

# What is the price of methamphetamine, cannabis, ecstasy and LSD in your region?

## KEY POINTS

- The median price of a gram of methamphetamine for the entire country in 2018/19 was \$500 (down from \$538 per gram in 2017/18)
- A record low price for methamphetamine of \$450 per gram was reported in the Auckland, Waikato and Wellington regions
- While some South Island regions reported higher median gram prices for methamphetamine than other regions in 2018/19, these prices were substantially lower than the prices previously reported in these regions in 2017/18
- Twenty-nine percent of methamphetamine users reported the price of methamphetamine had been 'decreasing' in the past six months
- In contrast, only 1% of cannabis users, 6% of LSD users and 9% of ecstasy users reported the price of these drug types had been decreasing in the previous six months

## Purpose of this bulletin

This short research bulletin presents preliminary findings from the second online **New Zealand Drug Trends Survey (NZDTS)** conducted in 2018/19 by Massey University. All the bulletins are freely available on our Facebook™ page [www.facebook.com/NZDrugTrends]. More detailed statistical modelling of the predictors of drug prices will be completed over the coming months.

## Background

The prices of illegal drugs are important determinants of who uses them, the level of consumption, and the related individual and social harm (Babor et al., 2010). Declining prices can stimulate higher consumption and more harmful use, particularly among "at risk" groups, such as youth, dependent users, low socio-economic groups and first time users. Conversely, increasing drug prices can discourage use and excessive consumption. A substantial component of the price of illegal drugs is compensation to drug traffickers for bearing the risk of arrest and imprisonment by the authorities, as well as the risk of violent victimisation by rival drug dealers and the general criminal fraternity. The cost of manufacturing an illegal drug can represent as little as 1% of its street level value, with over two-thirds of the price consisting of compensation for the risk of arrest and victimisation (Caulkins and Reuter, 1998). Studies in other countries have shown there can be significant differences in the price of illegal drugs between regions within the same country, reflecting geographical distance from areas of production or entry points for international smuggling (Caulkins, 1995).

## Aims

To collect data on the price of different drug types in all regions of New Zealand in 2018/19

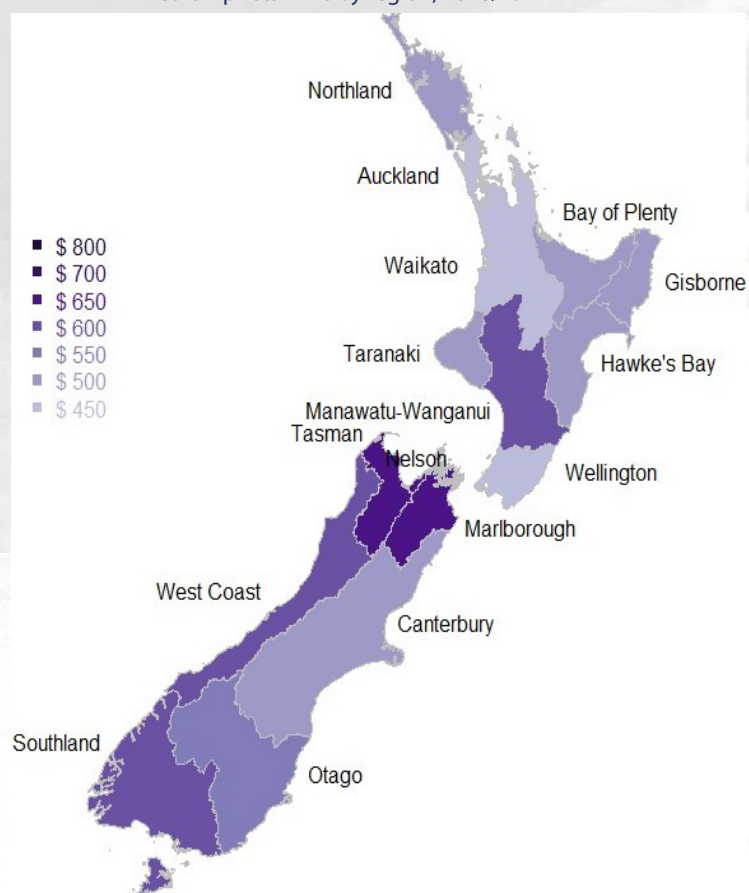
## Method

The New Zealand Drug Trends Survey (NZDTS) is an anonymous convenience survey designed to engage with large numbers of people who are knowledgeable about current drug market trends and related health, social and policy issues in New Zealand. The 2018/19 NZDTS was promoted via a broadly targeted Facebook™ campaign from November 2018 to February 2019. The completed surveys were audited for quality and extent of completion, and as a result 374 were removed (i.e. 348 for only completing the demographic section, 22 were duplicates and 4 reported their age as over 100 years). A total of 10,966 people completed the survey and answered the question on the region where they lived [i.e. Auckland=3,193; Bay of Plenty=735; Canterbury=1,664; Gisborne/Hawke's Bay=403; Manawatu/Whanganui=527; Northland=348; Otago=761; Southland/West Coast=304; Taranaki=255; Tasman/Nelson/Marlborough=371; Waikato=911; Wellington=1,494]. Respondents who reported using a drug type in the past six months were asked to provide the 'current price' of common quantities of the drug type. The same respondents were then asked, has the price of the drug changed in the previous six months, and provided with four options (i.e. 'increasing', 'stable', 'decreasing' or 'fluctuating'). This bulletin presents the median price reported for a gram of methamphetamine, ounce of cannabis, pill of ecstasy, and 'tab' of LSD, by region, and users' perceptions of the change in the price of these drugs types over the past six months.

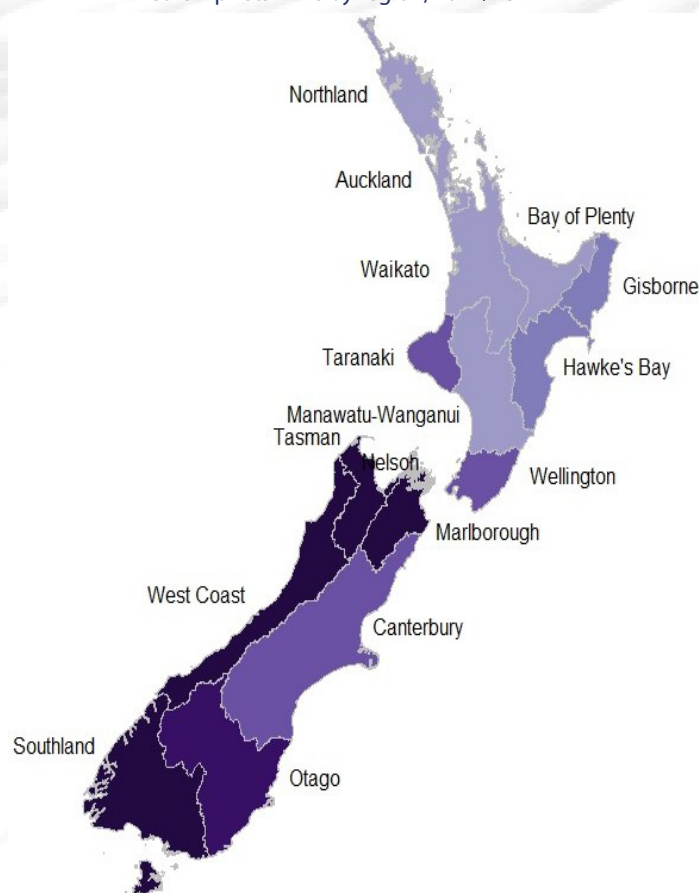
## Results

Thirty-nine percent of the sample were female. The average age was 26 years (range 16-90 years). Seventy-five percent were New Zealand European (Pākehā), 15% were Māori, 2% Asian, 1% Pacific and 1% Indian. Sixty-one percent were employed, 29% were students, 4% unemployed, 3% on a sickness benefit and 3% retired or parenting. Thirty-seven percent of respondents had completed high school education, 25% a polytechnic or trade qualification, and 35% a university degree. Overall, the median price reported for a gram of methamphetamine for the entire country in 2018/19 was \$500 (down from \$538 per gram reported in 2017/18). There was considerable variation in the price reported for methamphetamine between regions. Respondents from a number of North Island regions, including Auckland, the Waikato and Wellington (Map 1), reported a record low median price for methamphetamine of \$450 per gram. This price is \$50 lower than the lowest median price reported for methamphetamine in the previous 2017/18 NZDTS (Map 2).

**Map 1:** Median prices for a gram of methamphetamine by region, 2018/19



**Map 2:** Median prices for a gram of methamphetamine by region, 2017/18



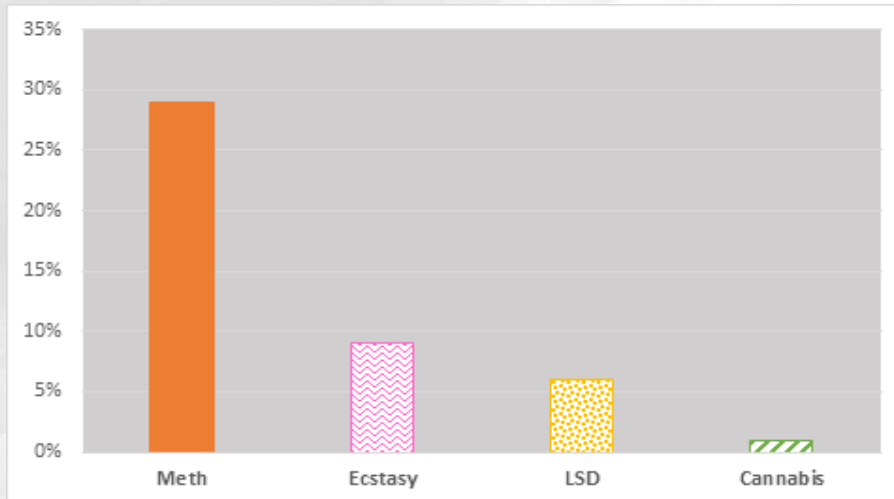
Some South Island regions reported higher median prices for methamphetamine in 2018/19, including Tasman/Nelson/ Marlborough (\$650 per gram) and Southland/West Coast (\$600 per gram) (Table 1). However, both Tasman/Nelson/ Marlborough and Southland/West Coast had previously reported a price of \$800 per gram of methamphetamine in 2017/18 (Map 2).

**Table 1:** Median prices reported for different drug types by region (\$NZD), 2018/19

	<b>Meth (gram) [n=422]</b>	<b>Cannabis (ounce) [n=3,439]</b>	<b>LSD (tab) [n=2,073]</b>	<b>Ecstasy (pill) [n=2,563]</b>
<b>Auckland</b>	\$450	\$360	\$40	\$40
<b>Waikato</b>	\$450	\$350	\$40	\$40
<b>Wellington</b>	\$450	\$350	\$40	\$40
<b>Bay of Plenty</b>	\$500	\$350	\$40	\$40
<b>Canterbury</b>	\$500	\$350	\$40	\$40
<b>Gisborne/Hawke's Bay</b>	\$500	\$350	\$35	\$50
<b>Northland</b>	\$500	\$380	\$38	\$40
<b>Taranaki</b>	\$500	\$350	\$40	\$40
<b>Otago</b>	\$550	\$400	\$30	\$40
<b>Manawatu -Wanganui</b>	\$600	\$350	\$40	\$40
<b>Southland/West Coast</b>	\$600	\$360	\$40	\$50
<b>Tasman/Nelson/Marlborough</b>	\$650	\$320	\$40	\$40
<b>ALL</b>	<b>\$500</b>	<b>\$350</b>	<b>\$40</b>	<b>\$40</b>

Overall, 29% of methamphetamine users reported that the price of methamphetamine had been 'decreasing' in the past six months in 2018/19 (Figure 1), with only 4% saying the price was 'increasing' (55% said it was 'stable' and 12% said it had been 'fluctuating').

**Figure 1.** Proportion of users reporting the price of a drug had decreased in the previous six months, 2018/19



The overall median price for an ounce of cannabis for the entire country in 2018/19 was \$350 (the same median price as reported in 2017/18). Higher median prices for an ounce of cannabis were reported in Otago (\$400), Northland (\$380), Auckland (\$360) and Southland/West Coast (\$360). Only 1% of cannabis users reported the price of cannabis had declined in the previous six months in 2018/19 (71% said it was 'stable', 16% said it was 'increasing', and 12% said it had been 'fluctuating').

The median price paid for a 'pill' of ecstasy was \$40 for the whole country in 2018/19 (the same price as reported in 2017/18). Respondents from the Gisborne/Hawke's Bay and Southland/West Coast regions reported a higher price of \$50 per pill. Nine percent of ecstasy users reported the price of ecstasy had been 'decreasing' in the previous six months in 2018/19 (66% said it was 'stable', 17% said it was 'fluctuating', and 9% said it was 'increasing').

Finally, the median price paid for a 'tab' of LSD was \$40 in 2018/19 (again, the same price as reported in 2017/18). A number of regions reported lower median prices for LSD, including Northland (\$37.50) Gisborne/Hawke's Bay (\$35) and Otago (\$30). Six percent of LSD users reported the price of LSD had been 'decreasing' in the previous six months in 2018/19 (73% said it was 'stable', 15% said it was 'fluctuating', and 6% said it was 'increasing').

## Limitations

The NZDTS sample is not statistically representative of drug users in the New Zealand population. Comparisons between NZDTS surveys should also be treated with caution as different types of people may have completed the survey in different years. NZDTS respondents reported high levels of drug use compared to respondents to the representative New Zealand Health Survey (NZHS). For example, 10% the 2018/19 NZDTS online sample reported using methamphetamine in the past six months, whereas only 0.8% of the NZHS sample reported methamphetamine use in the previous year in 2016/17 (MOH, 2016). This may reflect the targeted Facebook™ promotion of the NZDTS based on entertainment and music preferences, and self-selection by drug users more willing to participate in a drug survey. It is also possible respondents felt more comfortable reporting illegal drug use in an online survey compared to the NZHS, which is conducted face-to-face in respondents' homes. The 2018/19 NZDTS online sample was broadly consistent with the regional population distribution and demographic profile of the New Zealand population, including those who traditionally have lower utilisation of the internet. For example, 15% of the NZDTS online sample were Māori and 75% European, compared to the wider New Zealand population at the 2018 Census, of whom 17% were Māori and 73% European (Statistics New Zealand, 2019). Sixty-one percent of our online sample were employed, 29% were students and 4% were unemployed, compared to the wider New Zealand population with 65% employed, 24% students and 4% unemployed (Statistics New Zealand, 2019). New Zealand has a very high level of digital engagement by international standards (Statistics New Zealand, 2017). For example, 2.3 million New Zealanders log on to Facebook™ every day from a total population of 4.8 million (STUFF NZ, 2017). It is important to keep in mind that representative household surveys have significant limitations when surveying hidden populations such as illegal drug users. This is due to respondents' concerns about illegality and social stigma, and the difficulty of reaching young people who are seldom at home, those who live in cell phone only households, or have no permanent address (Barratt et al., 2015). Household surveys have also been experiencing decreasing response rates (often around 50-60%), rarely ask about the prices of drugs, and are expensive and time consuming to conduct (Barratt et al., 2014). Market prices are institutional economic data rather than characteristics of the user population. Consequently, it is reasonable to assume those who regularly use and purchase drugs are best placed to report current drug prices.

## Conclusions

Findings from the 2018/19 NZDTS indicate the price of methamphetamine in New Zealand is continuing to decline. In contrast, the prices of cannabis, LSD and ecstasy appear largely stable. Furthermore, the decline in the price of methamphetamine may have been particularly pronounced in some South Island regions. Reports of declining prices for methamphetamine are consistent with long-term trends reported in previous annual surveys of frequent drug users (Illicit Drug Reporting System – IDMS) and police detainees (New Zealand Arrestee Drug Use Monitoring – NZ-ADUM) (Wilkins et al., 2017a; Wilkins et al., 2017b). For example, according to the reports of frequent drug users interviewed for the IDMS, the median price of a gram of methamphetamine in Auckland declined from \$700 in 2011 to \$500 in 2016 (Wilkins et al., 2017a).

The lower prices reported for methamphetamine in the central and upper North Island regions are consistent with their proximity to international smuggling routes (e.g. airports, seaports and isolated coastline) and the concentration of domestic methamphetamine manufacture in these regions (Howell et al., 2017). Conversely, the higher prices for methamphetamine reported in Tasman/Nelson/Marlborough and the Southland/West Coast likely reflect geographical distance from production and importation sites (i.e. essentially an additional distribution and transport premium) and smaller less competitive drug markets. The declining prices for methamphetamine in the South Island are consistent with official reports from police of gangs expanding methamphetamine selling into rural and South Island regions (New Zealand Police Association, 2017, Wilkins et al., 2018, STUFF, 2016).

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