



## Research Note 5: AFP Drug Harm Index

### Summary

The AFP Drug Harm Index was developed to provide a single measure that encapsulates the potential value to the Australian community of AFP drug seizures. The index represents the dollar value of harm that would have ensued had the seized drugs reached the community. In the five years from 1998-99 to 2002-2003, the AFP and its partners saved the Australian community approximately \$3.1 billion in harm through its disruption of illicit drug importations. Because the Harm Index is based on the benefits associated with an estimated reduction in consumption, it can be generalised to measuring the benefits of other drug interventions.

### Aim

The AFP Drug Harm Index was developed to provide a single measure that encapsulates the potential value to the Australian community of AFP drug seizures. The index represents the dollar value of harm that would have ensued had the seized drugs reached the community. The index includes both domestic drug seizures and international seizures destined for Australia where the AFP played a significant role.

The original index was based on US research which suggested that the total price paid for illicit drugs in the USA in 1991 was roughly equivalent to the economic harm caused by those drugs. It was realised at the time that it would be preferable to develop estimates using Australian data. The original index was limited to major drugs of importation, i.e. heroin, cocaine and amphetamines. The new Index was designed to overcome the limitations of the original method. It was also expanded to include cannabis and economic values were converted to June 2003 equivalents using CPI movements.

The revised Drug Harm Index provides a robust method for the estimation of the value of AFP drug seizures to the Australian community.

### Methodology

As noted previously, the principal criticisms of the original method were the over-reliance on US data and the use of street value as a surrogate for harm. The revised methodology was based on Australian data with one exception: in some cases, average consumption per user was based on overseas studies due to the absence of consistent estimates in Australia. The estimate of harm was based on the Australian study of Collins and Lapsley (2002) and various publications by the Australian Institute of Health and Welfare and the National Drug and Alcohol Research Centre. Collins and Lapsley estimates related to 1998/99.

### Consumption

Although there are no direct and regular estimates of illicit drug consumption in Australia, Australian data was used wherever possible. Total consumption of heroin was based upon an Australian study. Consumption of other illicit drugs was calculated by identifying the number of users of each drug (Australian data) and multiplying this by average consumption (overseas data).

Table 1 .Estimated consumption of selected illicit drugs in Australia, 1998.

	Number of users	Total annual consumption (kg)
Cannabis	2,698,528	132,024
Opioids	120,605	2,366
Stimulants	1,130,668	11,319
Other	482,418	Not estimated

### Social cost of illicit drugs

Collins and Lapsley (2002) estimated that \$6,075.8 million of harm occurred in 1998 as the result of the abuse of illicit drugs in Australia. These costs were further disaggregated as follows:

Table 2. Estimated harm due to illicit drugs in Australia, 1998.

		\$ million
<b>Tangible</b>		
	Labour costs	1,033.1
	Health care	64.7
	Road accidents	245.1
	Crime	2,372.1
	Resources used in abusive consumption	1,392.0
<b>Intangible</b>		
	Loss of life	926.8
	Pain and suffering	42.0
<b>Total</b>		<b>6,075.8</b>

*Results*

Collins and Lapsley reported harm due to illicit drugs in aggregate and not by the class of illicit drugs. The present study distributed aggregate costs across drug type using the best available information. For example, the economic harm associated with death was distributed according to Australian Institute of Health and Welfare figures on drug-related deaths. Pain and suffering was distributed on the basis of drug-related hospital admissions. The basis for distribution is sometimes less intuitively obvious than the examples given. Lost productivity was defined by the distribution of deaths, hospital admissions, treatment episodes and the number of drug users. While noting some of the present limitations of this approach, it should be remembered that the existing methodology allows for easy recalculation of harm distribution based on new evidence as it comes to hand.

The distribution of Collins and Lapsley aggregate costs to drug classes is summarized in Table 3.

*Table 3. Harm attributable to specific classes of drugs*

Cannabis	45.9%
Opioids	35.4%
Stimulants	14.1%
Other	4.6%
Total	100.0%

In terms of total harm, cannabis appears to have been the most damaging class of drugs to Australian society in 1998. It should be noted that most of these costs relate to the administration of the criminal justice system and the total cost reflects the relatively widespread use of the drug. In terms of health and social impacts, the opioids were the most destructive class of illicit drug.

The final step in establishing the basis for an index of drug harm is to estimate the harm associated with each kilogram of illicit drug. The estimate of total harm associated with a drug type is divided by the estimated total consumption to provide an estimate of the harm associated with the consumption of one kilogram. The results are provided in Table 4.

*Table 4. Harm attributable to specific classes of drugs, 1998.*

	Consumption (kg)	Harm (\$m)	Harm per kg (1998 value)
Cannabis	132,024	\$2,790.8	\$21,138
Opioids	2,366	2,150.7	908,878
Stimulants	11,319	856.4	75,663

The revised AFP Harm Index, as noted previously, includes cannabis and has been converted to year 2003 dollar values in line with CPI movements since 1998. In 2003, the harm associated with a kilogram of opioids was \$1,061,359, with cannabis \$24,685, and with stimulants \$88,357.

In the five years from 1998-99 to 2002-2003, the AFP and its partners saved the Australian community approximately \$3.1 billion in harm through its disruption of illicit drug importations. The AFP has also improved its contribution to the well-being of the Australian community over time. In the first eight years of the available series, approximately \$1.7 billion in harm was avoided through illicit drug seizures. In the second half of the series, harm avoided was approximately \$4.3 billion.

*Discussion*

The AFP Drug Harm Index is based on the benefits associated with an estimated reduction in consumption. As such, it can be generalised to measuring the benefits of other drug interventions. Its applicability is wider than law enforcement alone and it provides a consistent starting point for those interested in the development of measures of the relative efficacy of different intervention types.

In conclusion, with respect to drug law enforcement efforts, the results of the analysis confirm that the AFP and its partners have made a significant contribution to the health and wellbeing of the Australian community in recent years.

*Chart 1 AFP Drug Harm Index 1987-2003 (\$ million)*

