T R A N S C R I P T

LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

Inquiry into the use of cannabis in Victoria

Melbourne—Thursday, 25 March 2021

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WITNESSES

Mr Shane Varcoe, Executive Director, Operations, and

Mrs Eleni Arapoglou, Researcher, Dalgarno Institute.

The CHAIR: Welcome back, everyone. Thank you for your patience. We now have people from the Dalgarno Institute, Shane Varcoe and Eleni Arapoglou. Thank you very much for joining us this afternoon.

Mrs ARAPOGLOU: Thank you.

The CHAIR: I just have a couple of formal words to say before we get going. All evidence taken at this hearing is protected by parliamentary privilege, and this is provided under our *Constitution Act* but also the standing orders of the Legislative Council. Therefore any information you provide today is protected by law. However, comments repeated outside this place may not have the same protection. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

As you can see, we are recording this session. It is also being broadcast. You will receive a transcript of this in the next few days. I encourage you to have a look at it and make sure we have not made any errors of fact, and ultimately it will come onto our website.

Thank you very much for this information pack. We have also received your submission, and if you would like to make some opening remarks, we will open it up for the committee.

Mr VARCOE: We would. By way of introduction, thank you for the opportunity to be here today. I know this is an important issue. I am going to introduce Eleni, who is going to read an opening statement, but I just want to brief or prime that, if I may.

Developing best-practice health and education campaigns and the context of effective communicating to our communities and their children regarding the real and lasting harms of cannabis use is part of the brief. The submission you have got is our submission on this particular topic. Today we are in concert with the parameters and with the terms of reference of this. We are adding to that. So it is not in contradiction to it, it is an addition to it. That is very important. Demand reduction and prevention are the national drug strategy's highest priority, and we want to see that put into play more effectively. An all-of-society approach to denying uptake of this drug of dependence is imperative. Therefore public communication and education campaigns on this issue must have all sectors on the same page: education, policy, government, media and health. In that context, seriously addressing the issue of criminal enterprise in the illicit drug sector, specifically around cannabis promotion and trafficking, is also part of what we want to do today in the terms of reference. On that, I will hand it Eleni and she will read out our opening statements. Thank you.

Mrs ARAPOGLOU: On behalf of the Dalgarno Institute, we really do sincerely thank you for the privilege of addressing you all today. At the time of writing the submission for public campaigns targeting drug and substance abuse I had only begun to get a glimpse of the historical origins and the subsequent reach and depth of Australia's involvement in international drug trafficking. But after long hours of research it is fair to say that it is far bigger, more complex and sinister than I first realised. On the whole it is a chronicle of the successful global syndication of organised crime that was the motivation and the angle that underpinned all the action points in that submission. Today I want to elaborate and provide further compelling reasons in pursuing that approach.

The Australian chapter into organised crime, though much smaller, is by no means insignificant, spanning 120 years. But even in its infancy there were windows of opportunity to wind back or seriously cripple those operations that were missed, in particular following the 1960s Victoria market murders that attracted overseas crime experts, including John Cusack of the US bureau of narcotics. His conclusions included ominously farsighted predictions, and catastrophically these all unfolded almost to the letter. Cusack reported that the Calabrian mafia, the 'Ndrangheta, is well entrenched in Australia, engaged in infiltration of fruit and vegetable produce, extortion, prostitution, counterfeiting, sly grog, breaking and entering, illegal gambling, weapons and human smuggling.

He went on to say that, if unchecked, within the next 25 years it is capable of diversification into all legitimate business and further organised crime, including narcotics, legal gambling and the corruption of sport. The society is composed of shrewd, hardened criminals with extensive records in commercial crimes and violence. Their large cash resources and strong-arm tactics will eventually enable them to develop monopolies in labour racketeering, wholesale distribution of food and drinks, vending machines, entertainment industries and construction companies.

Since that report, various events confirm the staggering truth of it all. A mere decade later the 1977 Woodward commission into the death of anti-drug campaigner Donald Mackay found the 'Ndrangheta responsible. Mackay's execution was carried out in a bid to protect its multimillion-dollar cannabis business that transformed the fortunes of supposed humble farmers into what author Keith Moor termed *Crims in Grass Castles*. Vast cannabis profits were washing their way past state lines into countless legitimate businesses, political/benevolent society fronts, with enough left over to be channelled back to Calabria.

Over 50 years later another Moor book, *Busted*, revealed how 4.4 tonnes of ecstasy tablets valued at $13 billion arrived from Italy to Melbourne hidden in tomato tins—at that time the world's biggest ecstasy bust. The key players involved trace their lineage back to the original Calabrian families. One of the few non-Italian Melbourne distributors, Rob Karam, was on Crown Casino's top 200 list. Presently the 'Ndrangheta control 60 per cent but some say as high as 90 per cent of Australia's drug trade run by 31 families that report to a mere five clans in Italy.

But the aforementioned bust once again pulled the veil back on Australia's international criminal dimensions involving European, South American, Hong Kong and Chinese underworld actors. In the words of journalist and author Claire Sterling, since the 1990s organised crime has entered into a new 'planetary criminal collusion' made up of the most powerful and ruthless groups that possess 'a statesmanship yet to be achieved by the United Nations … sharing resources, personnel and protective cover peaceably and to their mutual benefit'.

But today's brief summary merely reveals the outer visible stems into what is a far deeper and more complex root system firmly intertwined into the political, social, economic infrastructure and yet it continues to stealthily operate beneath the level of public consciousness. The result is a mass public disconnect that means they consume the products of these illicit trades freely and ignorantly without any pangs of conscience.

The point that needs emphasising is that in the process of launching any public drug campaign it runs the risk of being eventually nullified when the real nature of the uber-rich drug moguls is not continually exposed and held up to broad public scrutiny, as people relate to advertising only inasmuch as it fits into the broader ingrained narrative. Those dominantly shaping public and specifically youth perceptions on illicit drugs are almost exclusively told through the prism of powerful pro-drug lobby groups, many embedded into the political, academic, media and entertainment industries, with Mafia and gang members sympathetically cast as earnest family men or misunderstood societal underdogs. And drug use is almost always presented as a smaller subplot that is part of a normal countercultural experimentation, a highly individualised victimless activity, particularly cannabis, and often less harmful than drinking and tobacco. This results in short bursts of expensive but often dispirited drug campaigns that are regularly belittled, ignored and eventually dropped as ineffectual.

But compare this populist version with the very intimate lived experience of the former Mr Asia drug syndicate banker, Jim Shepherd, who also had ties with the Calabrians. Marijuana, he says:

QUOTE AWAITING VERIFICATION

> … is both addictive and harmful. Over a 40-year period I can comment on the damage smoking pot can do. All my friends who smoked pot continuously are now seriously brain damaged.

He goes on to say it is an:

> … interesting sociological fact that would no doubt intrigue any criminologist attempting to correlate poverty with crimes … We all came from honest, law-abiding families, none of whom had ever had any trouble with the law.

The submission I had put in ended with a sense of urgency in regaining a cohesive and authentic drug advertising narrative as critical steps to rebuilding one of the three national drug strategy pillars, demand reduction, but also its corollary, supply reduction, as they are both under serious threat of crumbling, leaving the only option of harm reduction, and that merely seeks to offset the growing harms of drug use. Since then one year has passed. If the issue of reducing drug demand through public messaging was serious then, it is even

more pressing now. COVID-19 effectively brought this nation, but particularly Victoria, to a state of economic and social paralysis, but as the unintended consequences from that period are still unfolding—including increased serious crime, suicide, mental health, predatory online grooming, coupled with decreased education and employment opportunities in a rising welfare economy—all these factors without doubt converge and snowball to create a massive boon for already extremely cashed-up underworld operators who have a long-established history in expertly exploiting this exact set of conditions. And as always, those most affected will be those who can least afford the fallout—the young, vulnerable poor and especially the Indigenous communities.

Within the reference pack provided today are some of the smaller, less noticed stories that mostly flew under the radar—a far more favourable state for the criminal underworld, having long ago retreated from the public gaze with its bloody territorial disputes that ran contrary to the traditional code of silence. This has always served to obscure the public view away from their activities, allowing a level of plausible deniability persistently and strenuously maintained until the signs grow too terrifying to ignore. This of course is also inconsistent with the popular rhetoric on the war on drugs, where the public generally mistake the silence as an indication of criminal withdrawal. In reality it represents a quid pro quo, a temporary ceasefire that mafia expert Professor Sergi identifies as a well-known feature of successful criminal colonisation.

Today it seems that the only serious deliberation remaining for criminal enterprises is full legitimisation, as for decades money laundering was their primary preoccupation. While most pertinent to this inquiry, it certainly does not signal the scaling down of illicit drug trafficking, particularly cannabis, as for decades Australia has operated in a de facto drug decriminalisation environment, setting the stage for another stratospheric upsurge in criminal fortunes. Particularly concerning for Australia is the growing presence of the infamous triads. In recent years they have officially tightened ties with China financially and militarily. In drug trafficking terms, this fuses China's reputation as a leading supplier of precursor ingredients found in ice, of which of course Australia is a leading consumer, with the triads' global reach. And contrary to suggestions, the grass crims are far from obsolete—quite the reverse. During the 90s reshuffle of criminal coalitions, the triads, despite their privileged access to the poppy fields in Burma, yielded to the mafia. When viewed together with the world's unequal reliance on Chinese trade, this is a challenge of Herculean proportions.

Returning once more to the pressing work of fixing the public's gaze back to decreasing drug demand, the facts presented today can be reworked as standalone or integrated into short story segments suitable for public consumption, identifying drugs for what they essentially are: foremost as predatory trafficking in highly addictive commodities, profiting the very few at the expense of exploiting the vast majority, not least of which requires the widescale use and abuse of our limited natural resources. When properly understood and evaluated along these lines, the potential to launch effective drug campaigns as compelling health and social justice issues gives an easily identifiable broad public appeal.

Finally, Cusack was not a prophet when in 1964 he predicted with such laser-like precision the ambitious ever-broadening path of the 'Ndrangheta. He was merely acquainted with the mafia's pattern of operations in the US and Italy that share the same essential DNA and therefore replicate almost identically everywhere they choose to incubate. Cusack was gifted with what honest Italian cops such as Alessandro Pansa called 'a reciprocal knowledge of reality, an instant perception beyond Italy's parameters of how mafioso think, infiltrate, camouflage their operations and deploy their forces abroad'. All this is submitted in the hope that the same instinct of perception may assist campaigns in pushing back drug demand, offering communities fresh insights into drug trafficking that future generations will judge as both genuine and worthy endeavours. Thank you.

The CHAIR: Thank you very much. We will open up for questions, and I will start with Kaushaliya.

Ms VAGHELA: Thanks, Chair. Thanks, Shane and Eleni for your submission and your presentation today.

Mrs ARAPOGLOU: No worries.

Ms VAGHELA: What I am understanding from your submission is that if cannabis use is legalised, there will be easier access for young people and then the consequences of that, which are health and other social and personal impacts that that use would have, and highlighted in detail are the drug cartels, the mafia and drug trafficking and all those things.

We all know that, whether we like it or not, the illicit or illegal market will always be there for drugs. I am just trying to understand, over here, if cannabis use is legalised, how does that change everything that you have mentioned about the mafias and drug trafficking and that? How will that change and how much will that

change? Because we do not have legalised use right now and we have those problems, so by legalising the use, do you think these problems will go away?

Mrs ARAPOGLOU: No. They become harder to police. So if you look at Colorado—and we have had people that have come here to Australia to talk about it that were not necessarily anti-cannabis at the time—it has exploded. So if this is the natural terrain of cartels, they are not about to give way to the individual sole trader that goes into cannabis, decides that it is a growth industry and becomes a sole trader. They dominate. That is how they always work.

Mr VARCOE: In the kit that you have been given there is a piece that we have put together called 'And then there were three'. When you have an illicit drug market you have one market to manage, as difficult as it may be and as cumbersome as it may be, and the de facto legalisation argument—and of course if you have got cartels running it, you have got de facto legalisation—is, 'Why not just legalise? Let's just move to the next level and see what happens. That experiment has been run and done in California, in Colorado and now in Canada, and it is a bit of a disaster—for those who care to look at the data, not just the pop culture populist views that are being spruiked. And we look at the absolute difficulties that are in play. Now you have got three markets. So basically you are still policing an illicit market, which is a real problem. So that still requires a supply reduction dynamic there, policing as well. You have of course the legal market, which has to be monitored, managed and administrated. That is another set of bureaucracy in play and the finances that go with that. And then of course you have got the grey market. That is the area where a lot of these things are slipping through the cracks. So there is a whole other sector that is operating in a grey space, which that particular document outlines, which creates another level of issues, another level of costing.

So the standard running argument for those who, we believe, call for the war for drugs—I do not think we have had a war on drugs in this country since 1985. Certainly America may have had one, but we have not. We have now got an active war for drugs, and the last five years has seen that ramped up. So there is a real aggression to try and get these things across the line, and we are now creating a public persona around this as, 'Look, this is where we're going. Come on! Let's just get on board and move forward. Let's make some money out of this, and we'll flood our health budgets with the wonderful revenue we're going to get'. You will see if you look at Colorado and what is happening there, that is not the case; if you look at the data—not the data you have been given but the data that is actually in print and researched properly—you will see that this is not a cost-neutral arrangement. It is actually a deficit arrangement, and even if it is a cost-neutral arrangement, you have still got the public health issues, which we have not even begun to go into right now.

Having said that, we have got this real problem in play—your bureaucracy goes up, your policing goes up, your supply increases. It has not decreased, and with supply goes demand. And if you are dealing with a substance of addiction, which you are with a drug of dependence, then you are actually stepping into the addiction-for-profit model, and no government should be in an addiction-for-profit management model. That is a catastrophe. Our primary goal, I would think, as government and certainly with the underpinning fundamentals of the Westminster democratic process, is that two things you must do as government—fundamental, these are the basis—are create environments that do not bring harm to your citizens and, at the same time, create environments that enable your citizens to reach their full personal and productive potential. Now, drug use diminishes both of those. It just undermines both of those principles. So when the government decides, if it does decide, to get into the addiction-for-profit model and support it, then you are going to have to deal with all the attendant issues around that.

So that is the concern we have, and of course in the background—and that is what is happening in Colorado, because we deal with people from Colorado all the time—the cartels are now running shopfronts and, as Eleni has mentioned, they are pushing people out of that marketplace and just taking them over. And now they have got legitimate and illegitimate. For example, you come to the shop and say, 'I want to buy a bud. I want to spend $20 on a bud'. And the guy says, 'Well, there's $20 and a $5 tax for the government,' but he says, 'I can give you it around the back for $20'. So you have still got the market running. Then you have got three markets, and do you think that is going to create less problems for our young people or more? A simple question.

Mrs ARAPOGLOU: But also in those areas—Colorado, California—there is a lot of material that has come out, books actually, about rangers that are trying to manage the problem. They are using their national parks to grow cannabis and whatever else. These places are now wholly in the control of the Mexican cartels, so they are saying that they have got limited resources—

Mr VARCOE: It is not conspiracy theories either, is it?

Mrs ARAPOGLOU: Yes. They have got limited resources, and these places are booby trapped. They literally come onto the edge of suburbia, so most people are not even aware of what is going on. But they are going in there, and these people have got, like, a militia army, so why would you want to facilitate that further? Blurring those lines is exactly what they want, because they are always pushing and they need more supply saturation, and the only way to do that is to increase drug demand. And then you have this perfect situation, which they are clearly going to profit from.

Mr VARCOE: It is a perfect storm: an addiction for a for-profit product is the perfect business model. You have got the customers for life.

Mrs ARAPOGLOU: And it is their stock in trade.

Mr VARCOE: Then you have got to manage it. And then who manages it? Not the businesses, not the industry, but the public purse manages it, and that is a serious concern. Now, we have not even begun to talk about the mental health issues of young people. But the reason we have done this is we wanted to be in this space; we need to work from the top down, bottom up. As Eleni said in her opening statement, one of the biggest concerns we have had is these piecemeal offerings about, 'Oh, let's do a little campaign against drugs'. That did not work, because we did not do it—

Mrs ARAPOGLOU: We tried.

Mr VARCOE: But with tobacco we have done it well. It is gold standard: one voice, one focus, one message; no dissenting voices in the marketplace; no dissenting bureaucracy. All policing, governments, education and media are on the same page. It is quit; it is deny uptake and quit. When it comes to illicit drugs, it is, 'Keep using, just don't die'. So that message, that cognitive dissonance, is a real problem, and young people are picking up on that, and that is creating a demand issue.

Mrs ARAPOGLOU: Sorry, just on the legitimacy issue, the two most legal drugs, tobacco and alcohol, own the black market in that. It is a massive windfall for them, because often they are not looking for that. I mean, they are packaged the same way, they look the same way, but it is a burgeoning black market that is all controlled by them.

The CHAIR: Sorry, I am just conscious of time—

Mrs ARAPOGLOU: No, no, I beg your pardon.

The CHAIR: I know that the other committee members have got questions that they would like to ask.

Mr VARCOE: Sure.

The CHAIR: So I will move to Georgie Crozier.

Ms CROZIER: Thank you very much, Chair. Thank you both very much for your being before the committee and your presentation. What you have described is a very complex issue, and drugs are complex. I think you are right. I think that there is a simplistic message out there that is not going to the heart of some of the issues that I am concerned about, and that is about the physical and mental health and wellbeing of people who use drugs. So you said, Mr Varcoe, that we have not even started on the public health aspects. I am wondering if you could just provide to the committee some of that breakdown, because I am concerned about that from what I understand and what I am hearing—with those presentations, with young people taking up drugs—and what we heard this morning from evidence to say that even in states in the US where it is legalised there is still only 15 to 30 per cent that is legally sold; the rest is illegal, to go to your point about how it will operate in reality. But I am concerned about the health and wellbeing of the community. And you said, you know, the Quit campaign—the tobacco message—is very clear: smoking will kill you.

Mr VARCOE: Correct.

Ms CROZIER: And we do not have that same message here. Why?

Mr VARCOE: Well, the interesting thing is—because we have spoken on this extensively in the DVD, which has got international recognition—we looked at all those issues there. It is online as well. I know DVDs are a bit dated. It is just a resource with lots of things in it as well. And just to let you know, that USB you have—

The CHAIR: I do not think I have a DVD player anywhere.

Mr VARCOE: That USB stick that you have got there has just a fraction of the over 40 000 evidence-based articles on the catastrophic environmental, mental health, physical health—

Ms CROZIER: Forty thousand?

Mr VARCOE: Over 40 000. That is only a fraction of them—

Ms CROZIER: Over what period of time?

Mr VARCOE: Over about 12 or 13 years—40 000 evidence-based articles, and not just stories and anecdotes. These are peer-reviewed articles on the environmental, physical, mental, community and genetic harms of cannabis. For those who obviously spelunk the science, you will know that. For those who gloss over the pop culture and the well-branded propaganda machine of particularly the pro-cannabis lobby, you probably will not see any of it; you will just see nice little articles, bits and pieces.

But once you challenge the origin of that and you find out where it is from, you see it is paid for. We all have confirmation bias—no-one is arguing that; we have all got that problem—but this is a real concern.

Now, when it comes to obviously mental health and physical health and genetic health, the ongoing ramifications of the genetic impact are just staggering, when you look at that. Cannabis is not just a benign substance. The argument we have from a lot of people is: 'It is just a plant'. I say, 'Well, that plant does not exist anywhere on the planet anymore'. If you can find somewhere where no person, no human being, has ever traversed, you might find an original plant of cannabis. It will have about 2 to 3 per cent THC and the various cannabinoids involved, and of course CBD is an agonist to THC so you cannot really blow your brains out with a joint like that. But now all the cannabis is engineered—all of it is engineered—and CBD is engineered out of it for the purposes of: high.

When it comes to the health of young people and their wellbeing it is really concerning because we know of their developing brain, and there is no credible voice in the marketplace in the scientific literature anywhere—anywhere—that says there is any such thing as any safe substance use of any kind for the developing brain'. There is no dissenting voice—'no safe substance use for the developing brain'. It is up to around 25 years of age. Sure, the damage might be minuscule, hardly detectable, but it is there. Again, in the literature no-one is saying , 'Yeah, you can smoke a bit of weed and it's going to be okay'. No, it will do some damage. How much damage and how early you start ramps it all up. The science is in on that.

When it comes to these problems, of course when the grown-ups in our culture decide that they want to have the right to smoke weed and get high and get stoned and have fun, what do the children do? They look at the grown-ups and go, 'Okay. I can't wait until I'm a grown-up', and hence there are whole rites of passage to be a grown-up early: 'I watch porn when I'm 15, I smoke weed when I'm 14, I drink when I'm 12 because I want to be a grown-up'. Again, the permission models that we set out by example, now by legislation and/or by our modelling, create a real problem. Now, when young people get this and they go on to next gear, the science—I've got to go on, but it is huge. But I will tell you one story because I think a story paints a thousand pictures.

The CHAIR: If I just—

Mr VARCOE: Just quickly?

The CHAIR: Make it as succinct as possible. I am just conscious that there are still other members that—and we have got about 7 minutes.

Mr VARCOE: Okay. Well, I have a family member who is now on the NDS and has not worked properly for 35 years, all because of weed. He started when the weed was around 3 per cent. The difficulty with that—and I say that with a great deal of distress in my heart because that is just one story, and we bump into that all the time, and it is always about young people starting. If you can delay uptake until the age of 30, then possibly

there might be an option. But this is the problem when you set permission models in play, and legalisation or decriminalisation sets a clear permission model. It says: 'This is acceptable, this is available and it is accessible. Go for it'. And that is a problem. I will leave it there.

The CHAIR: Thank you. David.

Mr LIMBRICK: Thank you, Chair, and thank you for appearing today. There was a lot of talk about organised crime in your presentation. Why don't we see large-scale organised crime involvement in the alcohol industry, for example?

Mrs ARAPOGLOU: Well, you do.

Mr LIMBRICK: Where?

Mrs ARAPOGLOU: What do you mean where?

Mr LIMBRICK: Well, we do not see—most people buy their alcohol from Dan Murphy's. I do not think they are mafia-controlled or anything. Where do we see this? Why do we not see large-scale involvement of organised crime in alcohol, whereas we do in illicit drugs?

Mr VARCOE: I will answer that. The simple answer to that—and I do not want to oversimplify this, because it is a fair question—is alcohol is an entrenched substance: socially acceptable, culturally acceptable and has been so for thousands of years. That kind of normality, and the access that gives to the public domain, particularly for marketing and for release of the substances that are used, is clear. At the same time the drugs that do the biggest harm in our culture are alcohol and tobacco, because they are legal. So when you take an illicit substance—and just to juxtapose it with the opium wars about 150 years ago. It took nearly 100 years to get opium out of the currents of trade. Opium was a currency and it was doing untold damage. In fact in the Chinese economy one of the biggest issues in the Chinese Revolution was to: 'Get this white man's demon out of our culture'. It took 100 years and so many lost lives to get opium out of the currents of trade, because it is such a damaging commodity.

Now, I have had so many pro-drug activists say to me, 'If alcohol appeared on the scene today, it would never get across the line'. I say, 'I agree, it would never get across the line'. So why would we want to add another one to that? To answer your question specifically, when you have an illegal product that has demand that has been created and that has been serviced—and supply obviously follows demand–then what you have got is an environment where people are making a lot of money under the radar. If you legalise it, as we said, it will not change the cartels or their activities or their behaviours, but the idea is that you are taking a drug, a substance, that has been illegal for good reasons for hundreds of years and now you are going to try and make it legal, and you are going to try and take it out of their hands and that is going to fix it. That is why you do not see it in the alcohol trade, because it is simply entrenched. And yes, they do play at the back door, there is no argument about that. We have seen cut shops with tobacco, we see sly grog operations in play. It is not as huge, I understand that, but it is there, because we have got a cultural phenomenon and we want to create that with cannabis now. That is concerning, very concerning.

Mr LIMBRICK: But the United States did prohibit alcohol, and we saw during that period that organised crime took over, and it was one of the most violent episodes in—

Mr VARCOE: Sure, we have got a history of that. I mean, again, that is a lovely snapshot—anecdotal, public. If you want the real data on the prohibition, we have got the actual documents written by people like [inaudible]. To let you know, prohibition was constitutional. Alcohol was not banned from consumption. It was only banned from public consumption and public manufacture. You could make your own alcohol and you could drink it at home. That was legal in America. The people that actually started the movement were Native Americans.

One of the first states to do it, I think, was South Dakota, and what happened was people understood that this would work. The organised crime component and all these other operators were operating before alcohol prohibition and just took it over as another industry to run with, and when it came out again the corruption level in the institutions in America, going to Eleni's opening statement, was staggering. Right up to Congress they had people paid for. Two of the world's leading sociologists, Bainbridge and Stark, said if prohibition had gone

for five more years—they had 1000 prohibition agents, not 365, for the entire continental United States; hear that, only 365 agents—and the police force had not been as corrupt as they were, America would be dry today.

Mr LIMBRICK: So you are saying that they should have continued with prohibition—

Mr VARCOE: No, prohibition would have worked if it were not as undermined by the corrupting of the cartels. Prohibition would have worked. In fact the statements about health—cirrhosis of the liver went through the floor, almost disappeared; domestic violence ramped right down; employment went up; productivity went up and everything changed. I have got the documents. I have got the actual records. So if you are interested in those, I can let you look at those. But that standard line—sorry to be such a party pooper—'Prohibition does not work, blah, blah, blah', and you roll out the whole Mafia thing; it is an easy one. Sorry, I really am. It is just not accurate.

The CHAIR: Thank you.

Mr VARCOE: Good question. Thank you.

The CHAIR: Look, I think this has been very wideranging. I am conscious that I have got about 2 minutes—you have got 2 minutes.

Mr VARCOE: Sure. Thank you for your patience.

The CHAIR: My very quick question is: I know Dalgarno, in looking at some of this and in the work you have given, runs a number of education programs. Basically the crux of this inquiry is: how do we keep cannabis out of the hands of criminals and how do we keep it out of the hands of children? Now, you are saying an absolute prohibition, and we could argue whether we have that not, we spend $4 billion in trying to criminalise cannabis, albeit unsuccessfully, but maybe you could just tell us a little bit about what you think are the best education campaigns to stop the 25 per cent of children or young people under 30 who are trying cannabis today.

Mr VARCOE: 2 minutes—okay.

The CHAIR: Yes.

Mr VARCOE: In the original submission that we made you will see the different options there. I will not recap that.

The CHAIR: Just to let you know, we will be speaking to the Alcohol and Drug Foundation straight after you, and they will be covering off on the Iceland model.

Mr VARCOE: Of course. We will not be speaking to the Iceland model. One of the things that most—

The CHAIR: I would like to hear about your model. What you guys are doing.

Mr VARCOE: We are a very small operation. We have been around for a long time. We are very small, we are not-for-profit, we do not get money from anywhere basically, but we continue to try and create resources that empower families.

But what we have found the biggest difficulty is in this sector, and this is where the Iceland model does have trouble as well, is that in Iceland you have to have everybody on the same page—parents, government, education, schools—all on the exact same page, and it is an abstinence model in Iceland. That is what they model. This is the argument we have had. We have got programs for sporting clubs, for parents, for schools, but when you have got cognitive dissonance—there is such wideranging cognitive dissonance in the marketplace. Kids keep saying to me, 'But isn't cannabis medicine?'. Do you see? A quick story: 10 years ago one of the questions we asked in class was, 'Is tobacco more harmful than marijuana?'. I would get about one out of 100 kids stand up. Now I ask that question and half the room stands up. Tobacco is evil. Why is it evil? Because we have made it evil—beautifully, wonderfully, the gold standard. We have done it. Every sector has gone, 'Nuh, we're not having this. We are not having this'.

When it comes to marijuana, it is like, 'Hmm, well, you know, it's a personal choice', 'Well, it can be medicine', 'Well, hmm'. And the kids are going, 'Ah, okay. And then of course there are the anecdotal stories,

like with my family member, it was always a friend. Trauma is about 7 to 10 per cent of the uptake of drugs. It is usually a friend and curiosity, and the more curiosity you have and the more friends you have in operating, the greater the opportunity to engage. So we try and work across the sector with demand reduction and in building resiliency. Apparently the biggest key is building resiliency into young people. That is the biggest key for us. I will leave it there.

The CHAIR: I think that is a perfect point to finish on—

Mr VARCOE: Place to end.

The CHAIR: because I do think resilience is actually really the crux of this.

Mr VARCOE: That is our core business.

The CHAIR: Thank you both. That was quite a whirlwind, which was great. I mean, really, we went to lots of places.

Mrs ARAPOGLOU: Thank you, Fiona.

The CHAIR: And thank you very much for the pack. That will be very useful to us.

Mr VARCOE: It is just an addition. Can I just ask three quick questions? Cheeky questions they are. Just yes and no answers. Does anyone on the panel actually believe that their children or grandchildren or our state's children or grandchildren will be better off on cannabis?

Ms CROZIER: No.

Mr VARCOE: Does anyone on the panel believe that our children or the state's children will be better off with easier access to cannabis?

The CHAIR: Well, I have to say, I do not think criminalising my children for using cannabis is the answer.

Mr VARCOE: No. Sure. It is just a question. I am just asking, that is all. Thank you. Wonderful.

The CHAIR: Thank you.

Mrs ARAPOGLOU: Thank you so much.

The CHAIR: Thanks very much.

Witnesses withdrew.