Complementary Healthcare Council of Australia

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Information Sheet

Diversion of Precursor Chemicals/Equipment into Illicit Drug Manufacture

Precursor substances, other ingredients and equipment used for illicit drug manufacture are an issue within Australia for both the pharmaceutical and complementary healthcare industry. The Complementary Healthcare Council (CHC) has provided industry with information sheet on the policies, legislation and industry self-regulatory mechanisms in place on the diversions to illicit drug manufacture and what is required of companies to ensure compliance.

Industry cooperation, particularly from raw material suppliers and product manufacturers, is critical to successfully prevent chemicals and equipment being used in the illicit drug trade.

National Drug Strategy

The National Drug Strategy (NDS) is a cooperative scheme between Australian, State and Territory Governments and the non-government sector (http://www.nationaldrugstrategy.gov.au). The objective is to improve health, as well as social and economic outcomes for Australians by preventing the uptake of harmful drug use and reducing the harmful effects of licit and illicit drugs in society.

Forming a significant part of the framework is the *National Strategy to Prevent the Diversion of Precursor Chemicals into Illicit Drug Manufacture* (the National Precursor Strategy). The National Precursor Strategy contributes to the NDS by stopping legitimately available chemicals/substances being used to make illicit drugs in illegal underground laboratories and focuses on:

- Enhancing intelligence and information sharing amongst law enforcement and regulatory agencies;
- Enhancing law enforcement, forensic and judicial responses through training;
- National regulatory approaches to control access to chemicals and equipment;
- Raising awareness of the problem of precursor diversion.

The strategy is implemented by a national working group consisting of experts from law enforcement, health and industry. The group has been working on a number of issues since 2002; of particular interest to the complementary healthcare industry:

- Developing a national regulatory model to prevent the diversion of precursor chemicals/substances and equipment; and
- Providing a consistent approach to the regulation of chemicals/substances and equipment.

Industry Best Practice Standards

CHC Initiatives: The CHC advocates industry support for the prevention of diversion to illicit drug manufacture.

The CHC encourages the complementary medicine industry, who supply chemicals/substances or apparatus that may be used in illicit drug manufacturing, to adhere to the law and guidelines set by the science and chemical industries, and by voluntary co-operation with initiatives of police and health agencies – one of these being the Code of Practice for Supply Diversion into Illicit Drug Manufacture (set by Plastics and Chemicals Industries Association (PACIA)).

The CHC recognises that not all substances used by the complementary healthcare industry are currently included in the PACIA Code of Pratice or legislation but may potentially be used for illicit drugs. For example, the CHC advised members in June 2007 that dimethyl sulphone (MSM) had been found by authorities to dilute methamphetamine in the illegal drug trade. The CHC is encouraging raw material suppliers, through the CHC *Code of Practice for Ensuring Raw Material Quality & Safety,* that the principles of the PACIA Code be applied where appropriate.

The CHC also points out that the diversion of ingredients and equipment is not a matter for ingredient suppliers alone but also for manufacturers. The CHC strongly encourages all manufacturers to ensure that appropriate material record keeping and security procedures are in place to reduce the opportunity for diversion from manufacturing sites. Potential precursor ingredients are being diverted from legitimate sources such as veterinary clinics, hospitals and warehouses by illicit means such as break, enter and steal (a case in 2005 saw approximately $3 million worth of pseudoephedrine, used to make the illegal drug speed, stolen during an armed hold-up of a Sydney pharmaceutical factory) and through fraudulent diversion by medical and veterinary professionals, warehouse and laboratory staff, couriers and cleaners.

The complementary healthcare industry **needs to constantly remain alert and guarded** as those in the illegal drug trade will look for alternative ingredients as current sources are discovered by the authorities and made more difficult to obtain.

PACIA Code of Practice

For industry to contribute to the implementation of the National Precursor Strategy, the PACIA and Science Industry Australia (SIA) developed an industry *Code of Practice for the Supply Diversion into Illicit Drug Manufacture,* which was revised in July 2008 (http://www.pacia.org.au/_uploaditems/docs/2.cop_illicitdrugs_july2008.pdf).

The purpose of the Code is to establish a standard system of practice for Australian scientific/raw material suppliers, manufacturers, importers and distributors to protect against the diversion of chemicals/substances and scientific equipment into the illicit drug production.

The Code contains a list of chemicals and ancillary materials that are known to be used in illicit drug manufacture and are divided into three different categories:

1) Category 1 – Chemicals/substances that require an End User Declaration (EUD) with each purchase and can only be sold to 'account customers'. Records are required to be kept for a period of not less than 2 years;
2) Category 2 – Chemicals/substances and apparatus that require an EUD for non-account customers;
3) Category 3 – Purchasing chemicals/substances and apparatus on this list requires companies to report any suspicious orders or enquiries only. No record keeping is required.

If parties wish to extend or change the list of chemicals and/or apparatus in the categories list, this can be done by writing to either PACIA or SIA (contact details listed in the Code). The Code is reviewed annually to ensure the lists are as up to date as possible.

Legislation

Several states have proceeded to include aspects of the PACIA/SIA Code into their regulations:

- The NSW *Drug Misuse and Trafficking Regulation 2006* was updated in March 2007 (http://www.austlii.edu.au/au/legis/nsw/consol_reg/dmatr2006347).
- Western Australia updated their regulations *Misuse of Drugs Regulations 1982* in April 2007 (http://www.slp.wa.gov.au/statutes/regs.nsf/3b7e5f26432801b348256ec3002c128c/4f294e1ccf102f50482566ba000cfe9a/$FILE/Misuse%20of%20Drugs%20Regulations%201982.PDF).

- The Victorian *Drugs, Poisons and Controlled Substances (Precursor Chemicals) Regulations 2007* (http://www.legislation.vic.gov.au/Domino/Web_Notes/LDMS/PubStatbook.nsf/93eb987ebadd283dca256e92000e4069/A84FCEFDC9736A27CA257322001B0090/$FILE/07-084sr.pdf) was also updated in 2007 however, they are dissimilar to the other jurisdictions in that they do not prescribe any industry controls. The CHC understands that the Department of Justice has given an indication that they will be looking to include PACIA/SIA Code controls in the future.
- Currently, review of the Queensland regulations is under progress with the *Drugs Misuse Amendment Bill* being introduced in November 2007.

Examples of substances/equipment of interest to members that are listed in some of the regulations are:

- Safrole, Sassafras oil, Calcium, Iodine (including iodine salts), Magnesium, Potassium, Sodium, Distillation head, Heating mantle (capacity 500mL or greater) and Pill/tablet press (manual and mechanical).

TGA Guidelines for Regulation of chemicals/substances for illicit drug manufacture

In keeping with Australia's commitment to regulate the use and movement of chemicals/substances used in illicit drug manufacture, the Therapeutic Goods Administration (TGA) has information available regarding substances controlled under the Customs import/export legislation (http://www.tga.gov.au/docs/html/bringmed/customs.htm).

The TGA are responsible for the issuing of licences to companies involved with manufacture, import and export of substances covered under the *Narcotics Drugs Act 1967, the Customs (Prohibited Imports) Regulations* and *Customs (Prohibited Exports) Regulations 1958.*

The TGA have developed a 'kit' for those who wish to export precursor chemicals - '*Exportation of chemicals commonly used in the illicit drug manufacture of narcotic drugs and psychotropic substances (precursor substances)' (*http://www.tga.gov.au/docs/pdf/export/exptableii.pdf) which outlines those precursor chemicals controlled under the *Customs (Prohibited Exports) Regulations 1958*, list of countries that require pre-export notification, commonly asked questions by exporters, an information sheet on precursor chemicals and an application form for a Licence to export precursor chemicals.

Substances that are controlled under the import/export legislations are those that are of public health concern internationally. Some complementary medicines including herbal preparations, Traditional Chinese medicines and dietary supplements may contain substances that are prohibited unless a licence and/or permit is held i.e. permission is required to bring into or out of Australia. A list of these substances can be viewed at http://www.tga.gov.au/docs/html/bringmed/apendixb.htm.

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