

Methodology

Information contained within the *Australian Illicit Drug Report 1999–2000*, has been collected from a wide range of sources by a variety of means. Whilst data has primarily been collected through questionnaires and letters of request for statistics, other sources such as international drug reports, research documents and interviews were also used. The following types of agencies were sent questionnaires at a State, Territory and Commonwealth level in order to produce a national outlook on the illicit drugs market.

- Police services;
- other law enforcement agencies;
- correctional services;
- forensic science laboratories;
- Directors of Public Prosecution;
- drug and alcohol research institutions;
- drug and alcohol treatment agencies.

A total of 194 questionnaires were sent out with a response rate of 64 per cent. Unless otherwise referenced, where information in the report is attributed to a police or other agency, it has been provided in response to the Bureau's questionnaire.

In addition to the qualitative data received through the questionnaire responses, statistical data for all drug arrests, seizures, purity and prices are obtained from the various State,

Territory and Commonwealth law enforcement agencies and analytical laboratories. Distribution and collection of the questionnaires and the statistical data occurred between April and the end of October 2000.

The Australian Customs Service provided the ABCI with the analysis and data for each of the Drug chapters as described under the main heading, 'Border detections'.

The Australian Federal Police in each State and Territory and the AFP liaison officers in each of the international liaison posts completed national and international questionnaires in relation to drug trends.

The Australian Federal Police and the Australian Customs Service work closely together in their efforts to detect and seize illicit drugs that are being imported or exported. Narcotic drugs (heroin, cocaine, etc.) detected by Customs are forwarded to the AFP for further investigation of the offence. Seizures of non-narcotic drugs, such as performance and image-enhancing drugs are investigated by Customs.

During October 2000 representatives of police agencies, research organisations, health centres and drug and alcohol agencies in Queensland, New South Wales, Victoria, South Australia and Western Australia were interviewed in person and representatives of agencies in the other States and Territories were interviewed by telephone.

Cooperation is at the heart of Australian law enforcement agencies' efforts to restrict the supply of drugs in Australia. Increased cooperation between agencies, both nationally and internationally, resulted in record detections of illicit drugs coming into Australia during 1999–2000. Despite this, however, the availability and use of illicit drugs in Australia continues to increase, having social, health and economic ramifications for virtually every Australian family. In keeping with the community's expectation that more should be done to deal with the drug problem, Australia has adopted a policy of harm minimisation including supply and demand reduction.

Cannabis

Cannabis continues to be readily available in Australia and its price is stable, based on the quality of the product. There was little change during 1999–2000 in domestic production and user trends, and the move towards hydroponic and indoor crops (as opposed to large outdoor plots) continued. Cannabis head—and particularly hydroponically grown head—is becoming the most sought after product. Easier access to hydroponic equipment and growing materials, both locally and via the Internet, is not only facilitating cannabis production but also making it

increasingly difficult to detect and investigate offences. Of concern is the increase in mental health problems among people who use large amounts of cannabis; this is thought to be linked to hydroponic and 'skunk' cannabis.

All State and Territory police services reported that hydroponic cannabis crops and sites account for the majority of seizures. South Australia Police also reported evidence of syndication of hydroponic cannabis production, with groups renting or buying property for the sole purpose of cannabis cultivation. Another concern is the growing trend towards electricity theft as one means of concealing cannabis production.

Despite this trend towards indoor cultivation, outdoor crops in bushland and national parks, on rural properties and in other secluded places continue to exist. As with hydroponic cannabis production, there is evidence of greater organisation and the use of more sophisticated business practices in the cultivation of large outdoor crops. Initiatives such as aerial surveillance have proved effective for identifying crop sites and deterring cannabis growers from cultivating on a large scale.

In 1999–2000 Customs detected 823 cannabis importations at the border; this compares with 806 in 1998–99. Although, as in the past, the majority of cannabis importations came from the Netherlands and the United Kingdom, the detections originating in those countries were of small quantities. The larger quantities came from India, Tanzania, Turkey, South Africa and the United States; the largest was 2 kilograms of cannabis resin imported from Tanzania.

Despite an overall decline in cannabis offences in 1999–2000, these offences still represented 67 per cent of all drug-related offences in Australia. Cannabis cautioning programs are now in operation in New South Wales, Victoria, Western Australia and Tasmania; the purpose is to divert people guilty of minor cannabis offences away from the criminal justice system and into treatment and assessment programs.

Overall, the cannabis market remains stable in terms of use, price and availability, but much is being done at the policy level to deal with the widespread use of and harms associated with the drug. While continuing to target criminal activity associated with Cannabis production and distribution; it remains the most commonly used illicit drug in Australia, and this is not likely to change in the near future.

Heroin

As expected, the return to normal rainfall patterns in the world's opium-producing areas has resulted in a boom in the production of opium resin. In the producer countries, programs designed to stop opium cultivation are proving ineffective mainly because of political instability or the lack of a suitable substitute crop. Opium production in Afghanistan increased dramatically in 1999—to almost 4600 tonnes. Together, Afghanistan and Myanmar now produce over 94 per cent of the world's illicit opium; Afghanistan's share is 77 per cent. Australian heroin continues to be sourced from Southeast Asian opium.

Heroin continues to be readily available in Australia, despite reports of temporary shortages in some major cities. All jurisdictions other than Tasmania and the Northern Territory reported that heroin was easy to obtain; in Tasmania and the Northern Territory availability reportedly varies. The purity and street-level prices of heroin also remained stable in 1999–2000, although in some major markets such as Sydney both wholesale and retail prices tended to decline—as a consequence of increased availability. Health agencies in Melbourne stated that the increased availability of heroin in Victoria has led to an increase in demand from both new and existing users. There was also an increase in the number of non-fatal heroin overdoses being attended by Melbourne ambulance services. The recent increase in opioid overdoses in Australia represents a continuation of the trend seen during the last decade. One of the main contributing factors is the use of benzodiazepines such as Valium and Normison, which is common among heroin users. While drug users continue to use depressants and heroin in combination, the risk of death remains high.

To better understand the varying characteristics of the illicit drug market in diverse locations, the Queensland Police Service initiated Project Arko, which has allowed for the tailoring of interventions to suit the requirements of specific markets. Further, the Drug Use Monitoring in Australia project, which is under way in a number of sites across Australia, is providing additional evidence of a link between heroin use and property crime.

The 39 detections at the border in 1999–2000 had a total weight of 269 kilograms. Of this, 219 kilograms was detected in one joint-agency operation. New South Wales remains the hub for heroin importation and distribution in Australia—98 per cent of the weight of heroin detected entering Australia was detected in this State—largely because of Sydney's high volume of international passengers and large quantities of international and domestic freight.

Traditionally, heroin distribution in Australia has been confined to particular ethnically based crime groups. Of concern is the emergence of alliances between some of these groups.

There is little indication that global production of heroin will diminish in the near future. Demand for the drug is strong, providing the financial incentive for organised crime groups to import heroin for sale. The expected boom in heroin production in Afghanistan has many ramifications for Australian law enforcement in the coming years.

Amphetamine-type substances

The use and availability of amphetamine-type substances continues to increase in Australia; after cannabis, they are now the most frequently used illicit drug. Prices for amphetamine 'street deals' remained relatively stable across all States and Territories in 1999–2000, although the purchase price for high-purity 'base' methamphetamine was higher than that for methamphetamine powder. Not all amphetamine-type substances seized by Australian law enforcement agencies are subjected to forensic analysis; of the samples tested in 1999–2000, the median purity ranged from 0.7 to 46.6 per cent.

People aged 20 to 24 years constitute the main age group for people arrested for offences related to amphetamine-type substances. The South Australian Drug and Alcohol Services Council reported an increasing number of young people taking up amphetamine use.

Several new trends have emerged in connection with the production and distribution of amphetamines. Of note is the growing prominence of smaller laboratories, first identified in Queensland and now appearing in other jurisdictions. A possible consequence of this has been the emergence of a new form of amphetamine, known as 'base'. Another and alarming consequence is the use of heroin to soften the 'crash' associated with cessation of 'base' use. Not only has this led to an increase in the number of young injecting drug users; it has also led to the development of a new market for heroin and increased the potential for the spread of blood-borne viruses such as HIV and hepatitis C. Apart from the health concerns, the popularity of 'base'—with its shorter production cycle and distribution chain—presents new challenges to law enforcement.

During 1999–2000 Customs detected a record quantity of amphetamine-type substances at the border, including the largest single detection to date—67.4 kilograms of MDMA (ecstasy) tablets and 9 kilograms of MDMA powder.

The average weight of detections during the period also rose, to 364 grams, compared with 145 grams in 1998–99. The total weight of methamphetamine detected also increased, to a record 8.81 kilograms.

The United Kingdom, Malaysia, the Netherlands and Indonesia were the most common embarkation points for MDMA detected in Australia by Customs. The drug is mainly brought into Australia from Western Europe, primarily the Netherlands, and Southeast Asian countries are used as transshipment points. Although there are indications of local production of MDMA, studies point to a preference for European MDMA, which is thought to be more potent.

Traditional Southeast Asian heroin producers have diversified into the manufacture of amphetamine-type substances. A number of governments in the region have recognised the threat this poses and are attempting to stem the flow. The consequences for Australia are not yet clear.

Intelligence continues to link organised crime groups—among them outlaw motorcycle gangs—to the manufacture and distribution of amphetamine-type substances. As with heroin distribution, there is an emerging trend for separate traditional ethnic based criminal groups to form alliances in the distribution of amphetamine-type substances. Queensland, particularly the south-east of the State, continues to be the main location for clandestine laboratories. The number of clandestine laboratories detected by Australian law enforcement agencies increased to 150 in 1999–2000; this compares with 131 in 1998–1999.

Although there was a large increase in the weight of Customs detections of amphetamine-type substances in general, large quantities of amphetamine continue to be produced domestically.

Cocaine

In 1999 a record 385 tonnes of cocaine, from an estimated production of 900 tonnes, was seized worldwide.

The United Nations Commission on Narcotic Drugs reports that the global supply of cocaine remains stable. Colombia retains its position as the world's largest cocaine producer and has gone some way towards filling the gap created by successful eradication programs in Peru and Bolivia. One tactic Colombian drug traffickers use to generate new markets, particularly in eastern Caribbean nations, is to pay local traffickers with cocaine, resulting in increased amounts of the drug remaining in the area. To gain a better appreciation of the cocaine market and to develop alliances with other law enforcement agencies, the Australian Federal Police has placed a liaison officer in Bogotá.

New South Wales is the jurisdiction where cocaine is most easily obtained. Other States and Territories reported an increase in the demand for cocaine but not necessarily an increase in the drug's availability. Cocaine's price remained stable during 1999–2000, despite reports that purity levels had risen since 1998–99, particularly in Queensland, South Australia and Western Australia. Purity levels ranged from 0.1 per cent to 95.8 per cent; the purity of Australian Federal Police seizures was slightly higher than that of seizures by the States and Territories.

Cocaine use is not clearly associated with a particular set of demographic factors: a broad cross-section of society is represented. Identification of user groups is difficult, particularly because of the lack of data on the higher socio-economic groups that can afford private treatment for addiction. One of the main health-related concerns associated with cocaine use arises from users' propensity to indulge in binges; this is especially the case with people who inject the drug. Apart from the often violent behaviour displayed by people consuming large quantities of cocaine, there is also concern about risk taking behaviour such as sharing needles and unprotected sex.

Two emerging trends in the Sydney cocaine scene are the expansion of the Cabramatta cocaine market and 'speedballing' (mixing cocaine and heroin). Speedballing is now common among injecting drug users.

During 1999–2000 Customs detected a record amount of cocaine at the Australian border. This included the largest quantity of 'black cocaine' ever detected in Australia and the first detection of 'liquid cocaine' in recent years. The most significant cocaine seizure, of 502 kilograms, was made in New South Wales in early 2000. Although the number of cocaine seizures made by law enforcement agencies increased only slightly in 1999–2000, the total quantity seized (717.5 kilograms) was nearly three times that seized in 1998–99.

The cocaine importations detected at the border in 1999–2000 were generally effected by courier or in yachts, air cargo or sea cargo. The most common method of importing cocaine—by airline passenger—accounted for 53 per cent of all cocaine detections but only 6 per cent of the total weight of cocaine detected. The United States, Argentina, South Africa and the Netherlands were identified as points of cocaine shipment to Australia, and New Zealand was used as a transit point for South American cocaine destined for Australia.

Multi-tonne seizures of cocaine have not appeared to greatly affect the cocaine cartels' ability to satisfy existing international demand. The effects of eradication efforts by the governments of Colombia, Peru and Bolivia require continued monitoring. The plateauing of the cocaine market in the United States, combined with increased interdiction efforts against European markets, could see the largely untapped Australian market providing future opportunities for cocaine traffickers.

Other drugs

Pharmaceuticals

The ready availability and relatively cheap prices compared with illicit drugs mean there will always be misuse of pharmaceuticals, particularly benzodiazepines, which have become popular among amphetamine as well as heroin users. The mix of benzodiazepines, alcohol and other illicit drugs contributes to health problems and has been associated with some fatal overdoses involving opiates. Although Valium was identified as the most commonly used benzodiazepine, in the 1999 Illicit Drug Reporting System survey, 70 per cent Northern Territory and 20 per cent Tasmanian injecting drug users reported morphine as the drug they had most recently injected.

Rohypnol—often referred to as the 'date-rape drug'—has become more difficult to obtain in the illicit drug market since being placed on Schedule 8 of the National Drugs and Poisons Schedule in 1998. But, despite this, it is still obtainable and sought by many users. Sudafed, which contains pseudoephedrine and is used in the illicit production of methamphetamine, also remains in demand: all jurisdictions reported increased demand for it.

Tighter legislation and greater restrictions on certain types of drugs will help reduce the risk of pharmaceutical misuse and inappropriate prescribing on the part of doctors. Obtaining pharmaceuticals illegally continues to be a concern for law enforcement and health professionals, although current efforts to reduce availability do appear to be bearing fruit.

Performance- and image-enhancing drugs

Border detections and domestic seizures of performance- and image-enhancing drugs are increasing at a steady rate, although the number of related offences remains stable across Australia. Use of these drugs is limited to a small group, who use them mainly for image purposes and for increasing body strength and size. The primary sources of supply are gym and fitness establishments, the security industry, outlaw motorcycle gangs and the horse-training industry.

The majority of Customs detections of performance- and image-enhancing drugs involve small quantities, which are often imported through the postal stream. The Internet has given potential importers much greater access to international markets and suppliers. Steroids were the most common performance- and image-enhancing drugs detected by Customs in 1999–2000.

Law enforcement agencies are beginning to devote more resources and effort to the trafficking and distribution of performance- and image-enhancing drugs. Recent legislative changes at the Commonwealth level and in some States have increased penalties for offences connected with such drugs.

Other psychoactive drugs

The availability and use of LSD is reportedly stable and low in most jurisdictions; use is often associated with polydrug use. Many drug and alcohol agencies reported that LSD use is noted more among people aged about 15 to 18 years: schools and under-age events such as dance parties are targeted for the sale and distribution of the drug. Distribution occurs mostly through the postal system, and several jurisdictions reported the involvement of outlaw motorcycle gangs.

Despite low detection and arrest rates associated with other hallucinogens in Australia, use of these substances is increasing. Northern Territory police reported their first seizure of GHB during 1999–2000: it is thought that outlaw motorcycle gangs were involved. GHB is reportedly readily available in nightclubs on Queensland's Gold Coast. Traditionally, the use and availability of ketamine have been generally low in Australia, although some drug and alcohol agencies in New South Wales are reporting increased use, particularly among nightclub patrons. Ketamine is often used as a cutting agent in heroin, ecstasy and amphetamine-type substances.

Drugs such as LSD, mushrooms, GHB and ketamine continue to be part of the overall polydrug use problem in Australia. Some of them have potentially very serious consequences for users.

The distribution and sale of psychoactive drugs is often opportunistic, accompanying the distribution and sale of more addictive and expensive drugs.

Illicit drugs in New Zealand

Cannabis

Cannabis is the most widely used illicit drug in New Zealand. In a 1998 survey of 5000 people aged 15 to 45 years, 16 per cent of respondents reported being current users of cannabis. Cultivation of cannabis is widespread, ranging from small plots for personal use to highly organised, sophisticated, large-scale commercial plots. Outdoor plots have traditionally been located in remote bushland although there is a growing trend towards hydroponic cultivation because it offers the advantages of a year-round growing season and increased crop security. Organised crime groups dominate the cannabis industry in New Zealand, from cultivation to distribution.

LSD

After cannabis, LSD is the most popular illicit drug in New Zealand. In the 1998 drug use survey, 3 per cent of respondents reported being current users of LSD. Use of the drug is primarily associated with lifestyle groups, among them the surfing community, sub sections of hard rock music followers and, more recently, people involved in the rave-dance party scene. Although New Zealand has one of the highest LSD user rates per capita in the world, all supplies of the drug are imported. There is little evidence that New Zealand is a transit country for LSD intended for Australia.

Amphetamine-type substances

The use of amphetamine-type substances in New Zealand is expanding rapidly. In the 1998 drug use survey, 3 per cent of respondents reported being current users of amphetamines. Many criminal organisations, including outlaw motorcycle gangs, are becoming involved in the manufacture and distribution of the drugs. Airline passengers, mail and air freight are common methods of importing MDMA, which comes predominantly from Western Europe. There is no evidence that MDMA is produced locally. As with LSD, MDMA and methamphetamine use is associated with the rave-dance party scene. The average purity of methamphetamine varies between 5 and 15 per cent; the price tends to be more dependent on the supplier than on purity and can range from NZ\$100 to \$180 a gram.

Cocaine and heroin

The very limited use of cocaine and heroin in New Zealand is probably attributable to the high price of these drugs relative to other drugs. It is thought unlikely that the cocaine and opiate markets will expand: the cost puts them out of reach for most users of illicit drugs.

There is strong evidence that New Zealand will continue to be used as a transshipment point for large-scale drug importations to Australia.

Drugs in prisons

Illicit drug use continues to be a major problem in all Australian prisons. Two of the most important reasons for authorities' concern are the potential for spreading blood-borne diseases such as HIV and hepatitis C and the fact that drug use in prison is simply a continuation of the behaviour patterns prior to offending.

The variations in urinalysis results may mean that the level of drug use varies depending on the manner in which the problem is tackled. Cannabis is consistently the most detected drug in both targeted and random testing, although this is probably because cannabis remains detectable in urine for several weeks and because the signs of cannabis use (such as the characteristic smell) are more obvious, making urinalysis targeting easier.

The ways in which illicit drugs are smuggled into or concealed within prisons are many, and all jurisdictions reported seizures of illicit drugs both inside their prisons and from visitors. The use of passive alert dogs is proving effective in detecting drugs in prisons: the dogs' non-aggressive behaviour does not pose a threat to the safety of visitors, especially children. Other detection and deterrence strategies, in combination with harm-reduction strategies, are also proving effective in the States' and Territories' efforts to limit the entry of illicit drugs into prisons.

Studies conducted in New South Wales and Victoria found a correlation between drug use and recidivism—people with drug problems were more likely to be repeat offenders. On the basis of random urinalysis testing, it is estimated that between 5 and 20 per cent of prisoners use drugs. It is also clear that, despite the efforts of many corrective services and the success of a number of interventions, drugs continue to be smuggled into prisons at a significant rate.

Drugs and money

Emerging technologies such as smart cards, electronic cash and the Internet have been heralded as the next step in the evolution of money laundering. From the perspective of Australian and international law enforcement agencies, however, the available evidence suggests that there has been minimal reliance on these new technologies to facilitate money laundering. Nevertheless, legislative and law enforcement capabilities need to be developed to deal with emerging technologies that might be used to launder money.

Much the same money-laundering techniques were used in 1999–2000 as in previous years. There is, however, a change in how these laundering techniques are being used to avoid detection: more non-nationals are becoming involved, and there is an increased incidence of criminal syndicates operating across State and Territory boundaries.

Most countries that reported to the Financial Action Task Force on Money Laundering said narcotics was the single largest source of criminal proceeds. From the perspectives of law enforcement and the community in Australia, confiscation of assets derived from the proceeds of crime is an effective means of attacking the profit motive associated with illicit drug activity.

An emerging challenge to law enforcement concerns the threat of electronic commerce operating outside the banking and financial sector. If funds leave the regulated financial system, they basically disappear, making it impossible for law enforcement to trace financial transactions. The removal of an audit trail provides anonymity for the money launderer, as does the use of cash. TAB accounts and pre-paid SIM cards for mobile phones are facilitating the anonymous transfer of funds. At present, however, these systems cannot accommodate large-value transactions and so offer limited opportunities for money laundering.

There is greater awareness of the importance of following the money trail in the investigation of illicit drug activity. There is also increasing concern about the use of alternative remittance and underground banking systems. Australia constitutes an attractive 'host' country for these systems because of factors such as the multiplicity of ethnic backgrounds represented in the population, the nation's developed status, its advanced financial sector.