

Illicit drugs in Australia

As a marketable commodity, illicit drugs exist by default in a secretive subculture. This society of secrecy extends from users to street dealers up to syndicated cultivators, manufacturers and traffickers. Because of the nature of this illicit market, the development of a complete understanding of it has presented a consistent difficulty to government, researchers and law enforcement over the past 30 years.

The ABCI is in a unique position to complete part of the picture, but it must always be acknowledged that the complexities of this market, and the nature of the data presented in this report, are always open to wide interpretation. For example, there is no doubt that the end of 2000 saw a significant shortage of heroin in Australia. However, we have yet to develop a full understanding of its causes. We judge that the significant successes of law enforcement in disrupting heroin importation networks during the reporting period had a considerable part to play in reducing heroin availability. However, other factors also seem to have been influential and it is difficult to be definitive about cause and effect.

The financial year covered by this report has certainly been one of significant change. Previous years have seen general trends continue of total drug seizures creeping upwards, arguably in line with population trends and enhanced law enforcement techniques. However, this year presented some significant changes. There has been a shortage of heroin in Australia, a strong surge in methylamphetamine activity, and changes in the cannabis market. These have taken place in an international environment of change with respect to illicit drugs. Southeast Asia is, despite the best efforts of regional governments, experiencing strong growth in methylamphetamine manufacture and consumption. The historical staple of drug trafficking in the region, heroin, has experienced major cultivation fluctuations internationally and faces a period of significant change.

The ABCI's data collection, relying heavily on the contribution of the police services it represents, results in a unique data set that provides valuable information to a range of agencies. The ABCI's analysis of this data combines national and international research covering the entire year. The data collected assist in identifying and attempting to quantify many of the illicit drug issues that have occurred during the reporting period. More importantly, as the *Australian Illicit Drug Report* rounds off its 10th year of production, its data have formed a decade-long picture of the illicit drug situation in Australia. The illicit drug seizure and arrest figures of ten years ago are much lower than those reported in the past few years. The question remains, however: what proportion of this is due to increased law enforcement efficiency in detecting and disrupting drug syndicates and what proportion is due to an increase in the overall market? Clearly there is a dynamic tension between these two factors and the true point of delineation between law enforcement success and the size of the problem is, by its nature, an insoluble problem. The general maxim that when law enforcement is aware of a quantity of illicit drugs they are seized, means of course that the drugs not seized are not known about and therefore cannot be quantified.

Illicit drugs are presented in this publication by their predominant types. In all possible cases the ABCI has used terminology prescribed by the Standard Classification of Drugs of Concern published by the Australian Bureau of Statistics. The following sections summarise the findings of significant chapters and add a broader analytical comment.

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Cannabis

Cannabis continues to be a relatively prevalent and widely used drug within Australian society. The Australian climate and the adaptability of the plant itself mean cannabis can be cultivated outdoors in most populated areas of Australia, and in warmer regions it can be cultivated during most of the year. Indoor hydroponic cultivation of cannabis is an international trend in developed nations that is likely to continue in Australia until only a minority of unsophisticated growers tend traditional outdoor crops. The perceived advantage of hydroponic cultivation has been well reported in *Australian Illicit Drug Reports*, suffice it to say it is highly efficient and relatively easy to conceal, only limited by the availability of indoor space, electricity and hydroponic equipment. Given these factors, there is little requirement for organised crime groups to import herbal cannabis into Australia. The majority of importations are small quantities concealed in personal items or in the post, most likely intended for personal use or limited distribution to friends.

Domestically, the cultivation and distribution of cannabis is still big business and often the drug is transported several thousand kilometres from cultivation to final sale. There is little doubt that the sale and consumption of cannabis make a significant contribution to the profits of organised crime in Australia. Cannabis is a drug for which market indicators have tended to move slowly upwards—in this reporting period the weight of cannabis seized increased slightly from 4365 to 4563 kilograms. Again, the complexity of illicit drug data means that this figure cannot be interpreted as meaning the amount of cannabis in Australia has increased. Cannabis is seized in two primary forms: whole plants or dried flowers (heads) and leaves. Plants are not generally weighed and thus are not represented in the national data set. As more easily concealable hydroponic cannabis cultivation becomes more prevalent, it is less likely police will seize whole plants

from outdoor crops and more likely they will seize dried—and therefore weighable—cannabis being stored or transported for sale. Thus using only seizure weight data to interpret the scale or trend in the cannabis market is not recommended.

Cannabis is used by the majority of intravenous drug users and appears to be used by a broad selection of the population in many developed countries. The drug has been popularised in film and music and it is unlikely there will be a dramatic shift in its user-base in the immediate future. Aside from the health issues affecting regular cannabis users, the fact that organised crime is often involved in cannabis production and trafficking means it will continue to impact on Australian law enforcement.

Heroin

The supply of heroin in Australia has been a controversial issue in the reporting period. The past five years have seen a steady rise in the world-wide production of opium, the gum harvested from the flower *papaver somniferum* (the raw ingredient of heroin). This half-decade initially saw a significant rise in the quantity of opium produced in Afghanistan to the point at which it became the world's largest producer in 1999–2000. However, the unique nature of the Taliban regime in that country meant that when the government declared a ban on opium cultivation in 2000, it appeared to have been adhered to by the majority of farmers. The result was the area under opium poppy cultivation in Afghanistan is estimated to have fallen from more than 80 000 hectares to less than 8000.

The immediate effect of this on Australia is limited because heroin in Australia is trafficked from Southeast Asia and cultivated largely in Burma. However, the long-term effect is unknown. It is reasonable to assume that the European market, traditionally supplied from Afghanistan's opium cultivation, will seek to replace its supply from the only other major international source, the 'Golden Triangle'.

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This may have a follow-on effect of reducing the amount of heroin available to the Australian market, driving up the price of the drug and reducing its purity.

The reduction of Afghan opium cultivation is a long-term international issue. In the shorter term, however, the reporting period saw a significant shortage of heroin in Australia from December 2000 onwards that has been the subject of considerable speculation by researchers and government agencies. The fact that between October and December 2000 Australian law enforcement, in cooperation with overseas agencies, removed over half a tonne of heroin from the Australian market place cannot be discounted. In two operations, not only was this significant quantity of heroin seized but trafficking networks estimated to have been operating for years were disrupted and, most likely, dismantled permanently.

The effect of Commonwealth law enforcement operations offshore has been significant. One operation during October 2000 was a salient example of Australia's ability to lead multinational counter-narcotics operations: 357 kilograms of heroin destined for Australia were seized in Fiji. This is more heroin than was detected at the Australian border for each year of the past decade, excepting 1998–99, and its impact on the heroin market must have been significant.

Australia experienced an unprecedented drop in heroin availability and purity dating from January 2001 and the number of heroin arrests between the last two reporting periods fell by 34 per cent. From these data alone, although other research is corroborative, it is likely that Australians used less heroin in the first half of 2001, partly as a result of law enforcement activity. The 2000–01 reporting period was a successful period for Commonwealth, State and Territory governments' efforts and strategies in respect of heroin.

Amphetamine-type stimulants

As indicated in the previous *Australian Illicit Drug Report*, the use of illicit amphetamines or 'speed' in Australia is probably the most concerning trend in the illicit drug environment. The use of methylamphetamine, the predominant amphetamine-type stimulant in Australia, has been trending upwards in the past few years—a trend that most likely has been accelerated by the shortage of heroin.

The manufacture of methylamphetamine from pseudoephedrine is relatively easy, though highly dangerous. A coordinated group of criminals can purchase or steal large quantities of pseudoephedrine-based medication and convert it to methylamphetamine in a very short time, often less than 24 hours. However, even before a single gram of the drug has been sold, the environment has suffered; the manufacture of the drug produces toxic waste in a ratio of ten to one. In other words, for every 100 grams of methylamphetamine illegally produced, a kilogram of highly dangerous waste is produced and illegally buried or dumped or tipped in waterways.

Methylamphetamine is often produced in Australia by syndicated or highly organised groups of criminals. Over 800 kilograms of methylamphetamine and MDMA (ecstasy) were seized domestically and at the border during the reporting period—noticeably more than either heroin or cocaine. The significance of the growth in methylamphetamine use is illustrated in Figure 1.1.

Over the past five years heroin and cocaine arrests have fluctuated, however arrests for amphetamines have steadily and significantly risen until they surpass those of heroin. Figure 1.1 therefore illustrates two other important issues: firstly, heroin arrests have fallen to the level they were at in 1995; and secondly, cocaine arrests rose by approximately 50 per cent in

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2000–01. The 2000–01 fluctuation in cocaine arrests (discussed later in this report) is possibly the result of heroin users, at least in New South Wales, shifting to cocaine due to a lack of availability of heroin.

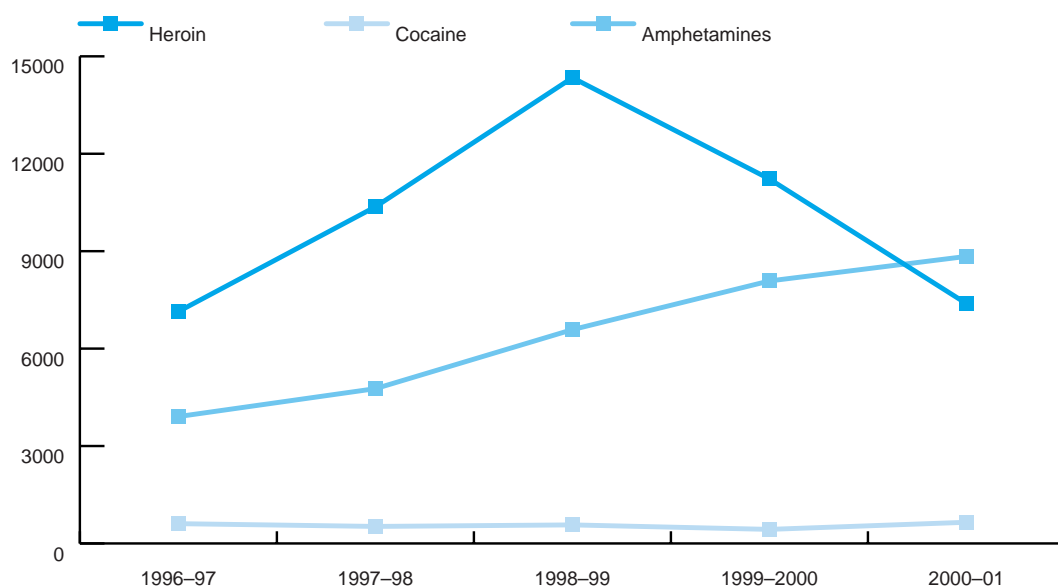
The arrest data and the reports of other agencies indicate that as the number of users of methylamphetamine is steadily increasing, so too is the number of ‘clandestine laboratories’ (equipment and facilities used to manufacture amphetamines) that have been dismantled by police. In 1996–97 police dismantled 58 such laboratories; in 2000–01 this figure had increased to 201 following a similar trend line in arrests. This leaves no doubt that methylamphetamine is the illicit drug most likely to impact on Australian law enforcement in the immediate future and that this impact is likely to continue for several years.

The potential impact of amphetamines is exacerbated by the fact that the Southeast Asia region is experiencing a methylamphetamine problem of even greater magnitude. In some

countries in the region, periodic seizures of methylamphetamine are measured in millions of tablets and the price of the drug is generally less than five percent of the price paid in Australia. Last year’s *Australian Illicit Drug Report* warned of the potential for organised crime to import methylamphetamine or crystalline methylamphetamine (‘ice’) to Australia from Southeast Asia and the 2000–01 period saw a 65 kilogram increase in attempted amphetamine importation into Australia. The 86.5 kilograms detected at the border by Customs included 79 kilograms of crystalline methylamphetamine.

Methylamphetamine can be manufactured clandestinely without regard to season or location and with equipment that can easily fit in the boot of a car. Organised criminal networks, such as outlaw motor cycle gangs, are often implicated in the manufacture of methylamphetamine. It is a potent drug that can be swallowed, mixed with drinks, ingested intranasally or injected. It appears to be used by an increasing number of Australians. The effects

Figure 1.1: Comparison of total consumer and provider arrests for heroin, cocaine and amphetamines, 1996–97 to 2000–01 (ABCI)



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of long-term or binge use include aggressive irrational and unpredictable behaviour, often described as psychotic and present a threat to the community as well as law enforcement. Methylamphetamine is thus identified as the most significant and potentially threatening illicit drug in the reporting period, and is likely to remain so in the future.

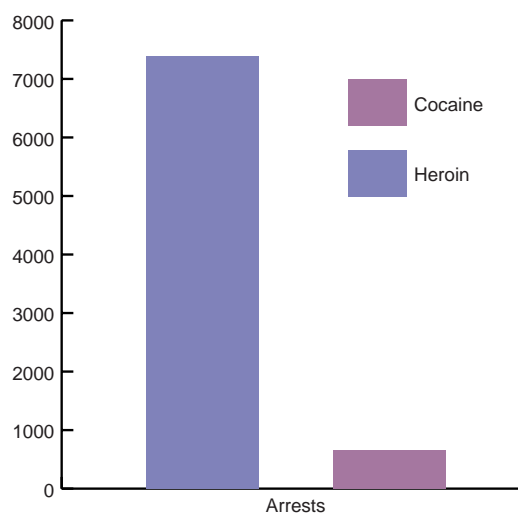
Phenethylamines

Phenethylamines, as defined in the Australian Bureau of Statistics Australian Standard Classification of Drugs of Concern, include MDMA and its derivatives. Phenethylamines, as well as having a similar but lesser effect to amphetamines generally, have some hallucinogenic properties. The classic is MDMA, known for its ability to alter the user's perceptions as well as heart rate and homeostasis.

MDMA is mostly manufactured offshore and illicitly imported into Australia. Europe remains the world centre for MDMA production and several European nations suffer from the toxic by-product of manufacture, which is similar in ratio to that of methylamphetamine. The issue of MDMA is becoming more complex because a wide range of drugs in tablet form are now sold as 'ecstasy' both here and overseas. The profit that can be made from selling tablets as 'ecstasy' for \$50 to largely unsuspecting and comparatively irregular users has meant a wide variety of adulterants has been detected in seized tablets. Substances ranging from the innocuous, such as glucose or caffeine, through to morphine and the veterinary anaesthetic, ketamine, are consumed in tablets sold as 'ecstasy'.

The quantity of imported MDMA intercepted has increased markedly over the past decade, rising from less than 50 kilograms in 1997–98 to 338 kilograms in 2000–01 (this included two attempted importations of over 100 kilograms each).

Figure 1.2: Comparison of total number of heroin and cocaine arrests, 2000–01 (ABCI)



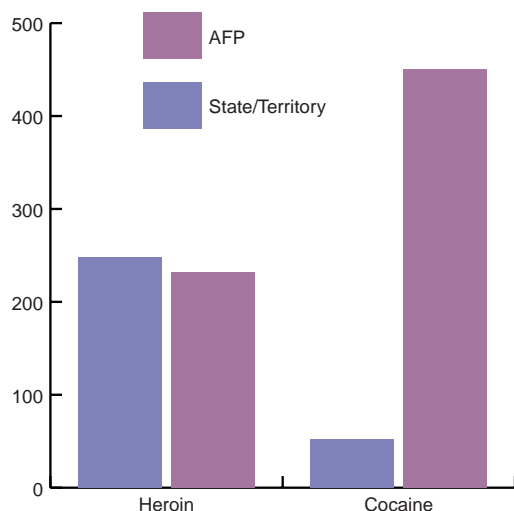
Cocaine

The cocaine market in Australia is possibly the most complex illicit drug market. The past three years have seen cocaine seized in comparatively large amounts. Although the 427 kilograms seized this year is 321 kilograms less than in 1999–00, approximately 85 per cent of the cocaine seized at the border this decade was detected in the past three years. Cocaine is seized in amounts comparable to heroin, however, as Figure 1.2 illustrates, far fewer people are arrested for a drug offence where cocaine was the contributing factor.

Figure 1.3 illustrates several interesting features of the cocaine market. Heroin seizures made by State and Territory police represent a reasonable proportion of the total drug seizure, which can be interpreted to mean that some of this proportion is seized at or near the street-dealer level. However, most cocaine seized in 2000–01 was seized by the Australian Federal Police, and mostly at the border, thus a much lower proportion was seized at street level. Even though more cocaine may be imported into

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Figure 1.3: Comparison of State/Territory and Australian Federal Police heroin and cocaine seizures by weight, 2000–01 (ABCI)



Australia than heroin, much less is seized on the streets. This assessment is supported by another aspect of Figure 1.2: heroin-related arrests total approximately 7400, while cocaine accounts for only approximately 650. Accordingly, an overall interpretation of Figures 1.2 and 1.3 is that, while the domestic cocaine market is potentially as large as or is larger than the heroin market, it is significantly less likely to come into contact with law enforcement.

Despite the largest cocaine seizure for the period occurring in South Australia, most evidence indicates that New South Wales is the State in which cocaine is most readily available and consumed. However, it is reasonable to assume there must be a significant national market for cocaine that is essentially undetected and unquantified, and therefore should be the subject of further study. Despite seizure weights and reports of availability indicating cocaine is brought into Australia in greater quantity than heroin, what happens to this significant quantity following distribution inside the country remains largely a mystery.

Conclusion

The illicit drug market in Australia is complex and fascinating. There is little doubt that Australia's illicit drug market has reached a level of dynamism not seen for several years: heroin arrests are at 1995 levels and have been overtaken by amphetamine arrests; heroin availability, price and purity have shown considerable variation; cocaine continues to be seized in amounts greater than those of a decade ago by several orders of magnitude; an apparently large cocaine market remains hidden from law enforcement and research agencies; and weighed cannabis seizures appear to have doubled. Australia also experienced its first large-scale seizure of imported crystalline methylamphetamine.

The continuation of a relatively robust and consistent data set in the form of the *Australian Illicit Drug Report* will ensure that significant trends are identified early. In the complex and changing world of illicit drugs, comparative data ranging beyond a decade will become increasingly vital to the strategic law enforcement effort.