



Drug Policy Innovation: Local Barriers and International Developments

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Aspects of the Australian drug policy environment which impede better drug policy

FEDERALISM

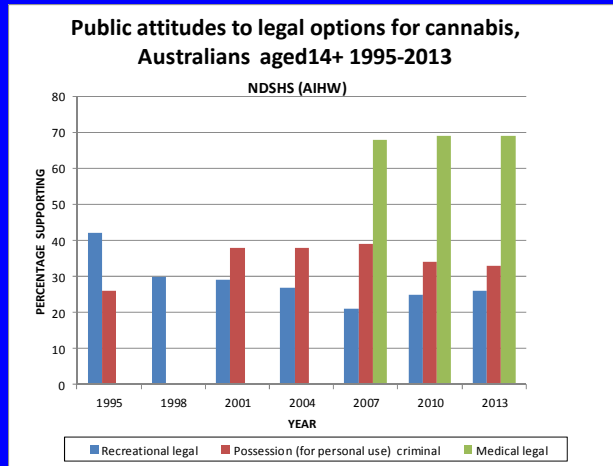
- Drug laws in Australia are controlled by both Federal and State/Territory laws that are complex and difficult to navigate
- In Australia laws regarding production/cultivation, supply, possession, use of currently illegal drugs are effectively State and Territory laws
- Federal laws tend to address importation and national border control and regulation of legal drugs

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PUBLIC SUPPORT AND POLITICAL CAPITAL

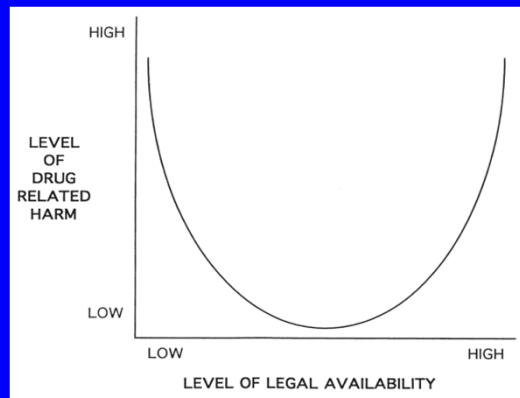


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Aspects of the Australian drug policy environment which impede better drug policy

- Lack of clarity about an apparent contradiction:
How can the same people arguing for 'harder' controls on alcohol and tobacco, and 'softer' controls on cannabis?



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We rest on the "THREE PILLARS APPROACH" - a balance between:

SUPPLY REDUCTION
DEMAND REDUCTION
HARM REDUCTION

with law enforcement and health 'working together'...

But has the THREE PILLARS APPROACH become a comfortable mantra/slogan that stifles innovation in drug policy?

Even modest, finite, contained, drug policy pilots (like drug checking at a music festival) are seemingly impossible

Why?

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Aspects of the Australian drug policy environment which impede better drug policy

Law Enforcement and Health can't work together toward better drug policy without political leadership

- They have **different goals**: Enforcing the law vs improving health
- They have **different views** of **community expectations** of them
- We can't expect the police to do other than enforce the (criminal) law without:
 - **Political leadership and bipartisan approach**
 - **A public discussion** which explores pros and cons of alternatives
 - Educating the media and **willingness to weather the media storm**
- Some are hopeful that new Ministerial Drug and Alcohol Forum will play a critical role

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MACRO DRUG POLICY CHANGE?

Principles of macro drug policy change

- Every model will have its unintended consequences
- We know what those things are for strict criminal penalties
- But we know less about new models
- The detail of how models are implemented is crucial to their effects both intended and unintended

Regulation examples: Plans vs Practice:

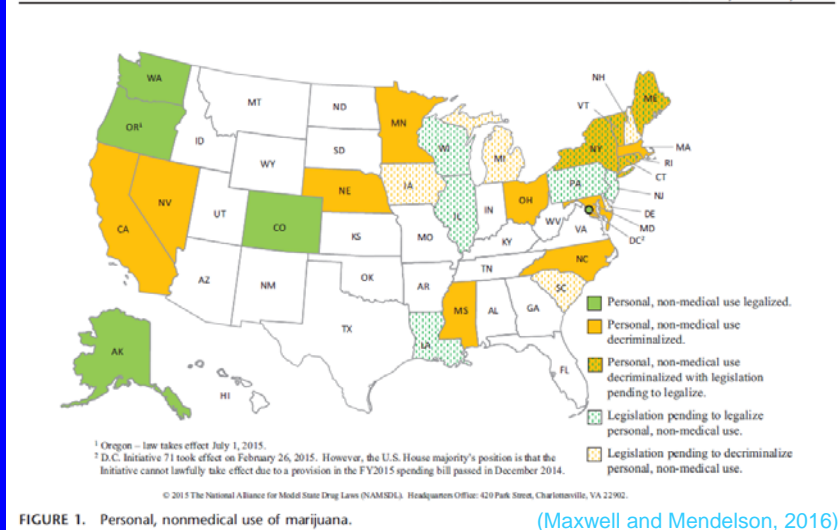
- Colorado (cannabis)
- Washington (cannabis)
- Uruguay (includes the social clubs model)
- NZ NPS model (nps)

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Recreational cannabis laws

Maxwell and Mendelson | J Addict Med • Volume 10, Number 1, January/February 2016



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Medicinal cannabis laws

Addict Med • Volume 10, Number 1, January/February 2016 Impact of Laws Related to Marijuana?

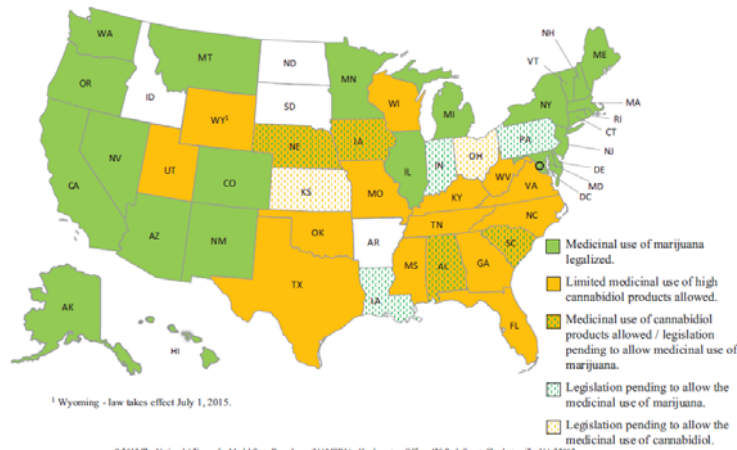





FIGURE 2. Use of marijuana for medicinal purposes. (Maxwell and Mendelson, 2016)

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	Colorado 	Washington 	Uruguay 
Regulatory body	Colorado Department of Revenue (CDR)	Washington State Liquor Control Board (LCB)	Instituto de Regulación y Control de Cannabis (IRCCA)
Commencement date	January 2014	Laws passed 2012 Shops opened June 2014	2012 law changes and clubs (Still no pharmacy sales)
Minimum age	21	21	18
Maximum purchase amount	28.5 grams (Col. resident) 7 grams (non-resident)	28.5 grams	40 grams (only legal sale to be through pharmacies) Specified strains and %THC
Personal cultivation (max)	6 plants, only 3 in flower. Must be locked indoors	None allowed	6 plants (or 480g) at home
Penalties for unauthorized possession	Civil offence up to \$100	Civil offence up to \$1000 or 90 days jail	None
Registration of buyers	None	None	Must be registered Limited to 40grams/month
Public consumption	No "open and public" consumption. \$100 fine & 24 hrs comm. service	Unlawful to smoke in public view \$50 fine	Sanctions related to smoking tobacco in public apply.
Retail Location restrictions	Cannot share premises with a medical marijuana centre that allows patients under age 21 on premises	Not within 1000 feet places where children might congregate ('public transit centre' to 'game arcade')	Sale limited to pharmacies


Sources: The National Alliance for Model State Drug Laws, 2015; Drug Abuse Control Commission, Organization of American States, 2014; Subritzky, Pettigrew & Lenton, 2016)

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	Colorado 	Washington 	Uruguay 
Allows Marijuana Infused Products	Yes-regulations 10mg THC per serving, 100mg per packet	Yes – regulations 10mg THC per serving, 100mg per packet Products appealing to kids prohibited	Not specified
Advertising restrictions	Prohibition on mass-market campaigns that 'have a high likelihood of reaching minors'.	Not within 1000 feet places where children might congregate. No media advertising limits.	All advertising and promotion of cannabis products in any medium to be prohibited.
Product testing	Product contaminant testing at cultivation/manufacturing. Random risk based testing of retail samples. Potency testing.	Producers and processors must submit representative samples for certification testing	Yes, for retail cannabis from pharmacies
Cannabis clubs	Not permitted	Not permitted	15-45 members having up to 99 plants
Potency restrictions	None	None	Cannabis Registry to control production and acquisition
On premise consumption	Banned	Banned	Allowed at cannabis clubs
Tax	15% excise tax from cultivation to processing or retail. 10% excise tax on sale + 2.9% sales tax	25% excise tax at each stage of sales (producer to processor to retailer to customer)	Establishes VAT taxability of psychoactive cannabis.


Sources: The National Alliance for Model State Drug Laws, 2015; Drug Abuse Control Commission, Organization of American States, 2014; Subritzky, Pettigrew & Lenton, 2016)

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New schemes of cannabis Legalization: Colorado: experience so far

(Subritzky, Pettigrew & Lenton, 2016) 

- Too early to determine the impact of the scheme
- Major challenge: lack of overarching regulatory structure due to Federal Prohibition
- Changes:
 - Initially 70% of retailers sales had to be self grown, now separate wholesale and retail licenses
 - No standards for product testing for potency and pesticide contaminants (as no federal oversight),
Feb 19 2016 new bill tabled to certify rules for pesticide-free cannabis

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New schemes of cannabis Legalization: Colorado: experience so far



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Commercialization - Big Cannabis

- Rapidly growing cannabis industry which seeks exploit loopholes to maximise profit
- Industry protesting about 'over-regulation'
- Industry representatives exerting influence in drafting of regulation
- Advertising Restrictions challenged by viral marketing, websites, social media, 'reviews'




(Gizmodo, 21 Feb 2014)

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New schemes of cannabis Legalization: Colorado: experience so far

(Subritzky, Pettigrew & Lenton, 2016)




Big Revenue

- US\$700 million spent in the licensed medicinal and recreational markets in Colorado in 2014
- Official statistics showed it brought in some \$70 million in state taxes & licensing fees in 2014
- Hypothecation of these taxes:
 - US\$ 40 million to public school construction
 - US\$ 12 million to drug prevention and treatment programs
 - US\$ 6 million to general revenue

2015 Recreational total \$587,834,219	2015 Medical total \$408,350,569
2015: \$996,184,788	
2014 Recreational total \$313,226,353	2014 Medical total \$385,972,452
2014: \$699,198,805	

Source: Colorado Dept. of Revenue; graphic by Kevin Hamm, The Denver Post

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New schemes of cannabis Legalization: Colorado: experience so far

(Subritzky, Pettigrew & Lenton, 2016)



- Colorado Cannabis Chamber of Commerce claims 18,000 newly legalised jobs have been created
- Venture capital firm with 'Bob Marley' branding rights among its assets raised a record \$75 million in a single funding round
- Incredibles (2015) producing 40,000 marijuana infused candy bars each month (CNBC, 2015, February 26).
- O.penVAPE (2015) reported to be distributing 270,000 cannabis extract cartridges in one month and growing "exponentially".
- A cash-only business as banks which are Federally licensed are unable to take on clients in the cannabis industry due to fear of federal money laundering charges







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New schemes of cannabis Legalization: Some early evidence



- If we are going to learn from these examples we need to wait for at least 5yrs for the evidence to accrue.
- However, preliminary data reported by Maxwell and Mendelson (2016) suggests in Colorado with regards to **cannabis use...**
- **Past yr cannabis use** by 12yrs+ increased from 15% in 2002-3 to 19% in 2012-3 ($p < .005$) (NDSUH)
 - But the increase was **not among 12-17yr olds**
 - The **increase began before** the legal marijuana scheme was put in place
- How has **potency** been affected? **We don't know**
- How has the **ratio of CBD to THC** been affected? **We don't know**

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New schemes of cannabis Legalization: Some early evidence



- Preliminary data reported by Maxwell and Mendelson (2016) suggests in **Colorado** with regards to indicators of cannabis-related harm:
 - Arrests for **possession of cannabis** dropped 75% from 2836 in 2006 to 703 in 2014
 - Denver metro area **marijuana-related emergency department (ED) visits** increased 68% from 153 per 100,000 in 2011 to 256 per 100,000 in 2013
 - **DUI THC increase est. 370%**: 675 drivers tested +ve in 2009, 1590 +ve in Jan-Jun 2013
 - Cannabis-related **driving fatalities** increased 45% from 36 in 2008 to 52 in 2013
 - Marijuana-related calls to **poison centre** increased 420% from 45 in 2006 to 238 in 2014
- Are these observed changes due to:
 - the introduction of the Legal Marijuana scheme?
 - more intensive measurement, police focus etc.? (DUI THC tests)
 - increased willingness for people to come forward to services? (ED & Poisons)

IT IS TOO SOON TO TELL – WATCH THIS SPACE

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MACRO DRUG POLICY CHANGE

Issues & Questions to consider

- Not enough to talk in generalities – The implementation detail is CRITICAL
- What will be the impacts on rates of use and harm? What will be the benefits?
- What impacts will there be on the most vulnerable?
- Will 'legal' products be substitutes or complementary to illicit substances?
- What sort of regulated model?
 - Commercialized - How controlled? Regulatory costs?
 - Govt. supply/ contracted out - Liability? Bureaucracy?
- Safety of legal products?
 - How determined? Binge use? How distinguish legal from illegal products?
 - How funded? Timely? Feasible?
 - Regulatory oversight? By whom? How funded? Pharmacological vigilance?
- Impact on the illicit market?
- Complex with 1 substance (cannabis), exponentially complex with more
- Young people excluded? Other strains, forms? etc. Impact of internet?
- Public support? Political feasibility? Press?
- There will be unintended consequences. How will they be reduced & managed?

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IN CLOSING

MACRO drug policy innovation

- OS examples provide **early indications** of implementation challenges & opportunities
- But, to learn from these examples, we must **wait for the evidence to accrue**
- We can learn from overseas experience but **shouldn't helicopter-in policies/models**
- Anything we do needs to be **evaluated and tweaked to maximise benefits**

MICRO drug policy innovation

- In the meantime we should **address the barriers to sensible, targeted policy experiments** (drug checking/testing at events; SIFs, etc.) within the current macro framework
- That means **political leadership** to give direction to allow new opportunities for law enforcement and health to work together toward shared goals to support and encourage drug policy experiments
- Need much **more comprehensive health and law enforcement data** to inform robust policy decision making
- The **media framing** of drug issues often challenges rational consideration of the issues at a political level

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