



Joint ACMS/ACCS Consultation: Proposed amendments to the Poisons Standard a submission of ATA in Taxpayers' Alliance

22 May 2020

- 1 The Australian Taxpayers' Alliance thanks the Therapeutic Goods Administration for the opportunity to provide comments on the amendments to the scheduling of cannabidiol.
- 2 The ATA is the nation's largest grassroots advocacy group representing taxpayers. We are funded solely by civic-minded Australians passionate about the same issues for which we campaign: lower taxes, commonsense regulations, and no government waste.
- 3 The ATA supports the amendment to reduce the status of low-dose Cannabidiol from a Schedule 4 Prescription Only Medicine to a Schedule 3 Pharmacist Only Medicine. Additionally, we recommend the TGA move Cannabis, with all its Cannabinoids, from a Schedule 9 Prohibited Substance to a Schedule 5 Caution.

The risks and benefits of Cannabis

- 4 Hemp use has a long history in Australia, right back to colonisation. The British sent the first colonists to Australia on ships equipped with hemp sails and hemp ropes.¹ The First Fleet stowed cannabis sativa seeds in order to create hemp crops in Australia.² Hemp and cannabis cigarettes were very accessible until the late 1800s, helping with asthma, the flu, and other maladies. Australia then signed the *1925 Geneva Convention on Opium and Other Drugs*, and this saw cannabis restricted for medicinal and scientific purposes only.³ Cannabis was rendered illegal in 1938. This was spurred on by the *New Drug that Maddens Victims* campaign, which painted marijuana as a drug that makes people go sex crazy.⁴ This false information imbued the Australian public with unsubstantiated concerns about the moral implications of cannabis.

Risks

- 5 Since then, researchers have unsurprisingly found cannabis does not lead to licentious behaviour, but the fear of cannabis has not gone away. Now, many worry cannabis consumption causes mental health disorders such as schizophrenia, reduces the IQ of its users over time, and acts as a 'gateway' drug leading users to try more dangerous intoxicants.

¹ Wingate, Isabel Barnum. *Fairchild's dictionary of textiles*. 1967.

<https://babel.hathitrust.org/cgi/pt?id=wu.89043757574&view=1up&seq=613>.

² Nick Kilvert, "Hemp is an eco-friendly material, but anti-marijuana campaigns a century ago set the Australian industry back," *ABC News*, 23 Jan 2020, <https://www.abc.net.au/news/science/2020-01-24/hemp-cannabis-growing-australia-industry/11788030>.

³ Parliament of Australia, *Background Paper 12 1996-97 Illicit Drugs, their Use and the Law in Australia*, by Jennifer Norberry, 20 May 1997, https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Publications_Archive/Background_Papers/bp9697/97bp12.

⁴ Dr John Jiggins, "New drug that maddens victims (Reefer Madness versions 2.0)," *ABC News*, 28 August 2011,

<https://www.abc.net.au/radionational/programs/ockhamsrazor/new-drug-that-maddens-victims-reefer-madness/2936642>.

- 6 A 2012 study found that cannabis use in teenagers increased the likelihood of those teens developing schizophrenia by 2.4 times.⁵ However, the study failed to establish causal evidence. Researchers suspect the study contained cause-effect bias.⁶ That is, participants chose to consume cannabis as a way of self medicating and easing the early symptoms of schizophrenia. Doctors around the world use cannabis to treat schizophrenia and other mental health disorders. Experts are eager to begin using cannabis more widely in the field of mental health due to its effectiveness and few side effects. In order to determine causality researchers would need to conduct an experimental study with a control group, and an experimental group which did not self select to use cannabis. However, the rapid increase in consumption of cannabis in Australia in the 1980s created an ideal natural experiment. The increase in cannabis use didn't correspond with an increase in cases of schizophrenia.⁷ Cannabis does not cause schizophrenia, but rather is a useful medicine for its treatment.
- 7 A time lapse study conducted in New Zealand, with 1037 participants, found reduced cognitive ability in those who used cannabis through adolescence.⁸ Currently, in Australia cannabis is sold through the thriving blackmarket. This stops the government from properly regulating the product and assuring that those under the age of 18 with only partially developed brains are not purchasing and consuming cannabis. Academics need to do more research on various cannabinoids and their impact on the brain. The above study also showed that when adults abstained from cannabis use for 28 days brain function returned to normal. Also, while cannabis may have had a detrimental impact on the specific skills tested, it is known to contribute greatly to the creative fields.⁹ Many artists attest that cannabis consumption inspired their most creative endeavors. Louis Armstrong attributed the freestyle theme of Jazz to cannabis consumption during gigs.
- 8 Many fear cannabis consumption leads the user to later partake in harder, more dangerous drugs -- the 'gateway' effect. Often individuals seeking treatment for opiate addiction have a history of using other drugs including cannabis. However, cannabis is by far the world's most popular illegal substance. The vast majority of people who use marijuana do not move to other drugs.¹⁰ If the 'gateway' effect were a substantial risk we should expect to see more users of illicit substances.¹¹ Any recorded 'gateway' effect is mostly likely due to individuals being forced to interact with the blackmarket and dealers of multiple drugs who advertise other drugs while selling cannabis.

⁵ Olfson, Mark, Melanie M. Wall, Shang-Min Liu, and Carlos Blanco. "Cannabis use and risk of prescription opioid use disorder in the United States." *American Journal of Psychiatry* 175, no. 1 (2018): 47-53.

⁶ World Health Organization. *Health and Social Effects of Nonmedical Cannabis Use (The)*. World Health Organization, 2016.

⁷ Degenhardt, Louisa, Wayne Hall, and Michael Lynskey. "Testing hypotheses about the relationship between cannabis use and psychosis." *Drug and alcohol dependence* 71, no. 1 (2003): 37-48.

⁸ Meier, Madeline H., Avshalom Caspi, Antony Ambler, HonaLee Harrington, Renate Houts, Richard SE Keefe, Kay McDonald, Aimee Ward, Richie Poulton, and Terrie E. Moffitt. "Persistent cannabis users show neuropsychological decline from childhood to midlife." *Proceedings of the National Academy of Sciences* 109, no. 40 (2012): E2657-E2664.

⁹ Lee, Martin A. *Smoke signals: A social history of Marijuana-Medical, Recreational and Scientific*. Simon and Schuster, 2012.

¹⁰NIDA. "Marijuana." *National Institute on Drug Abuse*, 24 Dec. 2019, <https://www.drugabuse.gov/publications/drugfacts/marijuana>. Accessed 20 May 2020.

¹¹ The Drug Policy Alliance, Debunking the "Gateway" Myth: The vast majority of people who use marijuana do not go on to use other illicit drugs, Feb 2017, https://www.drugpolicy.org/sites/default/files/DebunkingGatewayMyth_NY_0.pdf.

- 9 Most, if not all, of the risks associated with cannabis are due to its illegality, not the substance itself. By rescheduling cannabis and properly regulating it, those risks could be mitigated and patients would have more opportunities to reap the numerous benefits of this substance.

Benefits

- 10 The TGA has already acknowledged the numerous health benefits of CBD including for chemotherapy-induced nausea and vomiting, refractory paediatric epilepsy, palliative care indications, cancer pain, neuropathic pain, spasticity from neurological conditions, and anorexia and wasting associated with chronic illness (such as cancer).¹² THC is also used by doctors to help patients with ADHD, anxiety/PTSD, autism, cancer, chemotherapy induced vomiting, depression, epilepsy, insomnia, pain from cancer, degenerative diseases such as AIDs, inflammatory responses and diseases including fibromyalgia, migraines, and neuropathic impacts, and conditions causing spasms.¹³ This list is far from comprehensive and will likely grow as doctors are able to do more research and use cannabis to treat patients without as many restrictions due to the rescheduling.
- 11 This submission will address a small minority of the numerous benefits of CBD and THC. Not only does cannabis sooth the pain of cancer and chemotherapy and help patients to eat without nausea, but it also reduces the size of tumours. Unexpectedly, cannabis unlike tobacco actually improves lung function when smoked. This provides some potential for weaning people off of cigarettes which kill one in three regular users. This avenue still needs to be more thoroughly explored.¹⁴ Cannabis helps diabetics regulate insulin and stabilise blood sugars.¹⁵ It reduces inflammation helping with glaucoma. Because of this, the US government supplied patients with cannabis free of charge before any acceptions had been made in the US for medical cannabis. Also its anti-inflammatory properties slow the development of Alzheimer's disease by safely reducing inflammation in the brain. This fact provides a huge opportunity for medical research on the brain and brain inflammation. Cannabis is known to help all conditions involving involuntary movements such as muscle spasms relating to multiple sclerosis, epileptic seizures, tics associated with tourettes, and many other conditions. Cannabis provides a safe alternative to alcohol for individuals self-medicating their PTSD, and unlike alcohol it does not lead to violence and it has actual health benefits for the brains of people who have undergone severe stress.¹⁶ Many of cannabis's beneficial medical properties have yet to be explored.
- 12 Medical Professionals have effectively used medical cannabis in the United States to combat the opioid crisis.¹⁷ Cannabidiol has known pain relief properties that ease opiate withdrawal symptoms, and tetrahydrocannabinols provide a less dangerous high helping addicts wean themselves off of known deadly substances.

¹² Australian Government Department of Health, Therapeutic Goods Administration, *Access to Medical Cannabis Products*, 1 May 2020, <https://www.tga.gov.au/access-medicinal-cannabis-products-1>.

¹³ Cannabis Doctors Australia, "Conditions," accessed 21 May 2020, <https://cannabisdoctorsaustralia.com.au/conditions/>.

¹⁴ Maia Szalavitz, "Study: Smoking Marijuana Not Linked with Lung Damage," *Time Magazine*, 10 Jan 2012, <https://healthland.time.com/2012/01/10/study-smoking-marijuana-not-linked-with-lung-damage/>.

¹⁵ "Cannabis and Diabetes," *Diabetes.co.uk the global diabetes community*, 15 Jan 2019, <https://www.diabetes.co.uk/recreational-drugs/cannabis.html>.

¹⁶ "20 Health benefits of cannabis that everyone should know," *Medical Cannabis Network*, 22 July 2019, <https://www.healtheuropa.eu/health-benefits-of-cannabis/92499/>.

¹⁷ Vyas, Marianne Beare, Virginia T. LeBaron, and Aaron M. Gilson. "The use of cannabis in response to the opioid crisis: A review of the literature." *Nursing outlook* 66, no. 1 (2018): 56-65.

The purposes for which cannabis is to be used and the extent of use of Cannabis

- 13 Cannabis impacts various industries: medicine, research, recreation, and industry. It has 20,000 known uses expanding well beyond medicine or recreation and including environmental sustainability.¹⁸
- 14 Roughly, cannabis has been prescribed for 52 conditions by Australian doctors¹⁹ and has been prescribed for treatments to 457 patients in 2017, 2526 patients in 2018, and 15,566 patients in 2019. This number is considerably low as compared to countries like Canada and the US. Australia has much more stringent regulations around its use for medicinal purposes and the process of obtaining licenses is burdensome and bureaucratic. It is estimated that by 2025, around 330,000 patients could benefit from cannabis.
- 15 Countries with more liberal attitudes toward cannabis tend to set guidelines for usage but allow health practitioners to prescribe it for any reason they see fit instead of defining a set number of ailments. For example, the Netherlands Office of Medicinal Cannabis says on their website,

At present, medicinal cannabis cannot help cure the above conditions. It can, however, relieve the symptoms associated with them, and/or reduce the side effects of other medication. It is up to doctors to determine which conditions would benefit from treatment with medicinal cannabis, and the circumstances under which that would be right for the patient. In doing so they are not limited to the list of conditions given above.²⁰

Cannabis provides yet unknown potential to help patients afflicted with various ailments. Doctors and patients should have more freedom to explore the cannabis option.

- 16 The industrial applications of cannabis and hemp present compelling opportunities including for agricultural use and the production of hemp rope and other fabrics. Hemp products have been legal to produce and sell in Australia for a couple of years. However, while industrial hemp and recreational cannabis have different properties, the licensing requirements and regulations fail to reflect those differences. Industrial hemp is currently not recognised as a farming commodity. Instead, the government classifies industrial hemp (even with the approved THC levels) as cannabis under the ‘Drugs, Poisons and Controlled Substances Act 1981’.
- 17 While this submission only touches on a few applications of cannabis, there are many more uses and benefits associated with cannabis production. These huge economic opportunities need more exploring.

The toxicity of Cannabis

¹⁸ Lee, Martin A. *Smoke signals: A social history of Marijuana-Medical, Recreational and Scientific*. Simon and Schuster, 2012.

¹⁹ Cannabis Doctors Australia, “Conditions,” accessed 21 May 2020, <https://cannabisdoctorsaustralia.com.au/conditions/>.

²⁰ CIBG Ministerie van Volksgezondheid, Welzijn en Sport, Office of Medical Cannabis, “Grounds for Use,” accessed 21 May 2020 <https://english.cannabisbureau.nl/medicinal-cannabis/grounds-for-use>.

- 18 Synthetic cannabis and high THC cannabis come with potential risk for overdose causing temporary mental distress.²¹ However, no one has ever fatally overdosed on cannabis making it the only non-deadly conscious altering substance.
- 19 Compared with other medicines cannabis is significantly less dangerous. Many schedule 2 medicines can and do lead to overdose including acetaminophen, NSAIDs, Codeine, and Antihistamines.²² While high-doses of THC can cause serious discomfort, cannabis is much less dangerous than some of the most easily attainable medicines.

The potential for abuse of Cannabis

- 20 Compared to other substances legal and not legal, cannabis has a low addiction rate both physically and psychologically. It is much less addicting than heroin, cocaine, nicotine, alcohol, and even sugar.²³ We have readily available products on the legal market with addiction potential levels many times that of cannabis.²⁴ Only 9 per cent of regular cannabis users become dependent compared to 15.4 per cent of alcohol users and 31.9 per cent of tobacco users.²⁵

Any other matters that the Secretary considers necessary to protect public health.

Consequences of the black market

- 21 State law enforcement allocates tremendous resources to policing cannabis, hearing court cases, and housing prisoners in for cannabis related crimes. The vast majority of police activity in response to drugs is for cannabis offences. Of those arrests, nine-in-ten are for users rather than growers, distributors, or dealers. As a result these efforts do little to quell future use of cannabis. These police resources could be better spent on more dangerous substances, and other crimes more detrimental to Australian society.²⁶
- 21 In 1915, the most popular beverage in the United States was beer, the alcoholic beverage with the lowest alcohol content. In 1920 the US congress prohibited alcohol. After a short transitional period in 1921, the alcohol industry came roaring back giving the 20's their wild reputation. The cocktail was invented. Dealers could get more alcohol for every litre they snuck past the police, if they sold spirits instead of beer. However, as soon as prohibition ended beer again became the most popular alcoholic beverage in the US. The cannabis market has gone through a similar transition. In 1980, drug enforcement in the US increased. At that time the THC connection in cannabis was

²¹ Samaan, John, Gerardo F. Ferrer, Boye Akinyemi, Patricia Junquera, Juan Oms, and Rhaisa Dumenigo. "Synthetic cannabis overdose and withdrawal in a young adult: a case report, commentary on regulation, and review of the literature." *Case reports in psychiatry* 2016 (2016).

²² Dan Wagener, "Over The Counter Drugs That Can Kill You," *Desert Hope American Addiction Centers Treatment Facility*, 16 April 2020, <https://deserthopetreatment.com/addiction-guide/over-the-counter/overdose/>.

²³ Avena, Nicole M., Pedro Rada, and Bartley G. Hoebel. "Evidence for sugar addiction: behavioral and neurochemical effects of intermittent, excessive sugar intake." *Neuroscience & Biobehavioral Reviews* 32, no. 1 (2008): 20-39.

²⁴ Nutt, David, Leslie A. King, William Saulsbury, and Colin Blakemore. "Development of a rational scale to assess the harm of drugs of potential misuse." *The Lancet* 369, no. 9566 (2007): 1047-1053.

²⁵ NIDA. "Marijuana." *National Institute on Drug Abuse*, 24 Dec. 2019, <https://www.drugabuse.gov/publications/drugfacts/marijuana>. Accessed 20 May 2020.

²⁶ Evans, David G. 2013. "THE ECONOMIC IMPACTS OF MARIJUANA LEGALIZATION". *Drugfree.Org.Au*. https://www.drugfree.org.au/images/pdf-files/library/Medical_Marijuana/MarijuanaLegalization-DavidEvans.pdf.

more than 2 per cent. After years of strict policing the THC makeup of cannabis has increased to over 20 per cent.²⁷ A similar phenomenon likely exists in Australia due to the illegal nature of cannabis and legalization would likely lead to a decrease in the THC content of cannabis.

- 22 Even though cannabis is the most policed drug, it remains the most popular illicit substance. Instead of making the public safer, cannabis use becomes stronger and it remains completely unregulated. If someone obtains cannabis over the black market it is unlikely, the drug dealer will ask for ID to verify age, provide the consumer with medical warnings, or put thorough ingredient lists on the packaging. Through proper regulation, Australia can assure cannabis is safely consumed.

Economic loss

- 23 Because cannabis is a schedule 9 illegal substance, it is not taxed. The deficit has recently spiked due to COVID-19. The Australian government cannot afford to allow a \$4.5 billion industry to operate completely tax free. Around 35 per cent of the Australian population uses cannabis, with a purchase of 3 grams a week by an average user.²⁸ Even though it is illegal the cannabis industry continues to thrive. Should cannabis restrictions be eased, cannabis businesses could save millions increasing the size of the industry and the subsequent tax-take.

Conclusion:

- 24 Looking at the evidence above we should make the above mentioned scheduling changes.
- 25 Cannabidiols have fewer risks than many pharmaceutical medicines. It has no potential for overdose making it a non-toxic substance. It provides many possibilities for future medical use. It is unlikely to be abused. By making CBD a Schedule 3: Pharmacist Only Medicine the TGA guards against patients mistakenly misusing the drug or combining it with other substances.
- 26 Other cannabinoids, specifically, THC should be classified as Schedule 5: Cautious substances because they do not meet the Schedule 9: Prohibited Substance definition. The same applies for schedules 6 through 8.

According to the TGA website,

Schedule 9 includes substances that have a high propensity for dependency and abuse. These substances should be available only for prescribed purposes such as analysis, and medical or scientific research, including clinical trials, conducted with the approval of Commonwealth and/or State/Territory health authorities. Otherwise, the possession, use, sale or supply of substances in Schedule 9 is generally prohibited.

- 27 THC is less addictive than various unscheduled substances and much less addictive than most, if not all, scheduled substances. It is not toxic and no deaths even in extreme studies conducted with monkeys have been recorded. Therefore, it cannot be categorised as any type of poison. That said,

²⁷ World Health Organization. *Health and Social Effects of Nonmedical Cannabis Use (The)*. World Health Organization, 2016.

²⁸ Australian Institute of Health and Welfare. *National Drug Strategy Household Survey 2016: detailed findings*. AIHW, 2017.

the TGA should require labeling requirements explaining the possible side effects of THC, and users should not be permitted to drive while under the influence of THC.

- 28 These changes would greatly benefit the people suffering from medical conditions, alcoholics, farmers, and the Australian public more broadly. By reducing restrictions on cannabis the TGA can boost the economy and increase the flow of tax dollars.
- 29 The ATA supports the amendment to make CBD a schedule 3 substance and recommends making THC as schedule 5 substance to more accurately reflect its properties.

“Now here's somebody who wants to smoke a marijuana cigarette. If he's caught, he goes to jail. Now is that moral? Is that proper? I think it's absolutely disgraceful that our government, supposed to be our government, should be in the position of converting people who are not harming others into criminals, of destroying their lives, putting them in jail. That's the issue to me. The economic issue comes in only for explaining why it has those effects. But the economic reasons are not the reasons”

- Milton Friedman (1991 Interview on America's War on Drugs)