001 many injectors of heroin turned to crystalline methamphetamine. This is shown in the growth from 15% of respondents in the 2000 illicit drug reporting system who reported recent use of “crystal” or “ice” and what now appears to be a stabilised figure of about 50% (IDRS 2004, 58).

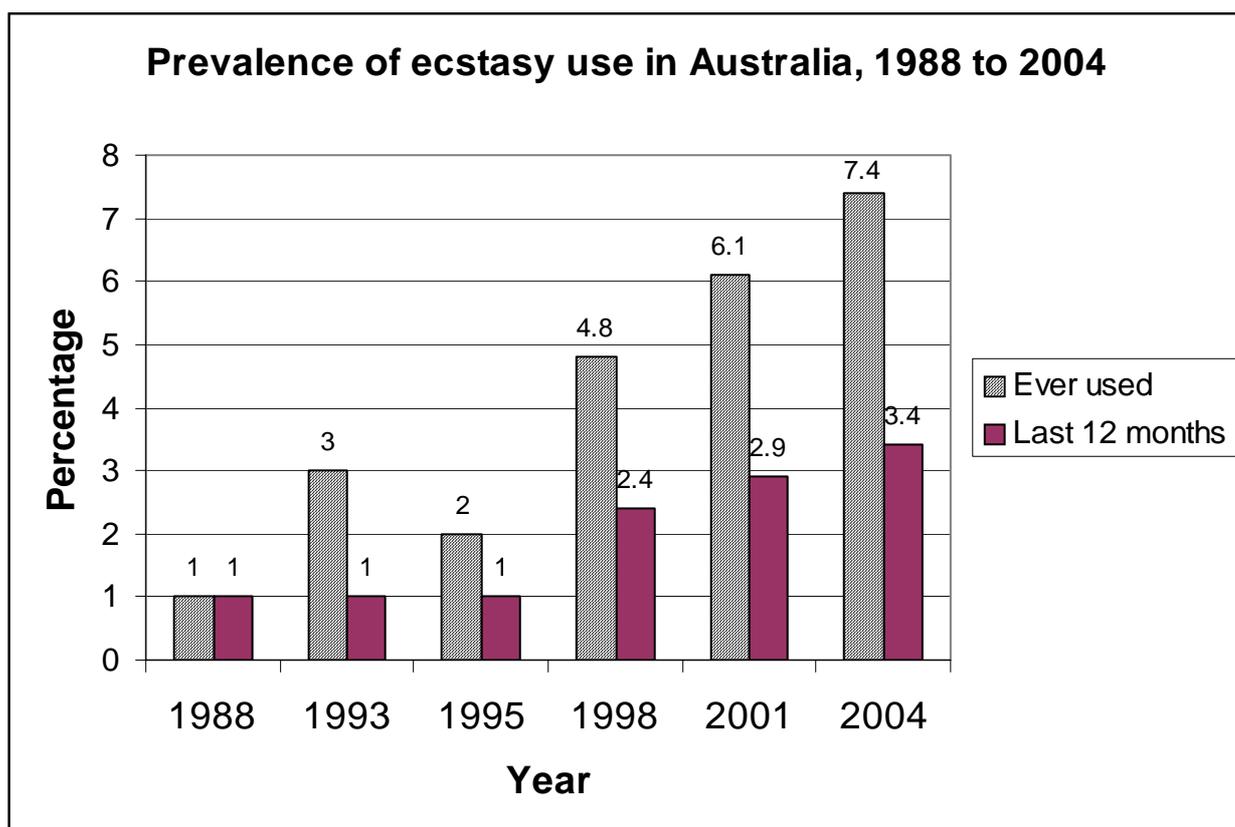
88. The *Illicit drug data report* for 2003-04 singles out crystal methylamphetamine as the drug with the brightest commercial future in the growing methamphetamine market: “In particular, demand for high purity crystal methylamphetamine, which is readily available in Asia, is likely to create an increase in attempted importation and possibly domestic production in the foreseeable future” (IDDR 2005, amphetamines 6).

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4. Ecstasy and fake ecstasy tablets

89. Use of tablets sold as ecstasy has continued to rise steadily in the population. According to the household surveys, recent used increased from 2.4% of the population in 1998 to 3.4% in 2004 (AIHW 2005a, 3). This translates to a 22% increase in the number of people using ecstasy since 1998. Even from 2001 the number grew from 456,400 (or 2.9% of the population) to 556,600 in 2004 (AIHW 2002a, 28; AIHW 2005a, 32).

Figure 8: Prevalence of ecstasy use in Australia, 1988 to 2004



SOURCE: IDRS 2004, 22.

90. A large proportion of the contents of tablets sold as ecstasy continue to be methamphetamine and a medley of other drugs. On the basis of the analysis of seized tablets, the 2003-04 *Illicit drug data report* states:

“It is still common for tablets marketed as ecstasy to be incorrectly represented as containing MDMA, when in fact they are compressed methylamphetamine tablets with additives such as ketamine and caffeine. The majority of ecstasy tablets seized in Australia continue to contain a variety of products, often with little or no MDMA. As such, the purity of phenethylamines fluctuates across time and jurisdictions. Tablets have been found to include such combinations as: methylamphetamine with additives such as ketamine and caffeine; amphetamine and caffeine; amphetamine and MDMA; MDMA and MDA; MDA, caffeine, and LSD; and LSD and clonazepam”(IDDR 2005, phenethylamines 8).

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91. Other evidence for the continuing inclusion of a high proportion of methamphetamine in what is sold as ecstasy comes from the Drug Use Monitoring in Australia (DUMA) program of police detainees conducted by the Institute of Criminology.

“DUMA data indicate there is a greater discrepancy between urinalysis results and self-report data for MDMA compared to methylamphetamine. Sixty-three percent of detainees who stated they had used MDMA in the past 48 hours did not test positive to MDMA. Of those who self-reported using MDMA in the past 48 hours, 67 percent tested positive to methylamphetamine (with no positive results for MDMA) suggesting that a substantial proportion of detainees are consuming methylamphetamine, and not MDMA” (IDDR 2005, phenethylamines 9).

5. Household survey and methamphetamine

92. The household survey gives a good indication of the extent to which the use of a combination of methamphetamine and ecstasy is expanding in the general population. This is so even though the household survey reports a small reduction in the percentage of the general population who have used “meth/amphetamines” within the past 12 months. There was a decline measured from 3.4% in 2001 to 3.2% in 2004. This represents a reduction of 2,100 people from 2001 to 532,100 in 2004 (AIHW 2002a, 26; AIHW 2005a, 30). The reduction is much more than compensated by the 100,200 increase between the two surveys in the number of people who consumed what they thought was ecstasy but which would have contained a high proportion of methamphetamine. The 2004 survey found that 556,600 had used “ecstasy” (AIHW 2002a, 28; AIHW 2005a, 32).

93. Presumably using the household survey figures, the *2005 World Drug Report* of the United Nations Office on Drugs and Crime lists the 2004 usage rate in Australia of “amphetamine” as 4% and of ecstasy as 4.2% of the population between 16 and 64. Australia has the unenviable distinction of having the highest usage rate in the world for these drugs (UNODC 2005, 371-72).

B. Current state of the methamphetamine and ecstasy market

94. Arrangements for the production and trafficking of the more potent forms of methamphetamine when they first flooded the Australian market remain or have developed. This is made clear from published information from law enforcement sources and particularly the *Illicit drug data reports* of the Australian Crime Commission itself. The following are key points from the most recent information available publicly.

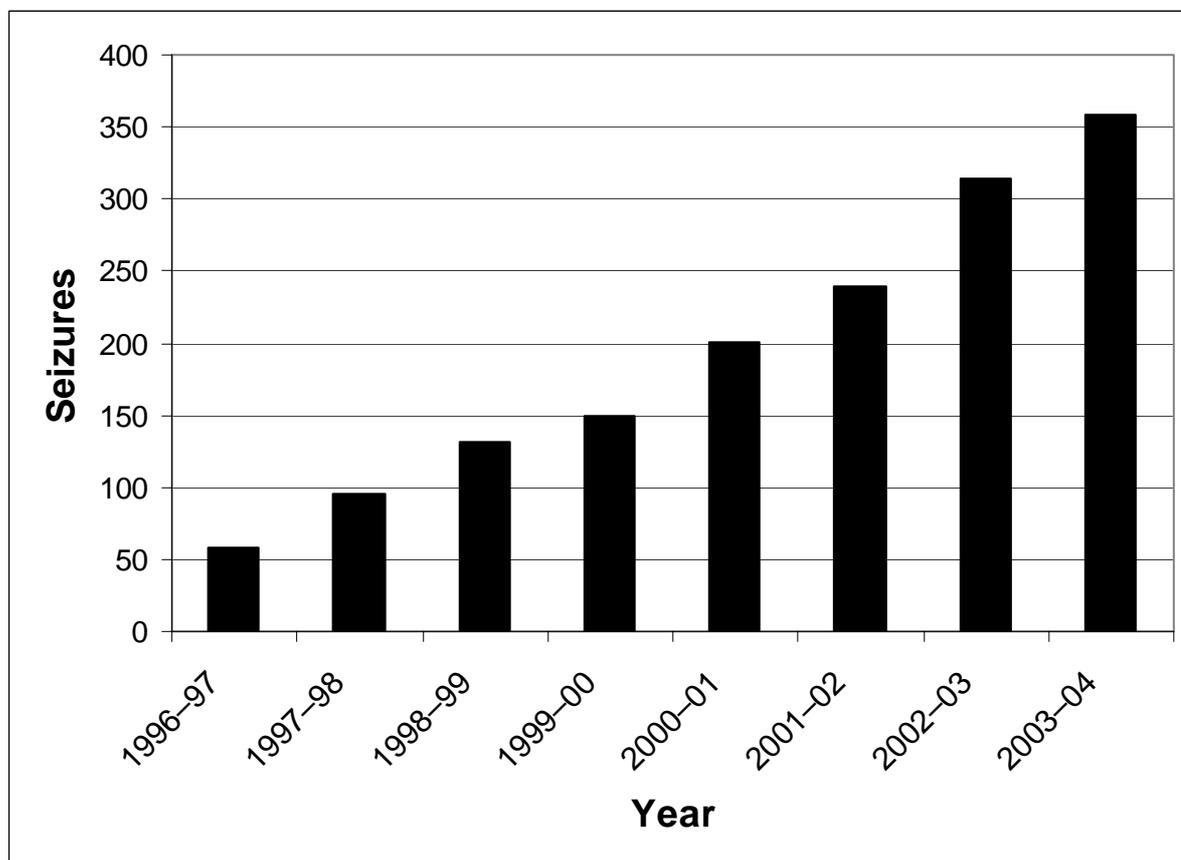
1. Increasing domestic production supplementing importations

95. Growing domestic production continues to supply the majority of the Australian methamphetamine market. According to the AFP, “The majority of the Australian methylamphetamine market continues to be supplied through domestic production in clandestine laboratories with chemicals sourced through the illicit diversion of legitimate pharmaceutical products” (answer to question no. 230 following hearing of 31 October 2005). Growth in the domestic market is evidenced

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by “a substantial increase in the number of clandestine laboratories seized in Australia from under 100 in 1997/98 to 340 in 2002/03” (McKetin *et al.* 2005, 29).

Figure 9: Clandestine laboratory detection 1996-97 to 2003-04



SOURCE: IDDR 2005, amphetamine 11.

96. While a high proportion of the high potency crystal form continues to be manufactured in China and South East Asia (AFP 2005, 27) there are indications of production in Australia. The Queensland Police reported the detection of Australia’s first crystalline methamphetamine laboratory in February 2002 (ACS 2002b, 50). Like others detected since it was only small but there are fears of bigger producers (McKetin *et al.* 2005, 28).

97. Production of MDMA in Australia is increasing. “The majority of MDMA available in Australia is imported, however, recent seizures of clandestine laboratories indicate locally produced MDMA is available and production is increasing” (IDDR 2005, phenethylamines 7 & 10). In 2003-04, law enforcement agencies detected 24 clandestine laboratories manufacturing MDMA (IDDR 2005, amphetamine 11). By 2004-05 it appeared that European manufacturers of MDMA were diversifying production closer to markets in Australia and South East Asia.

“Information suggests that European MDMA syndicates are making moves to shift the manufacturing of MDMA away from Europe and closer to the consumption countries. During 2004-05, specialist Dutch chemists were

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identified manufacturing MDMA in South-East Asia and one AFP case identified a specialist Dutch chemist who had travelled to Australia to manufacture the MDMA locally” (AFP 2005, 29).

98. The AFP submission to this inquiry reported the arrest in November 2005 of “one Dutch and one French chemist” at a clandestine laboratory in Jakarta. The clandestine laboratory contained an MDMA operation at one end of the complex and a crystal methamphetamine operation at the other end” (§40).

2. Precursors

99. According to the AFP “evidence suggests that the majority of precursor chemicals required to manufacture ATS are sourced domestically” (answer to question no. 230 following hearing of 31 October 2005). Even so, the 2003-04 *Illicit drug data report* noted that domestic producers of methamphetamines appear to be increasingly sourcing large quantities of precursor chemicals offshore (IDDR 2005, amphetamines 6). The following year the AFP was involved in the seizure of over three tonnes of precursors for various drugs (AFP 2005, 29). Much of this was apparently for the manufacture in Australia of MDMA. The AFP report for 2004-05 recorded that:

“Added to the significant increase in the seizure of MDMA, there was also a dramatic rise in the seizures of the precursor chemicals used to manufacture MDMA” (AFP 2005, 29).

The AFP report pointed out that the high price that MDMA commands in Australia compared to Europe and the United States encourages this trend (*ibid.*).

3. Diversification of overseas production

100. Asian syndicates are diversifying the places where they manufacture crystal methylamphetamine destined for Australia. A laboratory was dismantled in Fiji in June 2004. “The laboratory had an estimated production capacity of 500 kilograms of crystal methylamphetamine a week. Chinese heroin trafficking networks were involved in the Fiji laboratory construction and other drug syndicates may also view the area as a potential base for large drug production and distribution” (IDDR 2005, amphetamines 6).

101. Some MDMA is now being manufactured in South East Asia to add to the traditional supply from Europe. It “. . . is likely that within the next one to two years MDMA produced in South East Asia will be competing for a market share within the Asia Pacific MDMA trafficking market” (IDDR 2005, phenethylamines 4). Co-operation between European and Asian syndicates is suggested by intelligence mentioned in the 2004-05 AFP report that “During 2004-05, specialist Dutch chemists were identified manufacturing MDMA in South-East Asia . . .” (AFP 2005, 29 quoted above at §97).

4. Involvement of Asian syndicates that also deal with heroin

102. The involvement continues in methamphetamine supply of criminal groups handling heroin. This is consistent with the trend mentioned in the AFP’s submission to globalisation of crime as part of economic globalisation.

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“The effects of globalisation have meant that criminal groups have greater access to markets for illicit drugs and increasingly drugs are being shipped from producer countries markets in other parts of the world. This has enabled criminal to more extensively exploit commodity sources, transshipment routes and networks” (§22).

103. The 2003-04 *Illicit drug data report* gives as an example of the continuing integration of trafficking in methamphetamine and heroin:

“. . . Chinese trafficking groups previously associated with heroin importations to Australia and crystal methamphetamine importations to Japan appear to have consciously sought, with some success, to create a market for crystal methamphetamine in Australia with a high number of larger seizures over the last three years” (IDDR 2005, amphetamines 5).

Criminal groups handling heroin also continue their involvement in the large-scale importation of European MDMA:

“MDMA supply to Australia demonstrates a very broad range of criminal involvement—from established heroin and other illicit drug trafficking networks involved in multi-hundred kilogram importations, to professional smaller-scale importers (in the air passenger stream, for example), to rave scene-specific importers” (IDDR 2005, phenethylamines, 5).

104. “Domestic criminal involvement in the production, trafficking and supply of ATS is diverse and widespread, and like international importation, involves criminals ranging from highly organised criminal groups to users who are involved in small scale supply in friendship circles. This diverse involvement is likely to continue” (IDDR 2005, amphetamines 7).

105. The AFP itself has admitted that the evidence points to a link between the drop in heroin supply and the rise in supply and demand for methamphetamines. Senator Stott Despoja asked the following question in supplementary estimates:

“Do you think the drop in the supply of heroin has played any part in the increase in the supply of and demand for psycho stimulants such as methamphetamines?”

To this the AFP replied:

“There is no irrefutable evidence to indicate there is a direct link in the reduction of the supply of heroin and a reported increase in the supply of and demand for psycho stimulants.

“However, the Australian Crime Commission’s *Illicit Drug Data Report 2003/04* states that while importations of powder amphetamines have continued, Chinese trafficking groups previously associated with heroin importations to Australia appear to have consciously sought to create a market for crystal methamphetamine in Australia, indicated by a high number of larger seizures over the last three years.

“Further, The National Drug and Alcohol Research Centre’s *Monograph on The Causes, Course, and Consequences of the Heroin Shortage in Australia*

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found that, while it is difficult to clearly document changes in criminal activity among organised crime groups, heroin distributors in Australia appeared to be flexible, and possibly adapted to the reduction in heroin availability by switching to other drug distribution” (answer to question no. 231 following hearing of 31 October 2005).

5. Price of drugs sold as methamphetamine

106. Surveys show that overall the price of methamphetamine is stable or decreasing which shows that law enforcement is not making a significant inroad on supply. 63% in the 2004 survey under the Party Drug Initiative able to comment on price considered the price of powder was stable or had decreased. 71% thought that the price of “base” was stable or had decreased and 60% thought that the price of crystal methamphetamine was stable or had decreased (PDI 2004, 53-55). 74% of the national sample of injecting drug users under the 2004 Illicit Drug Reporting System reported that the price of methamphetamine powder was stable or decreasing, 76% that the price of base was stable or decreasing and 54% that the price of crystal methamphetamine was stable or decreasing (IDRS 2004, 48, 50, 51).

107. From law enforcement sources the ACC reported of methamphetamine-type stimulants that:

“The price of amphetamines (where available) remained relatively stable across most jurisdictions. A decrease was noted in South Australia. Increases in price were noted for certain weights in the Northern Territory and Western Australia. . . . These increases in price in Western Australia and the Northern Territory may indicate that high purity methylamphetamine forms are gaining a foothold in the market and that demand for them is high” (IDDR 2005, amphetamines 7).

6. Price of drugs sold as ecstasy

108. According to the 2004 survey of the Party Drug Initiative 79% of the regular ecstasy users surveyed reported that the price of ecstasy was stable or had fallen (PDI 2004, 23). This was consistent with reports of law enforcement agencies which reported that:

“The street price for a single MDMA tablet/capsule remained relatively stable across all jurisdictions” (IDDR 2005, phenethylamines 8).

7. User reports of availability of methamphetamine

109. “Over half (61%) of the national sample of the [2004 Party Drugs Initiative] reported speed availability had remained stable over the preceding six months, while similar proportions reported that it had become easier (14%) or more difficult (13%)” (PDI 2004, 59). Of those who commented on base, “the majority (80%) reported that it was ‘very easy’ (40%) or ‘easy’ (40%) to obtain” (*ibid.*). “The majority (68%) that commented [on the availability of crystal] believed it to be ‘very easy’ (37%) or easy (31%) to obtain” (*ibid.* 60).

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8. User reports of availability of ecstasy

110. “In all jurisdictions, almost all participants [in the 2004 Party Drugs Initiative] described ecstasy as ‘very easy’ or ‘easy’ to obtain, and agreed that availability had either remained stable or easier to obtain” (PDI 2004, 29).

9. Purity

111. From 1997 to 2002 there was an increase in purity of methamphetamine seized. According to a study funded by the National Drug Law Enforcement Fund, this was largely attributable to the greater availability of the more potent forms of the drug (see §33 above) but also contributed to by an increase in purity of the powder form:

“Over the six year period there was an increase in the proportion of methamphetamine seizures with a crystalline or wet/damp appearance (i.e., ice or base) from less than 2% to 24% of all methamphetamine seizures by weight. The purity of methamphetamine seizures also increased significantly over this time ($F_{df=5, 4957} = 86.1, p = 0.000$) from a median of 3% in 1997 to 15% in 2002. However, this increase in the purity was not only due to the increase in seizures of the more pure forms of base and ice, with a significant increase in the purity of powder methamphetamine also occurring over this time (3% in 1997 to 15% in 2002; $F_{df=5, 3069} = 98.3, p = 0.0000$)” (McKetin *et al.* 2005, 21).

112. From purity figures collated by the ACC for seizures by State police and the AFP it is not at present feasible to distinguish the average purity of speed from the more potent forms of “base” and crystal. It is thus not possible from published figures to get an accurate idea of trends to the present in purity of the various forms of methamphetamine (IDRS 2004, 55). Analyses do show that purity of the drug:

“fluctuates widely in Australia as a result of a number of factors, including the type and quality of chemicals used in the production process and the expertise of the ‘cooks’ involved, as well as whether the seizure was locally manufactured or imported. . . . [T]here is no clear trend in the purity of methamphetamine at a national level although overall, the median purity generally remains low at less than 35%, except in WA w[h]ere the purity reached a high 52% in the second quarter of 2004” (PDI 2004, 55-58).

113. In short, the best sense of trends in purity of the various forms of methamphetamine is the extent to which usage is moving between the low potency powder, the middle potency “base” and the high potency crystal discussed above at §33.

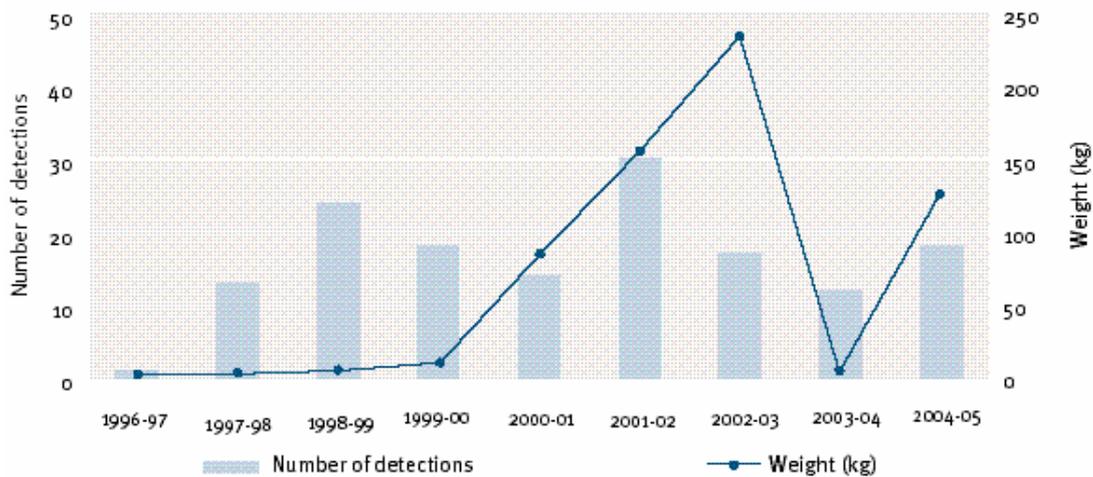
114. Between 1999/2000 and 2003-04 the purity of seizures of what was ostensibly ecstasy has remained fairly stable. “The median purity of the State Police seizures analysed indicates that generally purity has remained relatively stable around 30% purity.” The purity of AFP seizures which might be expected to be the result of higher level operations has also remained fairly stable (PDI 2004, 28).

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10. Border seizures of methamphetamine and ecstasy

115. As shown in the following three graphs, there are big differences in the level of seizures at the Australian border of various methamphetamine-type drugs. For 10 years, seizures of high purity and not always so pure MDMA tablets have risen and more recently at an increasing rate. Judged by weight, seizures of the pure imported crystalline methamphetamine shot up in three years to 2002-03 and then plummeted in 2003-04. Seizures only partly recovered in 2004-05. The number of seizures of what is effectively a miscellaneous category of amphetamine-type stimulants other than crystalline methamphetamine and MDMA has roughly stabilised at a level established in 2001-02. This level was several times higher than earlier years. Seizures by weight of this miscellaneous group have remained low apart from the aberration of a large amount in 2002-03.

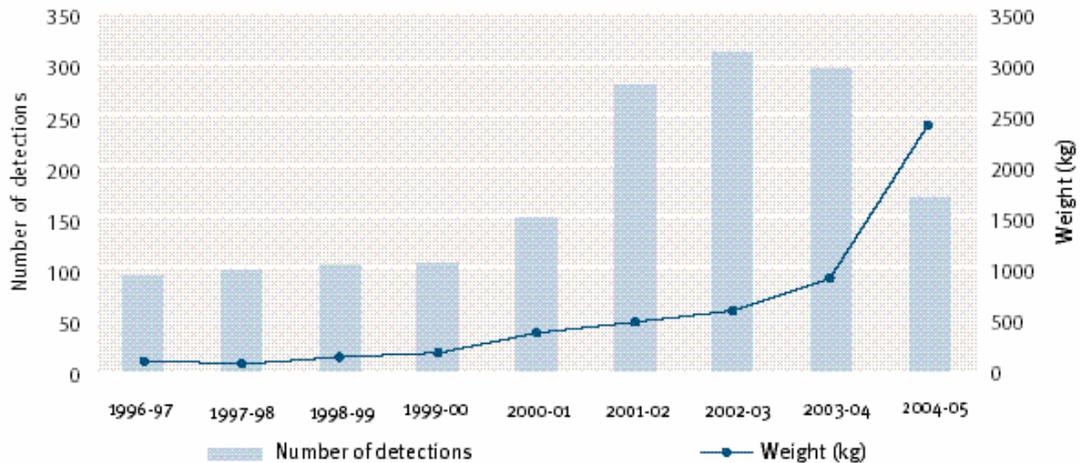
Figure 10: Number and weight of detections of crystalline methamphetamine at the Australian border 1996-97 to 2004-05



SOURCE: ACS 2005, 45.

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Figure 11: Number and weight of detections of MDMA at the Australian border 1996–97 to 2004–05



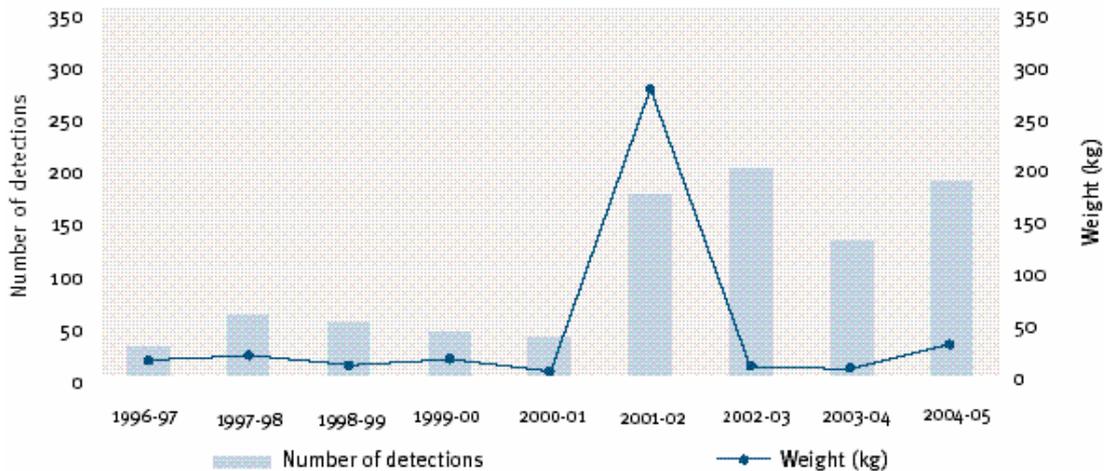
SOURCE: ACS 2005, 42.

116. The 2004-05 report of the AFP, referring to figures that differ somewhat from those of Customs in the foregoing graph, made the following comments on the trend in seizures of MDMA:

“MDMA detections at Australian borders have almost doubled over the past five years, with 1968.9kg seized in 2004-05 compared with less than 200kg in 1999-2000. By 2003-04 this figure had grown to just over 1 tonne and almost reached 2 tonnes this reporting year. Border seizures of MDMA have traditionally been tablet form. However, during 2004-05, importations of MDMA powder and liquid were also attempted – possibly in an effort to minimise law enforcement detection and to maximise profits” (AFP 2005, 28).

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Figure 12: Number and weight of detections of amphetamine-type stimulants (excluding crystal and phenethylamines) at the Australian border 1996–97 to 2004–05



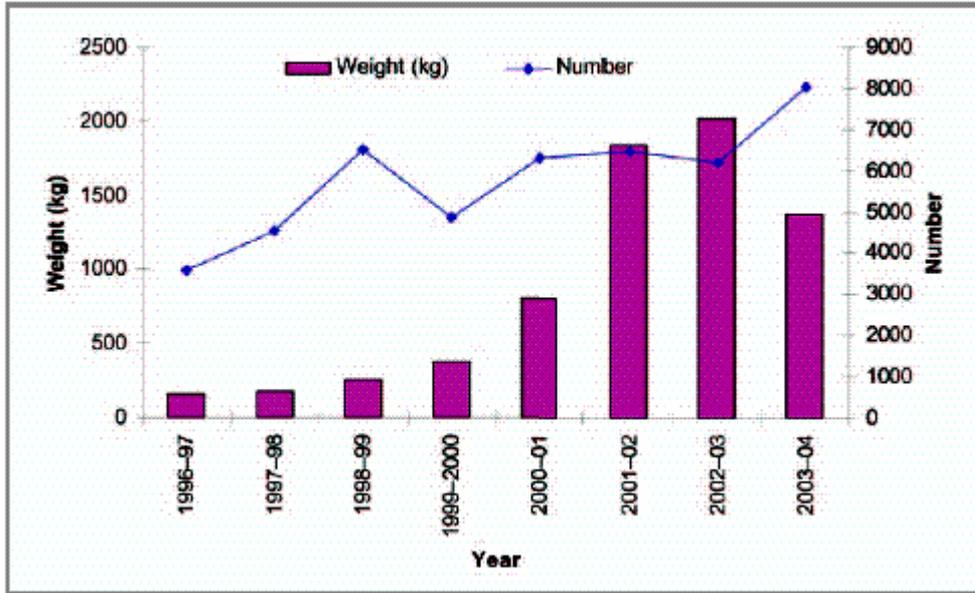
SOURCE: ACS 2005, 44.

117. Assuming that seizures are a consistent sampling of what is smuggled in, then the rate will reflect the level of availability of crystalline methamphetamine and high purity ecstasy (MDMA) which are known to be sourced principally from overseas. This would seem to be the case for the MDMA but not crystalline methamphetamine after 2002-03 when seizures fell. As discussed below (§§121ff), other market indicators show this falling away to be a falling off in effectiveness of law enforcement rather than reflective of a reduced level of availability.

11. Domestic seizures of methamphetamines and ecstasy

118. No distinction is drawn in the statistics of domestic seizure between methamphetamines (and amphetamines) on the one hand and the phenethylamine family of which ecstasy constitutes the most common sort. The following graph shows a rising level by weight of seizures until a falling off by a third in 2003-04 accompanied a substantial increase in the number of seizures.

Figure 13: Domestic seizures of amphetamine-type stimulants (including phenethylamines) by weight and number, 1996–97 to 2003–04



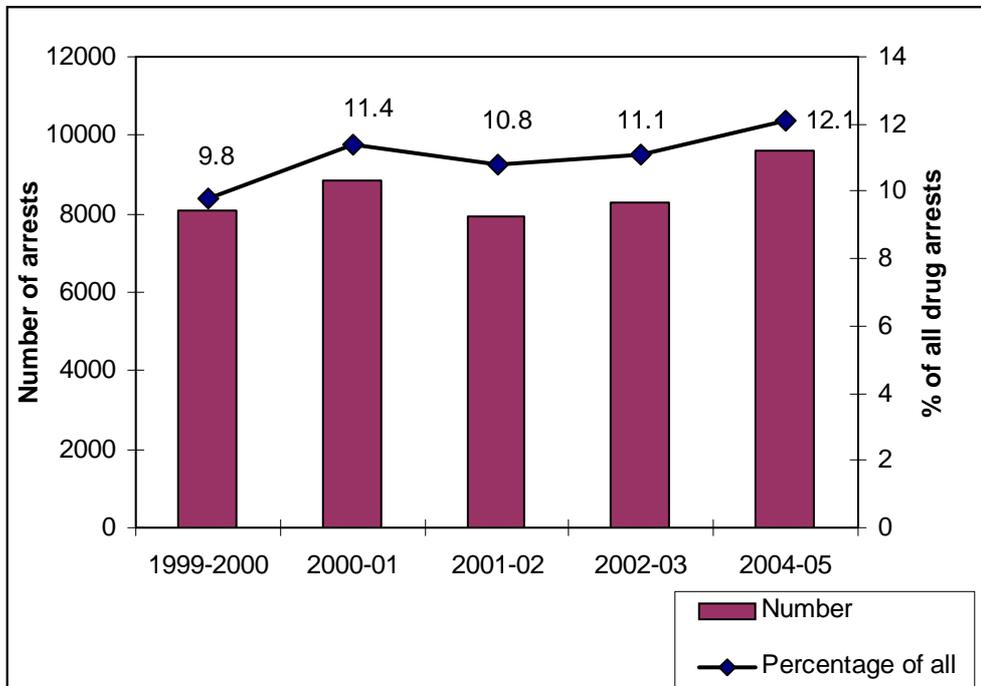
SOURCE: IDDR 2005, amphetamines, 13

12. Arrests

119. There were 9,593 arrests for amphetamine-type stimulants in 2003-04. Overwhelmingly these were made up of users and user-dealers. The number represented a slight increase on the previous year (IDDR 2005, amphetamines, 12). Indeed, as the graph below shows, arrests have risen since 2001-02 after a decline from 2000-01 to 2001-02 and there has been a slight increase in the proportion of arrests for amphetamine-type stimulants compared to all drug arrests.

120. Because the number of arrests is sensitive to policing policy regarding drugs, probably little significance can be placed on the number of arrests. For example, the current rhetoric regarding to clamp down on cannabis, were it to be realised, would radically affect the total number of drug arrests and reduce the proportion of arrests attributable to methamphetamine-type stimulants.

Figure 14: Arrests for amphetamine-type stimulants: number and proportion 1999–2000 to 2003–04



C. Conclusions drawn from drug market indicators on the effectiveness of law enforcement

121. Price, purity, level of use and surveys of availability are indicators of the robustness of an illicit drug market. The submission and supplementary submission dated 5 September and 1 November 2005 of Families and Friends for Drug Law Reform to this committee’s review of the *Australian Crime Commission Act 2002* described the application of these market indicators to measure the performance of law enforcement agencies (FFDLR 2005a & FFDLR 2005b). The committee’s report dated November 2005 stated of these proposals that:

“The Committee agrees with much of this submission, however does not wholly agree with its conclusion. A full assessment of all the variables raised by the FFDLR is certainly appropriate and necessary to permit a sensible understanding of the illicit drug problem in Australia and should underpin the assessment and ongoing refinement of Australia’s anti-drugs policies” (ACCPJC 2005 §7.59).

122. Families and Friends for Drug Law Reform urges the committee to examine the overall situation in Australia of the drugs within its terms of reference. It submits that sufficiently precise market information exists to come to an informed opinion on the effectiveness of law enforcement with regard to the drugs examined in this submission, namely powder, “base” and crystalline methamphetamines and tablets sold as ecstasy. We submit that such an assessment should not be confined to the

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current situation but should also be applied to the time of the advent of large quantities of the drugs concerned from about 2000 and 2001. There are two particular advantages in doing this. In the first place, with the lapse of time, particularly reliable data has become available. Secondly, an understanding of how illicit drug markets are likely to develop can be understood only with a sound understanding of the trend over several years to the present.

Market Measures	If law enforcement causes supply reduction	Actual trend of measure
Use	Falling	<i>Powder</i> : stable or declining (§§79-81) <i>Base</i> : stable (§§82-84) <i>Crystal</i> : Rising (§§85-88) <i>“Ecstasy”</i> : Rising (§§89-91)
Wholesale prices	Rising	?? – some information in <i>Illicit drug data report</i> statistical tables
Retail prices	Rising	Stable or falling (§§106-108)
Surveys of availability	Falling	Stable or rising (§§109-110)
Retail purity	Falling	Stable in the case of base and crystal. Variable in the case of “ecstasy” tablets & powder (§§111ff).
Seizures as a proportion of drug market	High or rising trend	Market not estimated but certainly would be low or declining for at least crystal in light of low recent seizure rates and rising usage (§§115ff & 85ff).

123. Of all the market indicators there is only one showing some sign of a trend in the direction that would point to a positive supply-side law enforcement impact. This is the “stable or declining” use of methamphetamine powder. This suggestion is countered by the stable or increasing use of the more potent forms of methamphetamine and the increasing use of tablets sold as ecstasy. These facts point to consumer preference or marketing being the explanation for any fall off in use of powdered methamphetamine.

124. The role of law enforcement in any reduction in consumption of powder would be settled conclusively if a reasonably accurate estimate were made of the size

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of the market for powder. In that case, the level of seizures of powder as a proportion of the market for it would show whether law enforcement was bringing about the reduction in use. A British confidential report that recently became available last year states that “A sustained seizure rate of over 60% is required to put a successful trafficker out of business” and that “anecdotal evidence suggests that seizure rates as high as 80% may be needed in some cases”. The report adds pessimistically that: “Sustained successful interventions on this scale have never been achieved” (UK 2003, 73).

125. For some reason Australian law enforcement agencies do not publish as a matter of course estimates of the Australian drug market even though the capacity is there to do so. In answer to a question of Senator Stott Despoja in supplementary estimates hearings, the AFP has stated that it does not “have estimates of the amount of drugs seized as a percentage of the supply of illicit drugs in Australia.” It explained that: “The illicit drug market is an illegal and covert market and it is therefore not possible to calculate exactly its size” (answer to question no. 229 following hearing of 31 October 2005). It may not be possible to “calculate exactly” the size of the market for particular illicit drugs but it should be possible to make reasonably accurate estimates. In another answer to the very same set of questions, the AFP actually admitted that it has an estimate for cannabis, opioids, stimulants and other drugs. It referred to a new study that: “. . . uses estimates of total consumption of illicit drugs and estimates of the economic harms associated with that drug to derive an economic cost per kilogram of drug consumed for cannabis, opioids, stimulants and others” (answer to question no. 223 following hearing of 31 October 2005). Its own drug harm index is in fact based on an estimate of consumption of selected illicit drugs in Australia in 1998 (AFP 2004). The National Crime Authority estimated the size of the heroin market and academics have done so for many years now. The official study of the heroin shortage funded by the National Drug Law Enforcement Research Fund used such estimates of the heroin market (Degenhardt *et al.* 2004, 95).

126. Rough estimates that Families and Friends for Drug Law Reform have made show that seizure rates are generally less than 3% of the Australian market. 2003 and 2004 saw relatively high levels of seizures amounting to 16.3% and 17.5% respectively but the rate sank to 1.5% in 2004. These estimates were arrived at using the general household survey figures for the number of users of “amphetamine” and, from 2004, of “meth/amphetamine”, surveys showing rate and quantity of use and what is known of purity levels. The issue of estimating the size of the market is discussed in a submission of Families and Friends for Drug Law Reform to the Representatives Standing Committee on Legal and Constitutional Affairs (FFDLR 2002, §7.1.1.1).

127. Even without an estimate of the size of the Australian market for methamphetamine powder, it is clear from the market indicators available that law enforcement is not bringing about a reduction in the supply of any of the drugs concerned. The “continuing steady rise in detection of clandestine methamphetamine laboratories in Australia” (IDRS, 2002 68 & §95) and the similar rise in border seizures of MDMA (§116) is not constraining the market. A steady increase indicates

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rather a rise in the stock of laboratories just as a rising level of catch of fish for the same effort would indicate a growth in fish stock. In the case of some drugs, law enforcement is not even maintaining the same level of seizures that may be inferred from rising market indicators. The rise in consumption of more potent methamphetamines in Australia appears another case study to justify the conclusion of the Australia Institute that, “. . . that prohibition has been an abysmal failure at addressing illicit drug problems” (Macintosh 2006, vii).

1. AFP performance measures of the effectiveness of drug law enforcement

128. The test of the effectiveness of drug law enforcement applied in the foregoing paragraphs contradicts indicators proposed by the Australian Federal Police. The foregoing points to drug law enforcement failing to stem supply, the latter to law enforcement being effective. In support of its claim of law enforcement effectiveness the AFP in its 2004-05 *Annual report* asserts that three indicators and an analysis of the heroin drought do this. These four elements are:

- the number of cases “resulting in a conviction as an indicator of disruptive effect”;
- application of a drug harms index devised by the AFP;
- benchmarking comparisons of the performance of the AFP with comparable law enforcement agencies in Australia and abroad; and
- analyses that “suggest that both the number and size of AFP heroin seizures influenced the availability of heroin” (AFP 2005, 52-53).

Number of cases resulting in conviction

129. The AFP report puts forward the level of convictions as a measure of the disruptive effect of law enforcement. In particular, the report points to an increase in the number of convictions.

“In recent years, the AFP has reported the number of cases resulting in a conviction as an indicator of disruptive effect. In 2004-05 there were 363 cases resulting in at least one conviction. This result compares well with the previous year where 277 cases resulted in a conviction. Success in terms of legal outcomes was very high – charges proven in more than 95 per cent of cases in both years. This exceeds the target of 90 per cent or more set by the AFP” (AFP 2005, 51).

130. Sutton and James, in their evaluation of Australian drug anti-trafficking law enforcement, have labelled convictions along with other traditional indicators as “flawed” because they “reflect more upon levels of law enforcement *activity* than they do ratios of interdiction and reduction”:

“Our evaluation demonstrates that to date there has been little capacity in the law enforcement sector to reliably and validly relate its activities to changes in drug markets. In part, this is a function of the traditional performance indicators adopted by drug enforcement agencies: the number, volume, and type of illegal drug seizures, and the number and type of drug-related arrests

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and convictions. These measures are well recognised as basically flawed indicators of effectiveness. They reflect more upon levels of law enforcement *activity* than they do ratios of interdiction and reduction, and therefore cannot be used as indicators of the effectiveness of agencies in reducing the total supply of illegal drugs” (Sutton & James 1996, 107).

AFP drug harms index

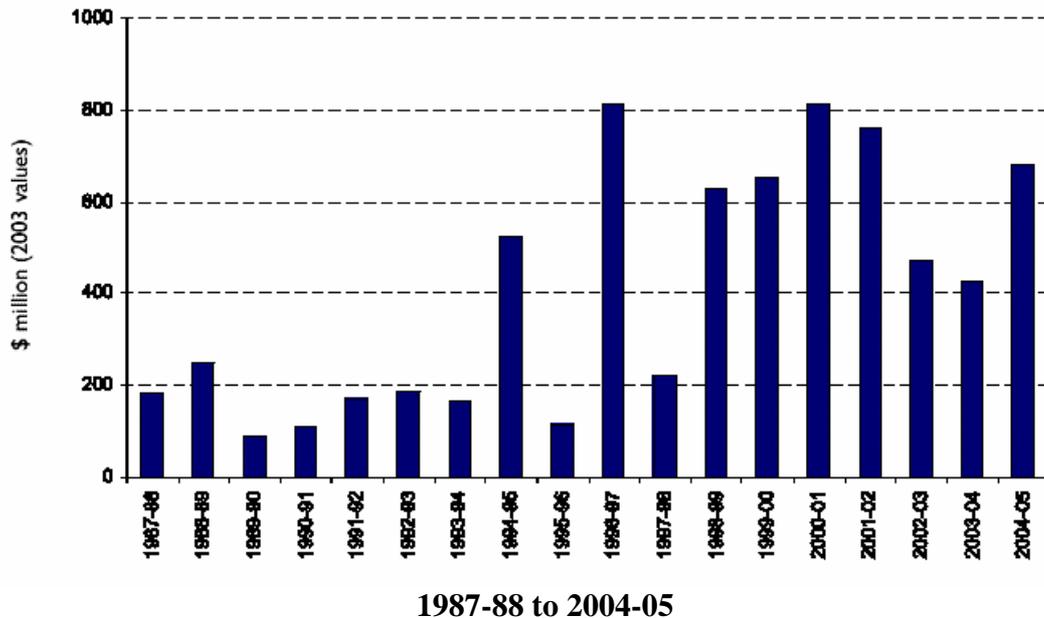
131. The drug harms index is equally flawed because it is based on the level of seizures which, according to Sutton and James “reflect more upon levels of law enforcement *activity* than they do ratios of interdiction and reduction”. The foundation of the index being seizures is made clear in the 2004-05 AFP report:

“The index represents the dollar value of harm and cost to society that would have ensued had the seized drugs reached the community. The index includes both national drug seizures and international seizures destined for Australia where the AFP played a significant role. . . .

“It is estimated that in 2004-05 seizures of illicit drugs by the AFP saved the Australian community approximately \$668 million. The impact of these seizures is similar to the impact in each year since the introduction of additional funding for illicit drug investigations under the National Illicit Drug Strategy in 1998. The result for the current year represents an increase of 56 per cent over the previous year \$427 million)” (AFP 2005, 51).

The application of the index back to 1987-88 is given in the following graph.

Figure 15: Drug harms index of the Australian Federal Police



SOURCE: AFP 2005, 51.

132. Measured by weight, something like 93% of the total quantity of AFP drug seizures in 2004-05 related to MDMA and methamphetamines (AFP 2005, 29). Thus,

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compared to other drugs, the bulk of the assumed harm prevented by virtue of drugs not reaching the streets would have been harm attributable to methamphetamine and ecstasy. At the same time we know from market indicators that law enforcement was not preventing a continuing rise in the availability of those drugs on the Australian market. The seizures thus constituted no more than the equivalent of a taxation on production that would have been factored into the price of the end product. In spite of the seizures, the Australian market was fully supplied.

Benchmarking comparisons of performance

133. The AFP's benchmarking comparisons of performance are also based on seizures and are thus equally flawed. The AFP compared itself using the rate of seizure of particular drugs per 100,000 resident population.

“The AFP and other law enforcement agencies have had considerable success by world standards in intercepting heroin importations . . . Australia has also tended to compare well in terms of ATS (excluding MDMA) seizures. Except for 1997 and 1998, Australia's ATS seizure rate exceeded that of North America, the European Union and the world. Similarly Australia has maintained a higher MDMA seizure rate than North America, the European Union and the world in the years available for comparison” (AFP 2005, 52).

134. In answer to a supplementary estimates question from Senator Stott Despoja, the AFP has admitted that benchmarking does not relate to the Australian drug market. The Senator referred to the final sentence in the foregoing quotation and asked:

“How can this be judged a success for the AFP when the percentage of the Australian population that has used ecstasy recently has more than trebled since 1995?” (answer to question no. 227 following hearing of 31 October 2005).

To this the AFP replied:

“The statement is relative to the performance of other nations and not relative to the drug market within Australia.”

135. Hard law enforcement work has certainly succeeded in seizing large quantities of drugs and particularly MDMA. Market indicators show that this no more than reflects the growing size of the Australian drug market. Benchmarking in this environment reflects law enforcement failure rather than success.

136. In a previous submission, Families and Friends for Drug Law Reform likened the implications to be drawn from drug seizures to rabbitting. An abundance of rabbits caught shows an abundance of the problem. The number caught will have fallen substantially by the time it comes to the search for the last pair and their warren. If law enforcement is effective over time in reducing supply, one would expect to see a steady decline in the level of seizures.

137. The national comparison noted in the 2004-05 annual report does nothing more than compare the quantities of drugs seized by the AFP in partnership with other Commonwealth and international agencies with the quantity of drugs seized by state and territory law enforcement agencies. This does little more than make the

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obvious points that traditionally it is at the border that Commonwealth agencies police where the biggest seizures are made. The AFP reported described the comparison in the following terms:

“In terms of national comparisons the AFP, in partnership with other Commonwealth and international agencies, was responsible for the following proportions of drugs seized in Australia during 2003-04: 67 per cent of heroin; 91 per cent of cocaine; and 87 per cent of amphetamine-type stimulants (ATS) including MDMA” (AFP 2005, 52).

Analysis of link between heroin seizures and its shortage

138. The AFP also believes that an analysis of the impact of drug law enforcement on heroin supply “confirms the value of supply reduction strategies”:

“The AFP in conjunction with the Australian National University conducted an analysis of the impact of AFP law enforcement efforts on the supply of heroin in Australia. The results suggest that both the number and size of AFP heroin seizures influenced the availability of heroin. The study confirms the value of supply reduction strategies and when taken in conjunction with the results of other studies, supports the hypothesis that AFP drug law enforcement efforts result in benefits both to the drug user and the community as a whole. The study also confirmed an increased impact of AFP drug law enforcement followed the introduction in 1998 of increased Government funding under the National Illicit Drug Strategy” (AFP 2005, 52-53).

139. The AFP also mentioned what seems to be the same study in a response to a question by Senator Stott Despoja in supplementary estimates.

“A recent joint study between the Australian National University and the AFP demonstrated for the first time the connection between the number and size of drug seizures and drug availability. This research has been described as groundbreaking by many commentators including the Editor in Chief of the international journal *Addiction* who described the study as being of relevance to drug policy makers world wide. A report of the study is due to be published in an upcoming edition of *Addiction*” (answer to question no. 224 following hearing of 31 October 2005).

140. The study concerned would seem to be Michael Smithson, Michael McFadden & Sue-Ellen Mwesigye, “Impact of Federal drug law enforcement on the supply of heroin in Australia” in *Addiction*, vol. 100, pp. 1,110–120 (2005). The following points may be made about this study:

- the study found a statistical correlation between seizures and subsequent decline in heroin purity but did not examine whether there was a causal link. The study itself acknowledges that a “connection between large-scale heroin seizures and street-level purity is circumstantial when it comes to inferring causation” (p. 1,119).
- the study did not consider the correlation between the decline in purity and other possible causes such as supply country shortage of heroin and

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rising demand for heroin in other markets drawing on the same supply (pp. 1,110 & 1,119).

- the study admitted that no other study has demonstrated links between large scale drug seizures and consumer-level shortage: “To our knowledge, this is first time a connection has been identified between large-scale heroin seizures and street-level supply.”
- the study did not examine the correlation between any law enforcement activity (including increased funding) and other big changes to the Australian drug market at the time of the heroin shortage, in particular the advent of large supplies of imported crystal methamphetamine.
- the study did not examine the correlation between evidences of the heroin shortage and evidences of the advent of large supplies of imported crystal methamphetamine and related drugs.

141. On the brittle twig of this study that it sponsored, the AFP is attempting to erect a mansion, namely:

- “The study confirms the value of supply reduction strategies,” “demonstrated for the first time the connection between the number and size of drug seizures and drug availability” (answer to question no. 224 following hearing of 31 October 2005) and “confirms that the number and size of drug seizures has an impact on the availability of drugs on the street” (*ibid* question no. 228).
- The study overturns the conclusions of the 1997 study by Sutton and James quoted above at §130 that seizures are “are well recognised as basically flawed indicators of effectiveness”.

“The above report [Sutton & James 1996] was published almost a decade ago and prior to the publication of the joint Australian National University/AFP study (a report of which is due to be published in an upcoming edition of the international journal *Addiction*), and so did not have the opportunity to reflect on the significance of that study” (answer to question no. 225 following hearing of 31 October 2005).

- The study asks that faith be put on law enforcement as a constraining influence on the drug market even when rising seizures track drug market indicators thus showing a stable or expanding market as MDMA seizures currently do (§116). According to the AFP:

“In the short term, increased drug imports will result in more drugs being seized. More importantly in the long term, increased drug seizures have a depressing effect on the availability of drugs on the street. The Australian National University/AFP report explains this more fully” (answer to question no. 226 following hearing of 31 October 2005).

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142. The AFP also hedges its bets. Having maintained the existence of a “demonstrated” link between seizures and reduced drug supply it speculates that other less tangible aspects of the seizure not subject to the study brought about the heroin reduction. The AFP has stated that its “analysis suggests that the shortage was affected [effected?] by the disruption of importation syndicates by the AFP and its law enforcement partners, particularly the range of offshore capabilities facilitated by the expansion of the AFP’s” (answer to question no. 226 following hearing of 31 October 2005).

VI. HEALTH IMPACTS OF METHAMPHETAMINES

143. When “base” began making its presence felt in Brisbane the *Australian illicit drug report* for 1999-2000 included alarming reports from law enforcement and health workers in contact with those heavily using this new potent methamphetamine. These voices were prophetic:

- “health organisations indicate that base appeals to users, and it is evident that use of the drug is posing a growing financial burden on health, law enforcement and welfare agencies” (AIDR 2001, 54).
- use of base was associated with “aggression, paranoia, psychosis, depression and suicide.”(*ibid.*, 55)
- there were “long-lasting withdrawal symptoms following cessation of use”. (*ibid.*, 55)
- “a number of violent incidents have been associated with amphetamine use.” (*ibid.*, 54)
- “amphetamine abuse is strongly associated with property crime” (*ibid.*, 54)
- “more resources will also need to be allocated to policing the social harms—such as aggression and psychosis—associated with methamphetamine use” (*ibid.*, 54)
- “the growing popularity of base has led to an increase in demand for emergency health services, to treat the harms associated with its use. Governments Australia-wide can expect to bear an increased financial burden from the provision of treatment services” (*ibid.*, 54).

144. All these seem to be borne out by the most thorough study to date on the impact of methamphetamine, that by McKetin, McLaren and Kelly on the Sydney methamphetamine market (McKetin *et al.* 2005). This section briefly looks at the health implications that have emerged across Australia from the growing use of the more potent methamphetamines.

A. Mental health problems and aggression

145. Increased mental health problems have dominated comments about the potent stimulants. Across Australia “. . . there has been a dramatic rise in the number of psychotic disorders due to stimulant use from 200 in 1998-99, to 1,028 in 1999-00 and a further but smaller increase to 1,252 in 2000-01” (McKetin & McLaren 2004, 16). It is estimated that “. . . the prevalence of psychosis among regular

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methamphetamine users was 11 times higher than that seen in the general population” (McKetin *et al.* 2005, 120).

“The emergence of more pure forms of crystalline methamphetamine ‘ice’ and the so-called ‘base’ methamphetamine product (poorly purified crystalline methamphetamine), has been associated with an increase in psychotic behaviour among methamphetamine users in Australia. Psychotic symptoms can be induced in healthy subjects with no history of psychosis or substance use and in patients previously dependent on amphetamines. Psychostimulant use can exacerbate psychotic symptoms in people with schizophrenia” (Baker *et al.* 2004, 156).

146. The advent of potent methamphetamine appears to be a big factor behind the near collapse of Australia’s mental health system into which a Senate select committee is inquiring. In a 2001 survey in South Australia, many health workers and others of the key informants “spoke of the increasing emergence of mental health problems, including psychosis, depression, anxiety and violent behaviour. These adverse effects may be a result of increased use of much stronger forms of the drug, and they are manifested at a more rapid rate in users. The drug and alcohol workers noted a high incidence of clients with depression or bipolar disorders, as well as low self-esteem, suicidal impulses and self-destructive behaviour patterns” (Longo *et al.* 2002, 44). Added to similar reports from Queensland was the comment that: “Some Accident and Emergency departments reported between 2-12 people presenting a night with problems associated with amphetamine use.

147. Hostility is common. “Ten per cent of people experiencing clinically significant symptoms of psychosis became severely hostile. Severe hostility included throwing or breaking furniture, threatening people and assaulting people physically or with a weapon” (McKetin *et al.* 2005, 116). According to a Queensland report:

“. . . paramedics, health staff and police were experiencing abuse and violence and situations where it was difficult to handle someone because they were on high doses of amphetamine or methamphetamine” (Rose & Najman 2002, 67).

148. The onset of these severe behavioural and other problems is much quicker with the potent forms of methamphetamine than with forms that had long been available. Although the half-life of amphetamines is substantially longer than cocaine, use of it and its methamphetamine analogue are associated with bingeing and disinhibition (Baker *et al.* 2004, 57, 21; Longo *et al.* 2004, 144). “[C]rystal meth is described as acutely ‘moreish’ by many users, leading to episodes of bingeing that may last several days where little or no sleep or food is had” (Slavin 2004, 1).

“It was . . . unanimously agreed that the users of the more potent forms of methamphetamine reached these states of chaos far more quickly into their use careers than do users of methamphetamine powder. It was perceived by [key informants] that users of the more potent forms start to experience serious physical and psychological side-effects after only a few months of heavy use, and therefore tend to present requesting help after a relatively short period of time. Users of methamphetamine powder may take some

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years of heavy chronic use before they reach such states of disorder” (Darke *et al.* 2002, 33).

149. These reports were consistent with a Sydney study of a sample of ‘crystal meth’ users who were “largely male, highly educated and employed”. This “suggested that despite relatively recent and infrequent use of this drug, users experienced significant side effects related to their use. Compared with a sample of longer-term, heavier, and predominantly injecting amphetamine users, crystal meth users appeared likely to experience significant harms at a much more recent and lower level of use” (Degenhardt & Topp 2003, 23).

B. Stresses on treatment services and families from stimulant use

150. People using large amounts of methamphetamine-type stimulants are typically difficult to engage in treatment and demanding once engaged. There is “a great deal less evidence relating to the effectiveness and cost-effectiveness of treatments for stimulant dependence” than for heroin. In spite of this difficulty, from January 2001 in South Australia there was an increase in in-patient contacts for detoxification related to amphetamines (Longo *et al.* 2004, 147, 149). Many who are “regular users experience methamphetamine-related financial, relationship and occupational problems” (Topp *et al.* 2003, 282, 283).

151. Families are even less able to cope with members who have developed a pattern of heavy use than they had been with heroin. In Queensland a number of workers in the health sectors “expressed concern over the incidence of unreported intrafamilial violence related to methamphetamine use, often within a relationship context but also directed at parents by teenage children” (Kinner & Fischer 2004, 44 &, similarly, Rose & Najman 2002). There is a dearth of support for families because use of the potent stimulants seems to have stretched the country’s drug treatment and mental health services beyond their capacity. In short, the shift from heroin to stimulants among injecting drug users “has grave consequences” (Topp *et al.* 2003, 282, 283).

VII. CONCLUSIONS

152. The picture that emerges from the material surveyed for this submission is of a robust and growing market for methamphetamine and ecstasy in Australia. The involvement of highly resourced and very well organised criminal syndicates is obvious. Under the present policy settings, the market for the more potent forms of methamphetamine has grown since about 2000 from virtually nothing and there is no realistic prospect that growth can be reversed under those settings. Nor does there appear to be any realistic prospect under current policy settings that the enormous harm associated with these potent drugs will do anything other than grow and, in the process, absorb increasingly more scarce public and private resources.

153. In recommending a response, Families and Friends for Drug Law Reform urges the Committee to acknowledge and be guided by the following principles:

A. Follow the best available evidence. In the words of Dr Herron, the chair of the Australian National Council on Drugs, “. . . we must always take

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into account all the evidence in reaching any judgement, indeed many lives depend on our ability to get this right” (ANCD 2006).

B. Drug market indicators should be applied systematically to determine the effectiveness of law enforcement.

The logic of performance measures that the AFP uses is that more and more law enforcement is always justified because any quantity of drugs seized is counted as a success. With no regard to the impact on the drug market, the AFP measures are thus immune to failure and, with the prospect that more resources are likely to procure more seizures, can always be relied on to buttress the case for tougher laws and bigger budgets.

As the Australia Institute has observed:

“Tightening drug laws and placing even great emphasis on drug law enforcement is likely to undermine some of the gains achieved by harm minimisation strategies and send Australia down a path that history demonstrates can only end in failure” (Macintosh 2006, vii).

C. Law enforcement should be part of a holistic approach. Tackling the serious drug problems requires a coordinated and holistic approach of health and other resources of both governments and the community. This is because the impact of drugs extends well beyond the province of law enforcement agencies. In the words of the former National Crime Authority:

“Whatever steps are taken, the scale of the illicit drug problem and its onward progression is such as to demand the highest attention of government and the community - it simply is not a battle that can be won by law enforcement alone or in partnership with the health sector. A co-ordinated and holistic approach is required, building upon and updating the foundation already established” (NCA 2001, 23).

D. Because of the intimate link between the use of methamphetamines and mental health, the committee should co-ordinate its recommendations with those of the Senate Select Committee on Mental Health. Senator Gary Humphries, its deputy chair, has spoken of evidence to it which has “highlighted the many intersections between illicit drug addiction and mental ill health” (Humphries 2005).

E. The guiding value should be on improving the health and well being of the whole person, not elevating being drug free to an absolute.

In the words of the Australia Institute: “Any program that accords greater priority to reducing drug use than drug-related harm will cause more damage to society than it prevents” (Macintosh 2006, 99).

F. Recognise that while all illicit drugs have their dangers, the risk of some drugs such as the more potent methamphetamines is far greater than even the significant risks of others such as pure ecstasy and cannabis.

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G. Law enforcement should not serve to encourage the replacement of less dangerous drugs like the old powdered “speed” with high potency forms like crystal methamphetamine.

H. Recommendations regarding law enforcement should be consistent with the proven capacity of treatment and other demand reduction measures to reduce the market in drugs as discussed in a submission of Families and Friends for Drug Law Reform to the review of the *Australian Crime Commission Act 2002* (FFDLR 2005b, App. B).

17 March 2006

ABBREVIATIONS AND REFERENCES

Abbreviations

ACC	Australian Crime Commission
ACS	Australian Customs Service
AFP	Australian Federal Police
AIDR	Australian illicit drug report
AIHW	Australian Institute of Health and Welfare
DOS	Department of State
FFDLR	Families and Friends for Drug Law Reform
IDDR	Illicit drug data report
IDRS	Illicit Drug Reporting System
INCB	International Narcotics Control Board
NCA	National Crime Authority
ODCCP	United Nations Office of Drug Control and Crime Prevention
PDI	Party Drugs Initiative
UNODC	United Nations Office on Drugs and Crime
UK	United Kingdom

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