

**Submission of  
Families and Friends for Drug Law Reform  
to the inquiry  
of the Road and Community Safety Committee of the  
Parliament of Victoria  
into  
DRUG LAW REFORM  
March 2017**

**ANNEX A  
A CASE FOR REFERENCE OF ILLICIT DRUG POLICY TO THE  
PRODUCTIVITY COMMISSION**

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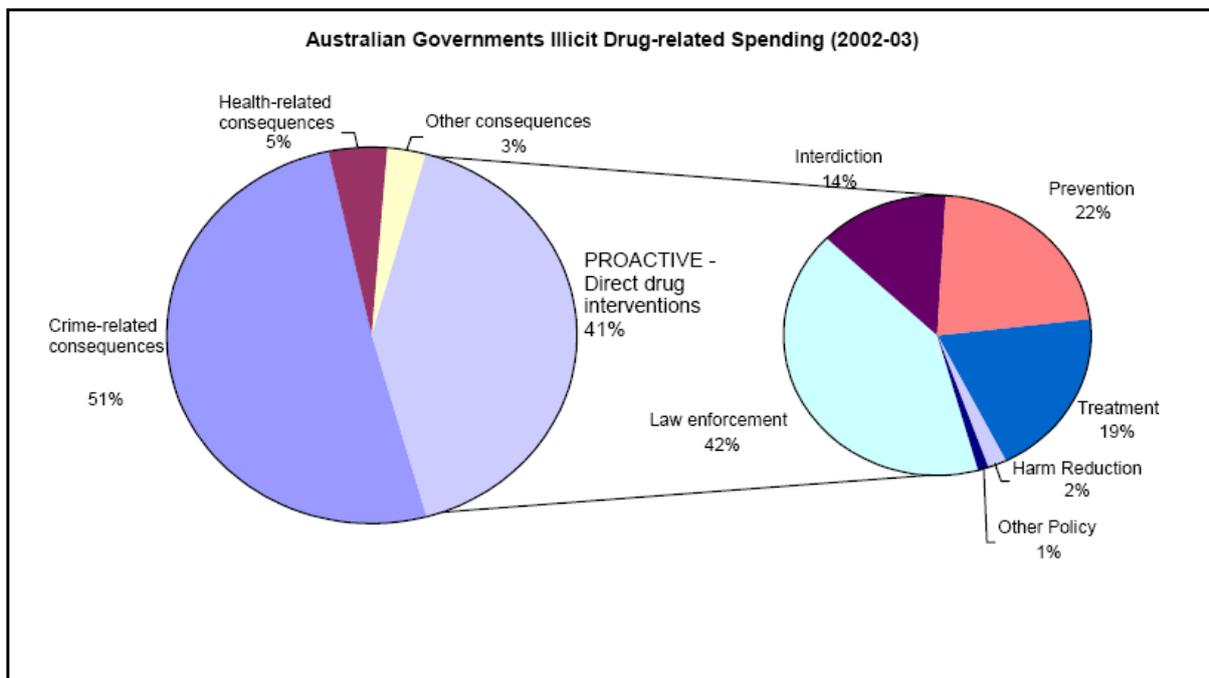
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### Illicit drug policy implicated in serious social problems

1. There is a strong case to set in train a Productivity Commission inquiry into the extent that many serious and expensive social problems stand to be greatly reduced by adjustments to illicit drug policy and to identify what those adjustments may be.
2. Abuse of illicit substances is deeply implicated in virtually all of Australia's most intractable and costly social problems. These extend well beyond direct health and crime costs to issues like child protection, school drop out, suicide, mental illness, homelessness and poverty. There is a crying need for an estimation of the costs of illicit substance abuse in all these domains and not just the estimates of high crime and health costs regularly commissioned by the Commonwealth and published as National Drug Strategy monographs (Collins & Lapsley (2008)). There is a need for a comprehensive evaluation of the extent that policy responses are effective in reducing consumption and associated harms or whether they unintentionally promote consumption and contribute to the harms.
3. The size of costs to the community associated with the existing policy response to illicit drugs calls for a Productivity Commission examination of the effectiveness of government policies.
4. Annual expenditure of Australian governments were estimated a decade ago to be \$3.2bn (Moore on 2002-03 figures)

Of this, direct spending on drug interventions amounts to \$1.3bn or 41% and the consequences of illicit drug use amount to \$1.9bn or 59%.

Law enforcement including interdiction costs absorbs the lion's share of direct spending (56%), prevention 22%, treatment only 19% and harm reduction a mere 2%.



SOURCE: Moore

Crime-related costs also form a huge proportion of the consequential costs of government expenditure amounting to 51% of the entire government expenditure (direct and indirect) related to illicit drugs.

5. The costs of illicit drugs utilised regularly by only a small proportion of the population are disproportionately high compared to the costs of, say, alcohol, which is used regularly by a much larger proportion of the population.

6. While government budgetary health costs of illicit drugs (\$258.9m) are just 10% of those of alcohol (\$1,555.3m), the government budgetary crime costs of illicit drugs of (\$2,212.3m) are 2.27 times the crime costs of alcohol (\$974.6) (Collins & Lapsley (2008) pp. 68-69 & 72-73 utilising 2004-05 figures).

7. State and territory governments bear by far the majority of the spending (84.1%, or \$2,264.8 million) while the Federal Government accounts for 15.9% (\$427.0 million) (Collins & Lapsley (2008) pp.72-73).

#### **Loss of revenue**

8. As opposed to tobacco and alcohol, Governments receive no revenue from illicit drugs. The turnover of the illicit drug market is outside the GST regime.

In October 1997 *Access Economics* reported that the annual Australian turnover of the criminal drug trade was \$7 billion. In its 2005 yearbook, the UN Office of Drugs and Crime estimated the illicit drug market for Oceania to be US\$16bn which represented 5% of its estimate of the World Drug Market of US\$322 (UNODC vol. 1, p. 128).

The Oceania figures overwhelmingly represent those of Australia (only figures from Australia and New Zealand were included [in that region]) (UNODC vol. 2 pp. 254ff).

9. Drugs constitute the lion's share of the estimated annual cost of organised crime to Australia which was said in 2010 to be some \$15 billion a year (McClelland & O'Conner (2010)).

#### **Market indicators of drug law enforcement as effective supply and demand reduction**

10. Drug market indicators are capable of revealing whether drug law enforcement is effective in reducing supply at the wholesale level or in dampening demand at a localised retail level.

11. At the wholesale level the indicators of effective drug law enforcement are a high proportion of seizures compared to the overall drug market. One would expect in this case rising wholesale and retail prices, reports of declining availability and falling quality such as reduced purity. A reduction in supply would have to be attributed to a non-law enforcement cause if the same changes accompanied a low proportion of seizures compared to the overall drug market (FFDLR).

According to a British intelligence report: "A sustained seizure rate of over 60% is required to put a successful trafficker out of business. . . . Sustained successful interventions on this scale have never been achieved" (UK SU Drugs Project 2003 73).

12. If law enforcement is effective in reducing demand at a localised retail level, one would expect to see:

- Rising retail prices in the area with no increase in import prices or other prices close to the point of production;
- Declining levels of consumption;
- Reduced retail availability;
- Localised manifestation in the area impacted by the drug law enforcement;

- Displacement of a targeted street drug scene to neighbouring areas.

Falling prices combined with rising localised availability, rising purity and increased consumption would indicate that the localised law enforcement has been ineffective in reducing demand.

**Shoddy measures now used to assess the effectiveness of drug law enforcement.**

13. In practice, drug law enforcement (DLE) suffers from a “general lack of adequate performance measures”. This means that it is “impossible to determine the true value of DLE in Australia. It also means that those involved with DLE may not in some instances be subject to the same levels of performance scrutiny as their non-DLE counterparts” (WILLIS, HOMEL & GRAY 23)

14. A study commissioned by the National Police Research Unit in response to a 1989 report of the Joint Committee on the National Crime Authority (Parliamentary Joint Committee) found that:

“... 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 and convictions . . . 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).

15. In spite of acknowledgement of the inadequacy of traditional indicators of effectiveness of DLE, law enforcement agencies and others still rely on the number, volume and type of illegal drug seizures and the number and type of drug-related arrests and convictions.

16. In fact, it is accepted even in law enforcement circles that more often than not the level of seizures reflects the amount of drugs available. In the absence of contrary market indicators and given a constant level of law enforcement effort, a high level of seizures points to greater availability. As explained in a West Australian parliamentary report: “seizures of drugs by law enforcement agencies . . . can provide an important insight into the actual trends in illicit drug production and trafficking” (WA 1997, v.1, §3.2.4, p. 61). Thus, police intelligence has acknowledged that: “While seizure rates do not necessarily correspond with production, they can be a good indicator of production trends” (Gordon 2001, 18). Research agencies regularly cite rising trends in the rate of seizure as evidence of greater availability (e.g. IDRS 2001, 67).

17. Thus, if law enforcement is effective in the long term in reducing supply one would expect to see a steady decline in the level of seizures. This is no different to the rabbit trapper. 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.

18. It is therefore of concern that the Attorney-General and the Australian Federal Police rely on the misleading indication of seizures alone. For example, an Attorney-General cited levels of seizure as an indicator of successful supply reduction:

“In the last financial year over 11 tonnes of illicit drugs were seized by Australian law enforcement officers, preventing a large amount of those products from reaching our community” (H of R, *Hansard*, 18 August 2005, 38).

19. In 2000-01 the Australian Federal Police introduced a benchmarking system that compared the Australian seizure rate of various drugs per million of population with the rate

of 18 European and North American countries. The AFP's report for that year contains the following conclusions of this exercise:

“In this period, AFP:

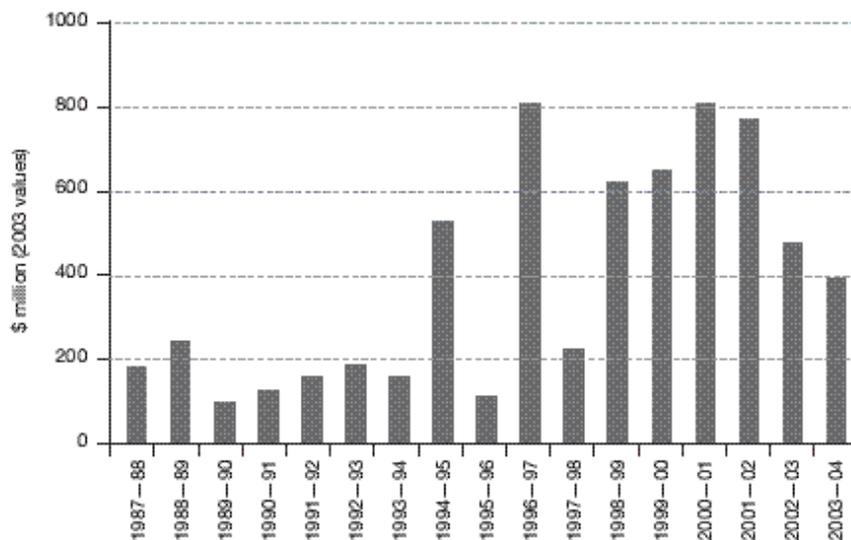
- heroin seizures increased from 8.3 kg per million residents to 28.1;
- cocaine seizures increased from 1.1 kg per million residents to 16.6; and
- MDMA seizures increased from 1,125 tablets per million residents to 16,890.

“Results for AFP effectiveness indicated that between 1995 and 1998, the AFP moved from:

- 10th place to 2nd with respect to heroin;
- 15th place to 12th with respect to cocaine; and
- 11th place to 5th with respect to MDMA” (AFP 2001, 20).

20. The AFP has since built upon this benchmarking system to produce what it terms a “drug harm index”. It attributes a money value to “domestic and international drug seizures destined for Australia where the AFP played a significant role”. This value is derived from the costs of harm converted to current dollar values of the Collins and Lapsley study of the social costs of drug abuse in Australia in 1998-9. The aggregate costs of the Collins and Lapsley study are divided in accordance with set proportions between particular drugs (AFP RN5 2004). The following chart results from this exercise:

**Figure 2: AFP Drug Harm Index**



SOURCE: AFP 2004, 54.

21. The report that contains this chart states that “AFP seizures of illicit drugs saved the Australian community approximately \$389.6 million, similar to the impact each year since additional funding for illicit drug investigations under the National Illicit Drugs Strategy (NIDS) was introduced in 1998” (AFP 2004, 54). None of this analysis has any regard to drug market indicators; it is based upon seizures alone. As a result, conclusions drawn from it are little more than wishful thinking.

22. Asserting a community saving based on a dollar value of harm that would have ensued had the seized drugs reached the community compounds the irrationality if market indicators of availability, price, purity and the like show that the market is fully supplied. Seizures, like taxation, become a cost of doing business and it is a cost that traffickers have some degree of insurance against if law enforcement does manage to reduce supply. In the words of a confidential British report:

“Because upstream UK suppliers enjoy high profits, they are more able to absorb the cost of interception. Thus upstream seizures may temporarily impact street availability, but are unlikely to threaten the viability of any individual business” (UK SU Drugs Project 2003, 82).

23. In its 2010-11 annual report the Australian Federal Police still claim that seizures and other activity indicators go to make up Key Performance Indicators (KPIs):

“The success of fraud and drug investigations is reflected in an overall return on investment ratio of over 10 to 1 (KPI 19). The main components of this calculation are the Estimated Financial Return, which was \$249 million (compared with \$244 million for 2009–10) and the total Drug Harm Index (DHI), which was over \$1 billion (compared with \$473 million for 2009–10). The DHI is driven by the greater weight of drugs seized in all major drug classes (details in chapter 04). Details of disruption to illicit drug activity both nationally and internationally are also provided in chapter 04.

Of the Operations – Policing program cases reaching court, 99 per cent resulted in a conviction (KPI 21). This was up from 96 per cent in 2009–10. Moreover, the overall number of cases reaching court increased by 31 per cent from 347 to 460” (AFP 2011 17).

24. That seizures alone are incapable of showing the effectiveness of law enforcement is illustrated by reference to cocaine. Until recent years, the cocaine market in Australia had been small and what there was, in a large measure, had been confined to New South Wales. In the words of the Australian Illicit Drug Report for 1997-98: “The cocaine market has traditionally been relatively small – especially when compared with the heroin market”. It added that “there now appears to be a trend towards cocaine use in some areas” (AIDR 97-98, 83). The heroin drought coincided with a big increase in cocaine in New South Wales. On the basis of its benchmarking system the AFP counts this setback as a success:

“Prior to 2000, the AFP did not compare as well in terms of cocaine seizures or the level of targeting by syndicates. The AFP’s rate tended to be among the lowest when compared to the EU and North American nations. In 2000, however, the AFP’s performance placed it above the 1998 median for the EU and North America” (AFP 2001, 20).

25. The reason it ranked low before 2000 on the basis of a seizure rate per unit of population was almost certainly because there was relatively little of it around to seize. Indeed the same AFP report appears to admit this when it states that “Cocaine use in Australia has, until recent years, had a low profile compared with other illicit drug abuse” (AFP 2001, 21).

26. The benchmarking system could just as well give a misleading impression that the situation is worse than it is. In a situation of less heroin being sent to Australia during the heroin drought seizures were likely to decline (which figure 11, p. 37 seems to show happened in early 2001). This would reduce the ranking of Australian law enforcement

compared to law enforcement in the rest of the world that did not experience a heroin shortage.

### **Treatment more effective than law enforcement in reducing drug use**

27. Treatment is recognised as more effective in reducing consumption of illicit drugs than law enforcement by reducing the demand from consumers and of suppliers at the local retail level. Typically illicit drug users deal in drugs in order to pay for their habit. Attracting them into treatment thus remove them from the illicit distribution system.

28. Examples of treatment leading to less consumption of illicit drugs include:

- A highly regarded study on the control of cocaine undertaken by the Drug Policy Research Center of RAND in California found that “the least costly supply-control program (domestic enforcement) costs 7.3 times as much as treatment to achieve the same consumption reduction.” The study compared the relative effectiveness of treatment with various forms of law enforcement in achieving a reduction in the number of users, the quantity of the drug consumed and the societal costs of crime and lost productivity that arise from use of the drug. The study estimated that “the costs of crime and lost productivity are reduced by \$7.46 for every dollar spent on treatment.” Described in other terms, domestic law enforcement, the most efficient form of law enforcement, “costs 4 times as much as treatment for a given amount of user reduction, 7 times as much for consumption reduction, and 15 times as much for societal cost reduction.” (Rydell & Everingham 1994 pp. xv-xvi).
- Controlled trials of comprehensive methadone maintenance and comparative observational studies have all shown that this treatment is more effective than either placebo or no treatment in retaining people in treatment and in reducing opioid use. Larger comparative observational studies have confirmed this (Ward, Mattick & Hall 1992, 20-21 & 39).
- Since the introduction there of prescription heroin in 1995, a study reported in *The Lancet* of the canton of Zurich has shown a large decline in the recruitment of new heroin users:

“The incidence of regular heroin use in the canton of Zurich started with about 80 new users in 1975, increased to 850 in 1990, and declined to 150 in 2002, and was thus reduced by 82%” (Nordt & Stohler).

### **Drug related harms that can be substantially reduced by different policy settings should be identified and co-ordinated across different agencies**

29. Research points to the likelihood of substantial alleviation of costly social problems associated with illicit drugs if tackling them is not made subservient to the objective of eliminating addiction. There is a need for co-ordination within as well as between governments because responsibility for the harms associated with illicit drug use is spread across different departments and agencies.

### **Crime**

30. Involvement in crime, whether impelled by the need to raise funds to support a habit, by being under the influence of a drug or for other reasons, is part of the life of many (though far from all) users of illicit drugs. Criminal activity shares with mental illness or disorders a collection of antecedent risk factors such as school failure, association with deviant peer groups, socio-economic disadvantage. What is more, crime and mental illness or disorders are each potent risk factors for the other (NCP 1999 p. 136; Commonwealth DHAC 2000 p.

16). It is the accumulation of risk factors that is known to be behind these as well as so many other big social problems. Snowball like, crime and mental illness or disorders greatly add to the risk factors of further problems including the re-occurrence of crime (i.e. recidivism) and intensification of mental illnesses or disorders. Substance abuse, and particularly the use of illicit substances, is also closely associated with these problems. What the following research shows is that the relationship between crime and addiction alone is not nearly as close as is generally regarded. Evidence is clear that, by itself, continuing dependence on opiates at least need not be a significant risk factor for crime.

### **Methadone treatment**

31. Crime reductions accompanying methadone maintenance treatment has been carefully assessed in a lot of studies. Most likely people of methadone programmes will have been dependent on heroin. Dependency continues while receiving the artificial opiate, methadone. Even so, offending behaviour of patients is shown to decline while in opiate maintenance treatments. Two examples of the many trials are mentioned here. The first is the Treatment Outcome Prospective Study (TOPS) carried out in the United States from 1979 into the early 1980s. This was a large prospective study of over 11,000 illicit drug users who applied for treatment in 41 programs.

“Criminal activity was assessed by self-reported predatory crimes such as breaking and entering and robbery. Among patients in methadone maintenance, one-third reported committing a predatory crime in the year before treatment. This dropped to 10% during the first month of treatment. . . . Methadone treatment . . . was associated with a reduction in criminal activity during treatment but did not permanently change the behaviour of the more criminally involved patients in the post-treatment period” (Ward, Mattick & Hall 1992, p. 31).

32. The second example is the results of a large-scale outcome study of methadone maintenance treatment involving six methadone maintenance programs, two in each of Baltimore, Philadelphia and New York, over a three-year period between 1985 and 1987. The study found that methadone maintenance had “a dramatic impact” on crime among the 388 patients who remained in treatment:

“The reduction of crime associated with retention in methadone maintenance . . . appeared impressive. The study sample had an extensive criminal history prior to entering methadone: a total of 4,723 arrests, with a mean of nine arrests for the 86% of the sample who had been arrested. Sixty-six per cent of the group had spent some time in gaol, 36% having been incarcerated for two years or more. Although these figures indicate extensive criminal involvement, they seriously underestimate criminal activity which is better estimated by self-reported crime.

“The sample admitted to 293,308 offences per year during their last period of addiction. Among those who admitted committing criminal acts, each person committed an average of 601 crimes per year (range 1 to 3,588), and had committed criminal offences on an average of 304 days per year during their last addiction period. After entry to methadone, the number of self-reported offences declined to 50,103 crimes per year and the mean number of ‘crime days’ per year decreased from 238 in the year prior to entry to 69 crime days during the early months of methadone maintenance. The number of crime days continued to decline with the number of years spent in treatment. In terms of the number of crimes committed, the reduction during methadone maintenance was 192,000 offences per year. As [the authors of the study] remark, such a substantial reduction in criminal activity among heroin users is usually only achieved by incarceration” (Ward, Mattick & Hall 1992, 35).

33. More recently according to a large Australian evaluation of pharmacotherapies for opioid dependence:

“Property crime was reported at baseline by a significantly greater proportion of Heroin Users (20%) than Methadone Patients (5%), as was drug dealing (23% vs. 8% respectively); fraud (8% vs. 2% respectively); and violence (3% vs. 1% respectively).

Criminal behaviour among Heroin Users was halved at the three month follow-up.

Heroin Users’ average monthly expenditure on heroin decreased from \$2,611 at baseline to \$572 at three-month follow-up, consistent with the decreases in heroin use” (Mattick *et al* 2001, pp. 4 & 41).

34. The cautious conclusion from a survey of all studies is that: “The relationship between methadone maintenance and a reduction in . . . criminal behaviour is, on average, a reasonably strong one” (Jeff Ward, Richard P. Mattick and Wayne Hall (eds.), *Methadone maintenance treatment and other opioid replacement therapies* (Harwood Academic Publishers, Amsterdam, 1998 second printing) p. 47).

### **Prescription Heroin**

35. In a number of countries including the United Kingdom, heroin may be prescribed for treatment of opioid addiction. This pharmacotherapy has led to even more crime reduction than methadone and other pharmacotherapies used in Australia.

36. Trials in The Netherlands, and Germany have shown it to be even more effective than methadone in stabilising those suffering from with a dysfunctional drug dependence. Heroin prescription is now part of the suite of standard treatments available in Switzerland, The Netherlands, Germany and Denmark. Heroin prescription in The Netherlands resulted in “strong reductions in illegal activities” (Netherlands 2002 p. 148). The changes in offending measured in more detail for those being prescribed heroin in Switzerland have also shown this. Reductions that can only be described as spectacular were documented using different measurements. These measurements were:

- (a) self-report by those on the programme of the extent they engaged in crime before and during treatment;
- (b) self-report of the extent that these same patients on the programme were themselves victims of crime before and during treatment; and
- (c) the changes in offending behaviour for those on the programme as reflected in their contacts with police.

37. A summary of the outcomes for just the first year of treatment compared to the six months before are set out in the following table. It records a reduction of 94% in the number of patients on the programme engaged in serious property offences (the prevalence rate). It also shows an even greater reduction in the frequency with which each individual offended (the incidence rate). Such offences particularly associated with illicit heroin use. This is in contrast to the small reduction in offences such as assault which are committed relatively rarely by opiate users.

**Table 6: Prevalence and incidence rates of self-reported criminality, after one year of treatment in the Swiss programme of heroin prescription, compared to the time before admission**

(reference period of 6 months, N=305).

offence type	prevalence rates				incidence rates			
	before	after	p	drop	before	after	p	drop
serious property offences <sup>1</sup>	11.2	0.7	<.001	94%	0.388	0.007	<.001	98%
other property offences <sup>2</sup>	39.9	17.4	<.001	56%	7.238	0.954	<.001	87%
selling “soft” drugs	26.3	12.5	<.001	52%	8.960	2.162	0.001	76%
selling “hard” drugs	46.9	8.2	<.001	83%	25.297	2.030	<.001	92%
assault <sup>3</sup>	1.0	1.0	ns	ns	0.017	0.016	ns	ns

1 burglary, muggings, robbery, pick-pocketing

2 thefts, shoplifting, receiving or selling stolen property

3 with or without weapon

Source: Killias, Aebi & Ribeaud 2005 pp. 193-98 table 1 at p. 195.

38. Victimization is recognised as being closely correlated with delinquency. In this domain the Swiss trial produced a particularly strong diminution in offences connected with the life of drug dependent people namely victimisation in terms of robbery, theft and fraud involved in the purchase of drugs.

39. So spectacular has been the reduction in crime of those receiving prescribed heroin that a noted Swiss criminologist has written: “In all, heroin treatment constitutes without doubt one of the most efficacious crime prevention measures of ever trialed.” (Killias *et al* 2002 p. 80).

### Poverty

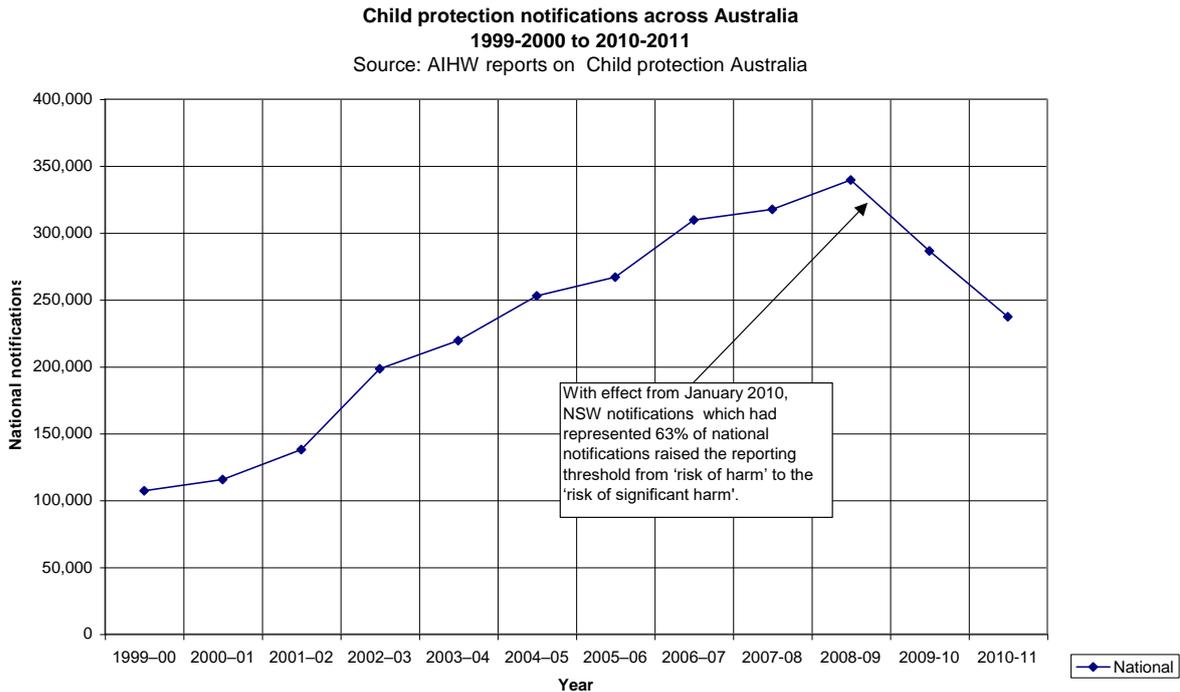
40. Pharmacotherapies have helped dependent users to reintegrate into the community in other domains ways. “Financial debts constitute a serious impediment to social integration; they represent a major obstacle and have a demoralising effect. . . . Debts decreased continuously during the [pharmacotherapy] treatment period. After 18 months of treatment, one third of patients were debt free and a further quarter were only moderately indebted” (UCHTENHAGEN *et al.* (1999)).

### Mental illness

41. The Senate Select Committee on Mental Health reported in 2006 that the combination of substance dependency and other mental health conditions was the expectation rather than the exception (AUSTRALIA, SENATE 2006). It is to be expected then that the stresses the processes of the criminal law, notably arrest and imprisonment, aggravate existing mental health problems and precipitate others where they did not exist. In the Swiss trial of heroin maintenance, the proportion of patients with good mental status increased from 64% on admission to 82% after 18 months & those with poor status halved from 36% to 18% (UCHTENHAGEN *et al.* (1999) 51).

42. Treatments with other pharmacotherapies are known to have similar if less striking benefits. “The research . . . indicates that methadone maintenance treatment may itself contribute to an amelioration of patients’ symptoms of depression and anxiety” (Ward 1998, 82)

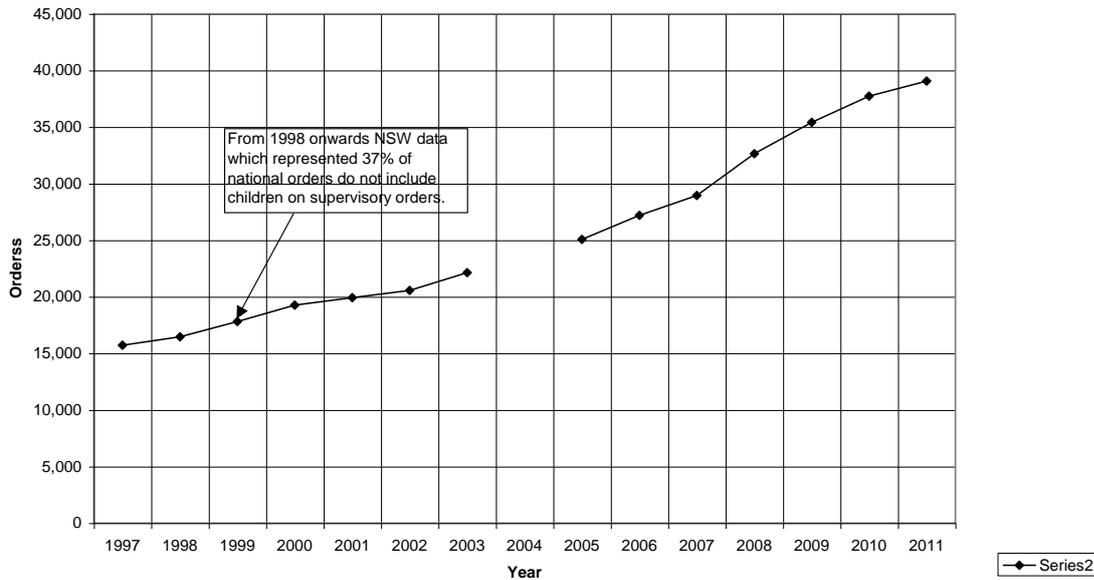
### Child protection



43. The This is reflected in both the rising number of notifications and of orders made. The apparent downward trend in notifications is brought about by the adoption of more stringent criteria in NSW leading to a reduction of both notifications and orders in that state. Because NSW is the most populous state, this change masks a continuing increase in the number of children nationally requiring protection and the removal of children from parents who are considered to be dysfunctional on account of their drug dependence and other mental health problems.

44. “Families in which alcohol or other drug use is present are more likely to come to the attention of child protection services, more likely to be re-reported, more likely to have children removed from their care, and more likely to have them remain in out-of-home care for long periods of time, than are families with the same characteristics but not substance use” (TAPLIN & MATTICK (2011)p. 6) The result is further generations of stolen children this time among the non-indigenous as well as indigenous community.

Care and Protection Orders in Australia  
Source: AIHW reports on Child protection Australia



45. A study carried out by Access Economics Pty Ltd, the Australian Childhood Foundation and Child Abuse Prevention Research Australia at Monash University estimated that in 2007:

“ . . . 177,000 children under the age of 18 were abused or neglected in Australia. This figure could be as high as 666,000 children and young people. Based on these numbers, the best estimate of the actual cost of child abuse incurred by the Australian community in 2007 was \$10.7 billion, and as high as \$30.1 billion. The cost to each Australian adult in 2007 of government spending on health services, special educational assistance, crime, child protection programs because of child abuse and neglect was close to \$150 and as high as \$420” (TAYLOR *et. al* (2008) p.

The study went on to estimate the cost over the lifetime of each child abused or neglected for the first time in 2007, the year studied:

“In 2007, it is estimated that there were 130,237 children who were abused or neglected for the first time in Australia. This figure could be as high as 490,000 children. Based on these numbers, the projected cost of child abuse and neglect that will be incurred by the Australian community over the lifetime of children who were first abused or neglected in 2007 was \$13.7 billion, but could be as high as \$38.7 billion” (*ibid.*).

46. “Research has also found that substance use by a parent does not necessarily mean that they are abusing or neglecting their children” (TAPLIN & MATTICK (2011) p. 7). In spite of this, existing drug policy sets drug dependent parents up for failure. It imposes drug freeness as their overriding priority and by virtue of treating them as criminals and stigmatising them as outcasts saps their capacity to fulfil their responsibilities as parents. Moreover the parents concerned are largely from a highly disadvantaged background – “we know that having been abused as a child increases the risk of substance-use problems, mental health problems and other adverse outcomes as an adult, particularly among women” (TAPLIN & MATTICK (2011) p. 75). Existing drug policy thus serves to replicate the same marginalised population down generations. Factors listed in an ANCD report on *Drug use in the family* that are strongly associated with poor outcomes for children of addicted parents are

overwhelmingly the impact of law enforcement measures directed at the elimination of drug use e.g:

- Social & material deprivation flowing from poverty itself directly associated with costs and stresses of supply reduction
- Emotional distress of mothers juggling substance use and parenthood.
- Deterrence of women from engaging in treatment out of concern that children will be removed (Dawe *et al.* 2006).

47. Experience tells us that drug-dependent parents who are stabilised on methadone and other pharmacotherapies are capable of being good parents. In the interests of child protection, government policy should be focussed on strengthening rather than undermining the capacity of parents.

### **Drug related harms**

48. Effective treatments are known or likely to improve the physical and mental health and social wellbeing of dependent drug users and minimise related community harms.

49. Given effective treatments, improvements can be expected in domains as diverse as general health including blood borne diseases and mental illness, crime, corruption, poverty, child protection, public housing, dependence on social welfare, special needs education and even in the design of our towns.

50. In Switzerland, treatment in the form of heroin prescription is estimated to have produced a net saving to the community of 45 Swiss Francs per user per day.

"The average cost in the ambulatory treatment centres is estimated at 51 francs per patient per day. The general economic benefit flowing from saving realised in criminal prosecutions and prison sentences and from the improvement in the level of health is estimated at 96 francs. After deduction of the costs, an average benefit of 45 francs per patient per day is obtained" (Swiss Federal Office of Public Health, April 1999 & Gutzwiller & Steffen 127-28).

51. Strategies that weaken the demand for illicit drugs are likely to reduce the scope for corruption.

Numerous inquiries, including Royal Commissions have found an intimate link between the drug trade and corruption. For example, the 1997 Wood Royal Commission into the NSW Police Service wrote that:

"The corrupting influence of the trade in narcotics has been emphasised at almost every stage of the Royal Commission inquiries . . ." (§1.41)

and

"There was an overwhelming body of evidence suggesting the existence of close relationships between police and those involved in the supply of drugs. This encompassed a variety of activities ranging from police turning a blind eye to the criminality of the favoured in return for regular payments, to active assistance when they happened to be caught, to tip-offs of pending police activity, and to affirmative police action aimed at driving out competitors" (§4.135).

### **Prevention of uptake of drugs**

52. The application of media campaigns to curb illicit drug use is "limited and unfortunately not well evaluated" (ANCD).
53. "School-based prevention programs that entail education about illicit drugs use alone (including harms from drug use and fear campaigns) tend to be unsuccessful. Far more promising are programs that teach resilience to young people . . ." (ANCD).

While the most successful interventions may reduce uptake and drug use, a minority of people with a range of personal and social risk factors is likely to use and become addicted.

### **THE PRODUCTIVITY COMMISSION**

The commission conducts public inquiries and research into a broad range of economic and social issues including: competition policy, productivity, the environment, economic infrastructure, labour markets, trade and assistance, structural adjustment and microeconomic reform.

54. The following are examples of inquiries that the Productivity Commission has conducted into social issues:

Disability Care and Support - Productivity Commission Inquiry Report, 08/2011

Caring for Older Australians - Productivity Commission Inquiry Report, 08/20

Labour Force Participation of Women Over 45 - Productivity Commission Staff Working Paper, 01/2011

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55. Under its statute, the Productivity Commission Act 1998 (Act No. 14 of 1998 as amended), a reference from the Treasurer is required for it to conduct inquiries (ss. 6(1) & 11).

“If the Minister refers a matter to the Commission for inquiry, the Commission may also make recommendations in the report on any matters relevant to the matter referred” (s. 11(4)).

20 August 2012

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