Australian Government
Department of Health

DEPUTY SECRETARY

25 January 2016

Mr Tony Simovski
A/g Deputy Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600

Email: helpdesk@obpr.gov.au

Dear Mr Simovski

Regulation Impact Statement – Final Assessment Second Pass

I am writing in relation to the attached draft standard form Regulation Impact Statement (RIS) prepared by the Department of Health for proposed changes to the *Narcotic Drugs Act 1967*. I believe the Regulation Impact Statement (RIS) represents best efforts to meet best practice requirements and is consistent with the ten principles for Australian Government policy makers. In particular, I note that the RIS addresses the seven RIS questions:

1. What is the problem?
There is a community expectation that cannabis for medicinal use should be available on the licit drug market. Patients are accessing illegal supplies with no controls on their quality and safety, creating a public health risk.

2. Why is government action needed?
Though there are pathways to legally access medicinal cannabis, there is a global supply problem. Allowing cultivation addresses this supply problem. Australia is party to the United Nations' *Single Convention on Narcotic Drugs 1961* (the Single Convention), which imposes strict controls on the cultivation of cannabis for medicinal purposes. These controls must be enacted by the Government.

Therefore, without changes to legislation, the Commonwealth is at risk of breaching its international obligations under the Single Convention particularly, should states and territories unilaterally undertake to cultivate cannabis for medicinal purposes.

3. *What policy options are you considering?*
Two options are being considered. Option 1 is to maintain the status quo and Option 2 is to establish a Commonwealth licencing scheme that provides access to medicinal cannabis in a way that is compliant with Australia's international obligations. These are the only two policy options, due to the requirements of the Single Convention.

4. What is the likely net benefit of each option?
From the Commonwealth perspective, there is no benefit from Option1 and considerable risk, either to the public where patients are accessing poor quality, illegal products, or to Australia's international reputation should the states and territories unilaterally permit cultivation. Option 2 will provide access to safe medicinal cannabis for therapeutic and scientific purposes in a way that is compliant with Australia's international obligations.

5. Who will you consult and how will you consult them?
Extensive consultations have occurred with state and territory governments and relevant Commonwealth. Exposure drafts of the proposed legislative amendments have been provided to jurisdictions and agencies for comment and follow up meetings. Current manufacturers of licit poppies have been canvased to garner understanding of implications of the proposed amendments from an industry perspective.

6. What is the best option from those you have considered?
The second option is considered the best option.

7. How will you implement and evaluate your chosen option?
Amendments to the *Narcotic Drug Act 1967* will be introduced into parliament that will allow the Commonwealth to issue licences and permits for the cultivation, production and manufacture of medicinal cannabis for therapeutic and scientific purposes.

I submit the draft RIS to the Office of Best Practice Regulation for final approval.

Yours sincerely

Dr Wendy Southern PSM
Deputy Secretary
National Programme Delivery