

699. The Board notes the vigorous actions taken by the law enforcement authorities of the United Kingdom to prevent illicit trafficking in narcotic drugs and psychotropic substances. The Serious Organised Crime Agency, which became operational in 2006, endeavours to apply an intelligence-led, holistic approach to tackling all forms of organized crime, including drug trafficking. The Board invites the Government of the United Kingdom to share experiences from the work of the Agency with other Governments, the Board and relevant international organizations.

700. The United Kingdom participates in the efforts of the international community to stop the flow of precursors, in particular acetic anhydride, to Afghanistan. The Board invites the Government to share pertinent information with the Board and to support the relevant international initiatives, such as the activities under Project Cohesion.

E. Oceania

Major developments

701. The clandestine manufacture of ATS, including methamphetamine, continues in Oceania. The island States in Oceania, because of their geographical remoteness, porous maritime borders and relatively weak control measures, are extremely vulnerable to exploitation by drug traffickers. In addition, as transportation links to Asia, North America and South America expand, the countries in Oceania are increasingly being used as trans-shipment areas for the smuggling of ATS and other illicit drugs of abuse. Recent seizures of pseudoephedrine and ephedrine, precursor chemicals frequently used in the illicit manufacture of ATS, suggest that criminals may be turning to smuggling pharmaceutical preparations containing precursor chemicals for use in the clandestine manufacture of ATS in the region, particularly in Australia and New Zealand. The postal systems of countries in the region are increasingly being used to smuggle psychotropic substances in particular and, to a lesser extent, precursor chemicals. Trafficking in substances not under international control, such as GBL and ketamine, continues to be a problem in the region.

702. The prevalence of abuse of cannabis and ATS in Oceania continues to rate among the highest in the world, and cannabis continues to be the most abused drug in the region. Abuse of cannabis is particularly prevalent in Australia, Micronesia (Federated States of), New Zealand and Papua New Guinea. A high rate of abuse of ATS was reported in countries of the region, including Australia and New Zealand.

Regional cooperation

703. Australia and New Zealand continue to provide other countries in Oceania with technical assistance to enhance border security. The two countries support the Pacific Regional Policing Initiative, which aims to improve the effectiveness of policing in small island States in Oceania so that they can contribute more to regional security. Australian law enforcement authorities provided training on the detection, dismantling and disruption of syndicates engaged in organized transnational crime to police, customs and immigration officers from Kiribati, Papua New Guinea, Samoa, Tonga and Vanuatu in Apia, Samoa, in June 2007. New Zealand, as part of the steering committee, has continued to assist in the development and promotion of the Customs Asia Pacific Enforcement Reporting System, a regional customs reporting system and database. Australia launched the South Pacific Precursor Control Forum, a regional initiative aimed at strengthening cooperation in responding to issues related to the diversion of precursors and the manufacture of ATS. The Forum, which comprises 13 members (countries and regional organizations), held a meeting in Sydney, Australia, in February 2007 to discuss a strategic plan for the region.

704. In October 2006, law enforcement authorities of New Zealand worked with Australian authorities to uncover a regional smuggling syndicate, purportedly involved in smuggling cocaine from South America through New Zealand into Australia. The teamwork began in June 2006, when more than 18 kg of cocaine were found hidden in a sea cargo shipment destined for Australia. In September 2006, authorities in New Zealand found another 8 kg of cocaine hidden in a sea cargo shipment bound for Australia. Those seizures resulted in the identification and arrest of members of the syndicate in Australia.

National legislation, policy and action

705. Australia has further strengthened its legislation to combat the illicit manufacture of controlled substances. In June 2006, the Drug Misuse and Trafficking Amendment (Hydroponic Cultivation) Act 2006 of New South Wales, Australia, made it an offence to expose children under the age of 16 to the manufacture of illicit drugs or to substances being stored for use in such manufacture. In November 2006, the Parliament of New South Wales criminalized the possession of tableting machines for the manufacture of MDMA under the Crimes and Courts Legislation Amendment Act 2006. Similar legislation was approved by the Parliament of Queensland in April 2006 and the Parliament of Victoria in August 2006. The Board encourages the other states of Australia to review existing legislation and strengthen it, as necessary.

706. In September 2006, the Drug Misuse and Trafficking Regulation 2006 of New South Wales amended the existing legislation to allow persons who abuse drugs by injection to be supplied with sterile hypodermic syringes and associated equipment in order to prevent the spread of contagious diseases and minimize health risks associated with drug abuse by injection. The revised regulation also provides for the dissemination of information concerning hygienic practices in the use of hypodermic syringes to prevent the spread of contagious diseases. The Board calls on Australia to ensure that such activities are carried out in compliance with the provisions of the international drug control conventions.

707. The Drug Misuse and Trafficking Regulation 2006 of New South Wales gave greater powers to police to monitor the diversion of precursor chemicals and take action against individuals and companies that are not complying with relevant regulations.

708. In December 2006, the Parliament of New South Wales amended existing legislation on the prescription of internationally controlled substances. The Poisons and Therapeutic Goods Amendment Regulation 2006 enables the Director-General of the Department of Health to allow for electronic prescriptions; enables pharmacists to supply restricted medications, including internationally controlled substances, to nursing homes for use in emergencies; and provides that doctors do not require authorization to prescribe buprenorphine if it is in the form of transdermal patches.

709. Following the introduction of more restrictive national controls on pseudoephedrine in January 2006, Australia enacted further legislation to control the sale of that substance. Since April 2006, all medications containing pseudoephedrine, such as liquid formulations containing more than 800 milligrams of pseudoephedrine, and all combination and single ingredient products, such as capsules and tablets containing more than 720 mg of pseudoephedrine, have been rescheduled and can be sold only with a doctor's prescription.

710. In Australia, the State of Queensland introduced in 2006 Project Stop, an online intelligence and sales monitoring system. The system enables real-time monitoring of sales of pseudoephedrine-based medications at retail pharmacy outlets. It helps pharmacists to determine, on the basis of recent purchases, whether a customer has a legitimate medical need for the medication being sought, in addition to providing police with intelligence on illicit activities. The database, which is currently being used successfully in Queensland, will be implemented at the national level in 2007. The Board appreciates the initiative taken in Queensland and encourages other states in Australia to implement the system.

711. In 2006, the Australian Customs Service opened an improved postal screening facility in Melbourne. The facility screens all international mail for illicit goods, including drugs, using a combination of X-ray machines, detector dogs and physical examination.

712. Other countries in the region have introduced additional control measures. In August 2006, the Senate of Palau passed a law requiring all elected officials to undergo testing for the abuse of illicit drugs.

Cultivation, production, manufacture, trafficking and abuse

Narcotic drugs

713. Cannabis is illicitly cultivated throughout Oceania. Although some cannabis from the highlands in Papua New Guinea has been smuggled into Australia and cannabis seeds have been purchased online from the Netherlands through the postal system, most of the cannabis found in Australia continues to be from illicit cultivation sites in the country. The illicit cultivation of

cannabis also continues to be widespread in New Zealand.

714. In Fiji, law enforcement authorities have been engaging local communities in the fight against drugs. In 2006, several areas of Fiji joined an ongoing effort to eradicate the illicit cultivation of cannabis plants. In two earlier operations in 2003, law enforcement authorities had worked with local communities to destroy 6,280 cannabis plants.

715. In the period 2005-2006, Australian customs authorities seized more than 47 kg of cannabis, most of which had originated in Papua New Guinea and, to a lesser extent, in Canada and the United States. That represents a considerable increase compared with the total of less than 5 kg seized in the period 2004-2005. Most seizures of cannabis in Australia involved small quantities of the drug.

716. South-East Asia remains the main source of the heroin that is smuggled into Australia, and demand for heroin remained stable in 2006, at a level significantly lower than the levels reported prior to 2001. The most common method of smuggling heroin into Australia is using air couriers from Cambodia and Viet Nam. However, in April and May 2006, almost 8 kg of heroin from India were intercepted in the postal system in 164 envelopes, each containing a small quantity of the drug. In 2006, four clandestine laboratories used for the illicit manufacture of heroin were dismantled in Australia, and eight clandestine laboratories used to extract morphine from opium poppy seeds were dismantled in New Zealand.

717. In March 2007, Australian law enforcement authorities in Sydney seized 141 kg of cocaine that had been concealed in an airfreight shipment originating in the Hong Kong SAR of China; that was the fifth largest seizure of cocaine ever made in Australia. In December 2006, authorities in New Zealand seized at Auckland International Airport approximately 4 kg of cocaine from South America; the cocaine was purportedly being shipped to Australia via the Cook Islands.

718. Cannabis remains the most abused drug in countries in Oceania, in particular in Australia and New Zealand, and the level of cannabis abuse is particularly high in Micronesia (Federated States of) and Papua New Guinea, each of which has a rate of abuse of over 29 per cent. In Australia, however, the annual prevalence rate for cannabis abuse decreased by

37 per cent between 1998 and 2004; currently, 11 per cent of the population aged 14 years and older abuse cannabis. No significant increase in cannabis abuse has been observed in Australia in recent years.

Psychotropic substances

719. In Australia, the supply of ATS is dominated by clandestine manufacture within the country, most of which appears to be based in Queensland. Australian authorities have linked motorcycle gangs to the illicit manufacture of ATS in several states, including New South Wales and Queensland. During the period 2005-2006, 280 clandestine laboratories used for the illicit manufacture of ATS were dismantled in Australia. In New Zealand, 211 clandestine laboratories purportedly used in the illicit manufacture of methamphetamine were dismantled in 2006. The number of laboratories dismantled in New Zealand has increased for three consecutive years, 2006 being the year with the highest number ever. Most of the ATS tablets (excluding MDMA) that were smuggled into Australia and seized in the period 2005-2006 originated in the Netherlands and India. Methamphetamine imports originated mainly, in descending order, in Canada, the Hong Kong SAR of China, mainland China, the Netherlands, the United States, Japan, South Africa, Malaysia and Thailand. In 2006, 111 kg of methamphetamine were seized in New Zealand, 10 times more than the amount seized in 2005; most of the seized methamphetamine originated in China.

720. In the period 2005-2006, seven laboratories involved in the illicit manufacture of MDMA were dismantled in Australia. The main methods used for smuggling MDMA into Australia continue to be misuse of the postal system and concealment in sea cargo shipments. The countries of origin of the seized MDMA included Belgium, Canada, France and the United Kingdom. In April 2007, law enforcement authorities in Sydney, Australia, seized 113 kg of MDMA concealed in a shipment of solar hot water systems originating in Israel. In 2006, 350 kg of MDMA were found in a shipping container of ink originating in Canada.

721. More than 440 seizures of benzodiazepine-based sedatives and tranquillizers, most of which was detected in the postal system, were reported in Australia in the period 2005-2006. The countries of

origin included Argentina, India, Pakistan, the Philippines and Thailand.

722. In 2007, the National Drug Law Enforcement Research Fund released the results of a study⁹⁶ that it had conducted on the illicit drug markets in Australia, focusing on illicit markets for benzodiazepine and pharmaceutical preparations containing opioids, their abuse and their impact on crime. The study targeted three jurisdictions (Melbourne, Hobart and Darwin) in which there was evidence of illicit markets for prescription drugs. The study found that Melbourne appears to have illicit markets for benzodiazepines, buprenorphine and morphine. The emergence of those illicit markets may be partly attributable to the reduction in the supply of heroin, the main illicit drug of abuse in that city. The findings suggested that, in Hobart and Darwin, there were illicit drug markets, primarily for methadone and morphine. The study also found that the illicit markets for benzodiazepine and pharmaceutical opioids appeared to be supplied mainly by small-scale diversion from a number of sources, including legitimate prescriptions and forged prescriptions, rather than being supplied through theft from pharmacies or by diversion from wholesale and manufacturing locations, or by other sources such as Internet pharmacies and smuggling. The Board notes with concern the abuse of prescription pharmaceutical drugs in Australia and urges the Government to take the necessary steps to address the problem.

723. The level of abuse of ATS in Australia and New Zealand is among the highest in the world. ATS continued to be the second most abused drug in Australia. New Zealand has reported a recent increase in the abuse of methamphetamine and MDMA. There is also evidence of the abuse of drugs, including ATS, in Fiji and Samoa.

Precursors

724. In the period 2005-2006, 22 laboratories used for the illicit manufacture of precursor chemicals were dismantled in Australia, mostly in the state of South Australia.

725. Countries in Oceania continue to report significant seizures of pseudoephedrine and ephedrine, which are precursor chemicals frequently used in the illicit manufacture of ATS. In June 2006, Australia reported the seizure of over 2 million tablets containing a total of 120 kg of pseudoephedrine, in a sea cargo container originating in Indonesia. In 2006, seizures of ephedrine and pseudoephedrine continued to be reported in Australia. Many of the smuggling cases involved the use of the postal system. In May 2006, 150 kg of pseudoephedrine were seized in New Zealand from shipping containers originating in China. In addition, several pharmaceutical preparations available without prescription and containing pseudoephedrine were seized in New Zealand in clandestine laboratories purportedly used for the illicit manufacture of methamphetamine. In April 2006, 7 kg of ephedrine were found in Australia in an air cargo shipment originating in South Africa.

726. In April 2007, Australian law enforcement authorities seized in Melbourne 125 kg of phenylacetic acid, a precursor chemical frequently used in the illicit manufacture of amphetamine. That was among the largest seizures of the substance to date in Australia.

Substances not under international control

727. In 2006, Australian customs authorities seized 40 shipments of GBL, a precursor of GHB. The majority of the shipments were detected in the postal system, while a few were concealed in air cargo. For example, two consignments of GBL, each containing 20 litres of the substance, were intercepted in Sydney in March 2006 after they had been hidden in air cargo from China; the countries of origin of the seized GBL included China, Japan, Singapore, South Africa, Thailand, the United Kingdom and the United States. In addition, eight seizures of ketamine were reported for the period 2005-2006, compared with three seizures in the period 2004-2005; all eight of the consignments of ketamine had been sent using the postal system. Countries in the region, including Australia and New Zealand, continued to report seizures of small quantities of khat in 2006.

⁹⁶ Craig Fry and others, *Benzodiazepine and Pharmaceutical Opioid Misuse and Their Relationship to Crime: an Examination of Illicit Prescription Drug Markets in Melbourne, Hobart and Darwin* (Hobart, Tasmania, National Drug Law Enforcement Research Fund, 2007).