



Narcotic Drugs Amendment Act 2016

No. 12, 2016

**An Act to amend the *Narcotic Drugs Act 1967*, and
for related purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

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No. 12, 2016

An Act to amend the *Narcotic Drugs Act 1967*, and for related purposes

[Assented to 29 February 2016]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Narcotic Drugs Amendment Act 2016*.

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.
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Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	29 February 2016
2. Schedule 1	A single day to be fixed by Proclamation. However, if the provisions do not commence within the period of 8 months beginning on the day this Act receives the Royal Assent, they commence on the day after the end of that period.	29 October 2016
3. Schedule 2	The earlier of: (a) the start of a single day to be fixed by Proclamation; and (b) immediately before the provisions covered by table item 2.	1 May 2016 (F2016N00004)
4. Schedules 3 to 5	At the same time as the provisions covered by table item 2.	29 October 2016

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendments relating to medicinal cannabis

Narcotic Drugs Act 1967

1 Title

Repeal the title, substitute:

An Act to make provision in relation to narcotic drugs in accordance with the Single Convention on Narcotic Drugs, 1961, as in force from time to time, and for other purposes

2 Part I (heading)

Repeal the heading, substitute:

Chapter 1—Preliminary

Part 1—General provisions

3 After section 2

Insert:

2A Object of this Act

The object of this Act is to give effect to certain of Australia's obligations under the Single Convention on Narcotic Drugs, 1961, as in force from time to time.

4 Section 3

Repeal the section, substitute:

3 Simplified outline of this Act

This Act gives effect to certain of Australia's obligations under the Single Convention on Narcotic Drugs, 1961, as in force from time
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to time. The Convention, as amended by the 1972 Protocol, is set out in Schedule 1 to this Act.

A licensing and permit scheme regulates the cultivation of cannabis plants and the production of cannabis and cannabis resin. Cultivation and production, and related activities, under the scheme are for medicinal purposes or for research relating to medicinal cannabis.

A separate licensing and permit scheme regulates the manufacture of drugs covered by the Convention.

Authorised inspectors have monitoring, inspection and enforcement powers under the Regulatory Powers Act to ensure this Act is being complied with. The Secretary has comprehensive powers to give directions to licence holders and former licence holders.

5 Subsection 4(1)

Repeal the subsection, substitute:

(1) In this Act:

1972 Protocol means the Protocol Amending the Single Convention on Narcotic Drugs, 1961, done at Geneva on 25 March, 1972.

agency of the Commonwealth, a State or a Territory includes the following:

- (a) the Crown in right of the Commonwealth, a State or a Territory;
- (b) a Minister of the Commonwealth, a State or a Territory;
- (c) a Commonwealth, State or Territory government department;
- (d) an instrumentality of the Commonwealth, a State or a Territory, including a body corporate established for a public purpose by or under a law of the Commonwealth, a State or a Territory;
- (e) a company in which a controlling interest is held by any one of the following persons, or by 2 or more of the following persons together:

- (i) the Crown in right of the Commonwealth, a State or a Territory;
- (ii) a person or body covered by paragraph (b) or (d);
- (f) a court, tribunal or parole board of the Commonwealth, a State or a Territory.

authorised inspector means a person appointed as an authorised inspector under section 13H.

business associate: 2 or more persons are **business associates**, in relation to a business, if each person:

- (a) both:
 - (i) holds a relevant financial interest, or is entitled to exercise a relevant power (whether in his or her own right or on someone else's behalf), in the business; and
 - (ii) because of that interest or power, is able to exercise a significant influence over, or with respect to, the management or operation of the business; or
- (b) holds any relevant position (whether in his or her own right or on someone else's behalf) in the business.

cannabis has the same meaning as in the Convention.

cannabis licence means a cannabis research licence or a medicinal cannabis licence.

cannabis permit means a cannabis research permit or a medicinal cannabis permit.

cannabis plant means the following:

- (a) any plant of the genus cannabis;
- (b) any part of a plant of the genus cannabis including, but not limited to, the seeds, stems or leaves of the plant.

cannabis research licence: see subsection 9D(1).

cannabis research permit: see subsection 9N(1).

cannabis resin has the same meaning as in the Convention.

civil penalty provision has the same meaning as in the Regulatory Powers Act.

coca leaves has the same meaning as in the Convention.

Collector has the same meaning as in the *Customs Act 1901*.

Comptroller-General of Customs means the person who is the Comptroller-General of Customs in accordance with subsection 11(3) or 14(2) of the *Australian Border Force Act 2015*.

Convention means the Single Convention on Narcotic Drugs, 1961, done at New York on 30 March 1961, as amended by the Protocol and as in force from time to time.

Note: A copy of the English text of the Convention, as amended and in force at the commencement of section 1 of the *Narcotic Drugs Amendment Act 2016*, is set out in Schedule 1.

cultivate a cannabis plant includes the following:

- (a) sow a seed of a cannabis plant;
- (b) plant, grow, tend, nurture or harvest a cannabis plant;
- (c) graft, divide or transplant a cannabis plant;

but does not include the separation of cannabis or cannabis resin from a cannabis plant.

decision on review: see subsection 15H(5).

drug means any substance that is a drug for the purposes of the Convention, and includes any substance prescribed by regulations under section 8 of this Act.

fit and proper person: see sections 8A and 8B.

handling includes stacking, stowing, storing, transporting, loading, unloading and any operation incidental to, or arising out of, any of those operations.

head of an agency means:

- (a) if the agency is a court—the registrar (however described) of the court; or
- (b) otherwise—the principal officer (however described) of the agency.

internal reviewer: see subsection 15H(1).

issuing officer means:

- (a) a Judge of a court created by the Parliament; or
-

- (b) a Deputy President of the Administrative Appeals Tribunal;
or
- (c) a non-presidential member of the Administrative Appeals Tribunal who:
 - (i) is enrolled as a legal practitioner of the High Court, or the Supreme Court of a State or Territory; and
 - (ii) has been so enrolled for at least 5 years.

licence means the following:

- (a) a cannabis research licence;
- (b) a manufacture licence;
- (c) a medicinal cannabis licence.

licensed premises means premises at which activities authorised under a licence take place.

manufacture licence: see subsection 11G(1).

manufacture permit: see subsection 12(1).

medicinal cannabis licence: see subsection 8E(1).

medicinal cannabis permit: see subsection 8P(1).

medicinal cannabis product means a product, including but not limited to a substance, composition, preparation or mixture, that:

- (a) includes, or is from, any part of the cannabis plant; and
- (b) is for use for the purposes of curing, or alleviating the symptoms of, a disease, ailment or injury.

narcotic preparation means any mixture, whether solid or liquid, that contains a drug.

offence against this Act includes an offence against the *Crimes Act 1914* or the *Criminal Code* that relates to this Act.

opium has the same meaning as in the Convention.

permit means the following:

- (a) a cannabis research permit;
- (b) a manufacture permit;
- (c) a medicinal cannabis permit.

premises includes the following:

- (a) a structure or building;
- (b) a vehicle, vessel or aircraft;
- (c) a place (whether or not enclosed or built on), including a place situated underground or under water;
- (d) a part of a thing referred to in paragraph (a), (b) or (c).

production has the same meaning as in the Convention.

Regulatory Powers Act means the *Regulatory Powers (Standard Provisions) Act 2014*.

relative of a person includes a spouse, parent, step-parent, child, step-child, adopted child, sibling or step-sibling of the person.

relevant court means:

- (a) the Federal Court of Australia; or
- (b) the Federal Circuit Court of Australia; or
- (c) a court of a State or Territory that has jurisdiction in relation to matters arising under this Act.

relevant financial interest, in relation to a business, means:

- (a) a share in the capital of the business; or
- (b) an entitlement to receive any income derived from the business.

relevant position, in relation to a business, means a position (however described) of director, partner, trustee, manager or other executive position, or secretary.

relevant power, in relation to a business, means any power, whether exercisable by voting or otherwise and whether exercisable alone or in association with others:

- (a) to participate in any directorial, managerial or executive decision of the business; or
- (b) to elect or appoint any person to any relevant position in relation to the business.

reviewable decision: see section 15E.

Secretary means the Secretary of the Department administered by the Minister administering the *National Health Act 1953*.

serious offence means the following:

- (a) an offence against a law of the Commonwealth, a State, a Territory or another country that:
 - (i) involves dishonesty, fraud or cultivation of, or trafficking in, drugs; and
 - (ii) is punishable by a maximum penalty of imprisonment for not less than 3 months;
- (b) an offence against a law of the Commonwealth, a State, a Territory or another country that is punishable by a maximum penalty of imprisonment for not less than 5 years.

spouse of a person includes:

- (a) another person (whether of the same sex or a different sex) with whom the person is in a relationship that is registered under a law of a State or Territory prescribed for the purposes of section 2E of the *Acts Interpretation Act 1901* as a kind of relationship prescribed for the purposes of that section; and
- (b) another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple.

supply includes the following, whether free of charge or otherwise:

- (a) supply by way of sale, exchange, gift, lease, loan, hire or hire-purchase;
- (b) supply by way of sample;
- (c) supply in the course of testing safety or efficacy;
- (d) supply by way of administration to, or application in the treatment of, a person.

this Act includes:

- (a) instruments made under this Act;
- (b) the Regulatory Powers Act as it applies because of this Act.

- (1A) To avoid doubt, a reference to a drug in this Act includes a reference to a medicinal cannabis product that is a drug.

6 Sections 5 and 6

Repeal the sections, substitute:

5 Crown to be bound

- (1) This Act binds the Crown in each of its capacities.
- (2) This Act does not make the Crown liable to be prosecuted for an offence.

6 Extension to external Territories

This Act extends to every external Territory.

7 Section 7

Omit “section 12 or 13”, substitute “this Act”.

8 After section 7

Insert:

7A Interaction with State and Territory laws

- (1) Despite section 7, Chapter 2 and section 25A of this Act, and other provisions of this Act so far as they relate to those provisions, apply to the exclusion of a law, or a provision of a law, of a State or a Territory to the extent that the law or provision purports to do one or more of the following:
 - (a) provide for the grant of a licence (however described) authorising the cultivation of cannabis plants for the purposes of producing cannabis or cannabis resin for medicinal or related scientific purposes, or otherwise authorise such cultivation;
 - (b) provide for the grant of a licence (however described) authorising the production of cannabis or cannabis resin for medicinal or related scientific purposes, or otherwise authorise such production;
 - (c) prohibit an activity, or prevent a person from engaging in an activity, that is authorised under Chapter 2 or section 25A of this Act, or another provision of this Act so far as it relates to Chapter 2 or section 25A.
- (2) Subsection (1) does not apply to a law, or a provision of a law, prescribed by the regulations for the purposes of this subsection.

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- (3) Regulations made for the purposes of subsection (2) may prescribe a law, or a provision of a law, in relation to its operation in prescribed circumstances.

9 Section 8A

Repeal the section, substitute:

Part 2—Fit and proper person requirements

8A Matters to be taken into account in deciding whether a natural person is a fit and proper person

Without limiting the matters to which the Secretary may have regard in deciding whether a natural person is a fit and proper person to hold a licence, or to be associated with the holder of a licence, the Secretary may have regard to the following:

- (a) any conviction of the person for an offence against a law of the Commonwealth, a State or a Territory;
- (b) any civil penalty (however described) imposed upon the person under a law of the Commonwealth, a State or a Territory;
- (c) any revocation or suspension of a licence or permit (however described) held by the person under a law of the Commonwealth, a State, a Territory or another country, being a law relating to the prohibition or regulation of drugs;
- (d) the connections and associations that the person has with other persons (including but not limited to the person's relatives);
- (e) the person's previous business experience;
- (f) the capacity of the person to comply with conditions of the licence;
- (g) whether the person has a sound and stable financial background or is in financial circumstances that may significantly limit the person's capacity to comply with his or her obligations under a licence;
- (h) whether the person is of good repute, having regard to matters going to their character, honesty and professional and personal integrity;
- (i) the person's history of compliance with this Act.

Note: The Secretary must refuse to grant a licence to a person if the Secretary is not satisfied on reasonable grounds that the person and his or her business associates are fit and proper, and must revoke the licence if satisfied on reasonable grounds that they are not fit and proper.

8B Matters to be taken into account in deciding whether a body corporate is a fit and proper person

Without limiting the matters to which the Secretary may have regard in deciding whether a body corporate is a fit and proper person to hold a licence, or to be associated with the holder of a licence, the Secretary must have regard to the following:

- (a) any conviction of the body corporate for an offence against a law of the Commonwealth, a State or a Territory;
- (b) any civil penalty (however described) imposed upon the body corporate under a law of the Commonwealth, a State or a Territory;
- (c) if there is such a conviction or imposition of a civil penalty upon the body corporate:
 - (i) whether the offence concerned was committed, or the conduct to which the civil penalty relates occurred, at a time when any person who is presently a director or officer of the body corporate was a director or officer; and
 - (ii) whether the offence concerned was committed, or the conduct to which the civil penalty relates occurred, at a time when any shareholder of the body corporate who is presently in a position to influence the management of the body corporate was such a shareholder;
- (d) any revocation or suspension of a licence or permit (however described) held by the body corporate under a law of the Commonwealth, a State, a Territory or another country, being a law relating to the prohibition or regulation of drugs;
- (e) the connections and associations that the body corporate, and its directors and officers, have with other persons (including but not limited to relatives of such directors and officers);
- (f) the previous business experience of the directors and officers of the body corporate, and of the shareholders of the body corporate who are presently in a position to influence the management of the body corporate;

- (g) whether the body corporate has a sound and stable financial background or is in financial circumstances that may significantly limit the capacity of the body corporate to comply with its obligations under a licence;
- (h) the capacity of the body corporate to meet the conditions of the licence;
- (i) whether the directors and officers of the body corporate are of good repute, having regard to matters going to their character, honesty and professional and personal integrity;
- (j) the body corporate's history of compliance with this Act.

Note: The Secretary must refuse to grant a licence to a person if the Secretary is not satisfied on reasonable grounds that the person and his or her business associates are fit and proper, and must revoke the licence if satisfied on reasonable grounds that they are not fit and proper.

8C Part does not affect spent convictions provisions

Nothing in this Part affects the operation of Part VIIC of the *Crimes Act 1914* (which includes provisions that, in certain circumstances, relieve persons from the requirement to disclose spent convictions and require persons aware of such convictions to disregard them).

10 Part II

Repeal the Part, substitute:

Chapter 2—Licensing the cultivation of cannabis plants and the production of cannabis etc.

Part 1—Introduction

8D Simplified outline of this Chapter

There are 2 types of cannabis licence.

A medicinal cannabis licence may authorise:

- (a) the cultivation of cannabis plants for producing cannabis or cannabis resin for medicinal purposes and the obtaining of cannabis plants for that purpose; or
- (b) the production of cannabis or cannabis resin for medicinal purposes; or
- (c) all of the above;

and activities related to such cultivation, obtaining or production.

A cannabis research licence may authorise:

- (a) the cultivation of cannabis plants for producing cannabis or cannabis resin for research relating to medicinal cannabis and the obtaining of cannabis plants for that purpose; or
- (b) the production of cannabis or cannabis resin for research relating to medicinal cannabis; or
- (c) all of the above;

and activities related to such cultivation, obtaining or production.

Before a licence holder can cultivate cannabis plants, or produce cannabis or cannabis resin, the licence holder must obtain a cannabis permit. Permits deal with matters such as the types of cannabis plants that can be cultivated and the quantities of cannabis and cannabis resin that can be produced.

Certain conditions are imposed on all cannabis licences, and the Secretary may impose additional conditions.

Cannabis licences and cannabis permits can be varied or revoked in certain circumstances.

There are offences and civil penalties relating to the cultivation and obtaining of cannabis plants and the production of cannabis and cannabis resin.

Part 2—Licences and permits

Division 1—Medicinal cannabis licences and permits

8E Person may apply for a medicinal cannabis licence

- (1) A person may apply to the Secretary for a licence (a *medicinal cannabis licence*) that authorises one or more of the following activities:
- (a) the cultivation of cannabis plants, in accordance with one or more medicinal cannabis permits, for the purpose of producing cannabis or cannabis resin for medicinal purposes and, if appropriate, the obtaining of cannabis plants for the purpose of such cultivation;
 - (b) the production of cannabis or cannabis resin for medicinal purposes, in accordance with one or more medicinal cannabis permits;
 - (c) activities relating to such obtaining, cultivation or production, including but not limited to the following (as applicable):
 - (i) the supply of cannabis plants, cannabis or cannabis resin;
 - (ii) the packaging, transport, storage, possession and control of cannabis plants, cannabis or cannabis resin;
 - (iii) the disposal or destruction of cannabis plants, cannabis or cannabis resin.
- Note: A cannabis plant includes the seeds of a cannabis plant (see subsection 4(1)).
- (2) The application must be made in the form or manner approved in writing by the Secretary, and must:
- (a) contain the information (if any) prescribed by the regulations; and
 - (b) contain the information (if any) specified in writing by the Secretary; and
 - (c) be accompanied by the documents (if any) prescribed by the regulations; and
 - (d) be accompanied by the documents (if any) specified in writing by the Secretary.

Note: The Secretary may also require additional information and documents from the applicant at any time: see subsection 14J(1).

- (3) The application must be accompanied by the application fee (if any) prescribed by the regulations.
- (4) The application may be withdrawn at any time before a decision is made on the application, but the application fee is not refundable.

8F Secretary must make a decision on an application for a medicinal cannabis licence

- (1) If a person has made an application for a medicinal cannabis licence, the Secretary must decide whether to grant, or refuse to grant, the licence.
- (2) The Secretary may, subject to sections 8G and 8J, grant a medicinal cannabis licence if the Secretary considers it appropriate in all the circumstances to do so.
- (3) For the purposes of deciding whether to grant, or refuse to grant, a medicinal cannabis licence, the Secretary:
 - (a) must have regard to the following:
 - (i) the information and documents provided by the applicant;
 - (ii) any advice, information or documents received in response to a request or requirement under section 14J, 14K or 14L including, in particular, any advice provided by an agency of a State or Territory in which any activities proposed to be authorised by the licence will take place;
 - (iii) any other matter prescribed by the regulations; and
 - (b) may have regard to any other matter relating to the conduct of activities authorised by the licence or the distribution, use and possession of cannabis plants cultivated or obtained, or cannabis or cannabis resin produced, under the licence; and
 - (c) may have regard to any other matter the Secretary considers relevant; and
 - (d) may require the applicant to provide access to land or premises at which activities proposed to be authorised by the licence will take place, for the purposes of inspecting the land or premises.

8G General circumstances in which Secretary must refuse to grant a medicinal cannabis licence

- (1) The Secretary must refuse to grant a medicinal cannabis licence if:
- (a) the Secretary is not satisfied on reasonable grounds that:
 - (i) the applicant is a fit and proper person to hold the licence; and
 - (ii) each of the applicant's relevant business associates for the application (see subsection (2)), whether in relation to a business relating to the medicinal cannabis licence, or in relation to any other business, is a fit and proper person to be associated with the holder of a medicinal cannabis licence; or
 - (b) subject to section 8H—the Secretary is satisfied on reasonable grounds that:
 - (i) the applicant; or
 - (ii) if the applicant is a body corporate, any of the directors of the body corporate;
has engaged in conduct that constitutes a serious offence during the 10 years immediately before the date of the application; or
 - (c) the Secretary is satisfied on reasonable grounds that the grant of the licence would not be consistent with Australia's obligations under the Convention; or
 - (d) the Secretary is not satisfied on reasonable grounds that the applicant will take all reasonable measures to ensure the physical security of cannabis plants, cannabis or cannabis resin:
 - (i) in the applicant's possession or control; and
 - (ii) obtained, cultivated or produced under, or purportedly under, the licence; or
 - (e) the Secretary is not satisfied on reasonable grounds of the suitability of the location, facilities or proposed security arrangements at the land or premises where activities authorised by the licence will take place; or
 - (f) the Secretary is satisfied on reasonable grounds that one or more circumstances exist that are prescribed by the regulations as circumstances in which a licence must not be granted; or

- (g) the application fee (if any) has not been paid; or
- (h) the applicant has not complied with a requirement under subsection 14J(1) (additional information) in relation to the application.

Relevant business associate

- (2) A business associate of an applicant is a relevant business associate for the application if the Secretary considers it is reasonable, in the circumstances of the application, to take that business associate into account.

8H Exception in special circumstances

Paragraph 8G(1)(b) does not prevent the Secretary from granting a medicinal cannabis licence if the Secretary is satisfied:

- (a) that the conduct referred to in that paragraph:
 - (i) constitutes a serious offence solely because it involves the cultivation or obtaining of the cannabis plant, or the production or supply of cannabis or cannabis resin or of products containing cannabis or cannabis resin; and
 - (ii) was fully disclosed in the application; and
- (b) that if the licence were granted, the applicant could comply with all the requirements of the licence and this Act.

However, this section does not require the Secretary to grant the licence even if the Secretary is so satisfied.

8J Particular circumstances in which Secretary must refuse to grant a medicinal cannabis licence

Licence authorising cultivation but not production

- (1) The Secretary must refuse to grant a medicinal cannabis licence that:
 - (a) authorises the cultivation of cannabis plants (whether or not it also authorises the obtaining of cannabis plants); and
 - (b) does not also authorise the production of cannabis or cannabis resin;

if the Secretary is not satisfied on reasonable grounds that the cultivation of the cannabis plants is:

- (c) for the purposes of supply to the holder of a medicinal cannabis licence that authorises such production; or
- (d) for a purpose prescribed by the regulations.

Licence authorising production

- (2) The Secretary must refuse to grant a medicinal cannabis licence that authorises the production of cannabis or cannabis resin (whether or not it also authorises the cultivation of cannabis plants) if the Secretary is not satisfied on reasonable grounds that:
 - (a) the production of the cannabis or cannabis resin for medicinal purposes is for the purposes of supply to the holder of a licence under this Act that authorises:
 - (i) the manufacture of one or more drugs that are medicinal cannabis products; or
 - (ii) the manufacture of a drug for the purposes of research relating to medicinal cannabis products; or
 - (b) the applicant holds a licence that authorises such manufacture; or
 - (c) the production of the cannabis or cannabis resin for medicinal purposes is for a purpose prescribed by the regulations.

8K Secretary may impose conditions

If the Secretary decides to grant a medicinal cannabis licence, the Secretary may impose conditions to which the licence is subject including, but not limited to, conditions relating to matters set out in section 10D.

Note 1: For requirements for a notice of a decision to impose conditions on a medicinal cannabis licence, see section 15F.

Note 2: Conditions are also specified in this Act (see sections 10E to 10K), and may also be prescribed by the regulations (see paragraph 10C(b)).

8L Notification of decision

If the Secretary decides to grant a medicinal cannabis licence, the Secretary must, as soon as practicable:

- (a) notify the applicant for the licence, in writing, of the Secretary's decision; and
 - (b) provide a copy of the licence, specifying the matters as mentioned in section 8M, to the applicant.
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Note: For requirements for a notice of a decision to refuse to grant a medicinal cannabis licence, see section 15F.

8M Matters to be specified in a medicinal cannabis licence

A medicinal cannabis licence must specify the following:

- (a) the name of the licence holder;
- (b) the activities authorised by the licence, and the extent to which those activities are authorised only in accordance with one or more medicinal cannabis permits held by the licence holder;
- (c) the extent of the land on which, and the premises at which, the obtaining and cultivation of cannabis plants, and the production of cannabis or cannabis resin, as the case requires, is authorised by the licence in accordance with one or more medicinal cannabis permits;
- (d) the premises at which other activities relating to such obtaining, cultivation or production is authorised by the licence;
- (e) the persons authorised by the licence to engage in activities authorised by the licence;
- (f) the conditions (if any) imposed by the Secretary under section 8K;
- (g) the period for which the licence is in force;
- (h) that the Secretary may, in accordance with section 15, require the destruction of cannabis plants, cannabis or cannabis resin in the possession of, or under the control of, the licence holder.

8N Period in force of a medicinal cannabis licence

A medicinal cannabis licence ceases to be in force:

- (a) at the end of the period for which it is expressed to be in force; or
- (b) if it is revoked earlier—when it is revoked.

8P Holder of a medicinal cannabis licence may apply for a medicinal cannabis permit

- (1) The holder of a medicinal cannabis licence may apply for a permit (a *medicinal cannabis permit*) in relation to activities that are authorised by the licence only in accordance with such a permit.
- (2) The application must be made in the form or manner approved in writing by the Secretary, and must:
 - (a) contain the information (if any) prescribed by the regulations; and
 - (b) contain the information (if any) specified in writing by the Secretary; and
 - (c) be accompanied by the documents (if any) prescribed by the regulations; and
 - (d) be accompanied by the documents (if any) specified in writing by the Secretary.

Note: The Secretary may also require additional information and documents from the applicant at any time: see subsection 14J(1).

- (3) The application must be accompanied by the application fee (if any) prescribed by the regulations.
- (4) The application may be withdrawn at any time before a decision is made on the application, but the application fee is not refundable.

9 Secretary must make a decision on an application for a medicinal cannabis permit

- (1) If a person has made an application for a medicinal cannabis permit, the Secretary must decide whether to grant, or refuse to grant, the permit.
 - (2) The Secretary may, subject to subsections (3) and (4), grant a medicinal cannabis permit if the Secretary considers it appropriate in all the circumstances to do so.
 - (3) The Secretary may refuse to grant a medicinal cannabis permit if the Secretary is satisfied on reasonable grounds that the holder of the medicinal cannabis licence to which the permit relates has breached a condition of the licence.
 - (4) The Secretary must refuse to grant a medicinal cannabis permit if:
-

- (a) the application fee (if any) has not been paid; or
- (b) the applicant has not complied with a requirement under subsection 14J(1) (additional information) in relation to the application.

9A Notification of decision

If the Secretary decides to grant a medicinal cannabis permit that relates to a medicinal cannabis licence, the Secretary must, as soon as practicable:

- (a) notify the licence holder, in writing, of the Secretary's decision; and
- (b) provide a copy of the permit, specifying the matters as mentioned in section 9B, to the licence holder.

Note: For requirements for a notice of a decision to refuse to grant a medicinal cannabis permit, see section 15F.

9B Matters to be specified in a medicinal cannabis permit

Medicinal cannabis permits—cultivation

- (1) Without limiting the matters that the Secretary may specify in a medicinal cannabis permit that relates to a licence that authorises the cultivation of cannabis plants, the Secretary may specify one or more of the following that are authorised by the licence in accordance with the permit:
 - (a) the types and strains of cannabis plants that may be cultivated;
 - (b) the maximum size of the cannabis crop that may be cultivated;
 - (c) the maximum number of cannabis plants that, in the opinion of the Secretary, having regard to Australia's obligations under the Convention, it is necessary for the licence holder to have in the holder's possession or control at any time for the normal conduct of business;
 - (d) the period during which cannabis plants may be cultivated;
 - (e) the period for which the permit is in force;
 - (f) any matter prescribed by the regulations.

Note 1: Section 10J provides that (in general) it is a condition of a medicinal cannabis licence that certain contracts are in force while a medicinal cannabis permit is in force.

Note 2: A cannabis plant includes the seeds of a cannabis plant (see subsection 4(1)).

Medicinal cannabis permits—production

- (2) Without limiting the matters that the Secretary may specify in a medicinal cannabis permit that relates to a licence that authorises the production of cannabis or cannabis resin, the Secretary may specify one or more of the following that are authorised by the licence in accordance with the permit:
- (a) the maximum quantity of cannabis or cannabis resin that may be produced;
 - (b) the maximum quantity of cannabis or cannabis resin that, in the opinion of the Secretary, having regard to Australia's obligations under the Convention, it is necessary for the licence holder to have in the holder's possession or control at any time for the normal conduct of business;
 - (c) the period during which the cannabis or cannabis resin may be produced;
 - (d) the period for which the permit is in force;
 - (e) any matter prescribed by the regulations.

Note: Section 10J provides that (in general) it is a condition of a medicinal cannabis licence that certain contracts are in force while a medicinal cannabis permit is in force.

9C Period in force of a medicinal cannabis permit

A medicinal cannabis permit ceases to be in force:

- (a) at the end of the period for which it is expressed to be in force; or
- (b) if it is revoked or taken to be revoked earlier—when it is revoked or taken to be revoked.

Note: A medicinal cannabis permit is taken to be revoked if the medicinal cannabis licence to which the permit relates is revoked: see subsection 10P(4).

Division 2—Cannabis research licences and permits

9D Person may apply for a cannabis research licence

- (1) A person may apply to the Secretary for a licence (a *cannabis research licence*) that authorises one or more of the following activities:
- (a) the cultivation of cannabis plants, in accordance with one or more cannabis research permits, for the purpose of producing cannabis or cannabis resin for research relating to medicinal cannabis and, if appropriate, the obtaining of cannabis plants for the purpose of such cultivation;
 - (b) the production of cannabis or cannabis resin for research relating to medicinal cannabis, in accordance with one or more cannabis research permits;
 - (c) activities relating to such cultivation, obtaining or production, including but not limited to the following (as applicable):
 - (i) the packaging, transport, storage, possession and control of cannabis plants, cannabis or cannabis resin;
 - (ii) the disposal or destruction of cannabis plants, cannabis or cannabis resin.

Note: A cannabis plant includes the seeds of a cannabis plant (see subsection 4(1)).

- (2) The application must be made in the form or manner approved in writing by the Secretary, and must:
- (a) contain the information (if any) prescribed by the regulations; and
 - (b) contain the information (if any) specified in writing by the Secretary; and
 - (c) be accompanied by the documents (if any) prescribed by the regulations; and
 - (d) be accompanied by the documents (if any) specified in writing by the Secretary.

Note: The Secretary may also require additional information and documents from the applicant at any time: see subsection 14J(1).

- (3) The application must be accompanied by the application fee (if any) prescribed by the regulations.

- (4) The application may be withdrawn at any time before a decision is made on the application, but the application fee is not refundable.

9E Secretary must make a decision on an application for a cannabis research licence

- (1) If a person has made an application for a cannabis research licence, the Secretary must decide whether to grant, or refuse to grant, the licence.
- (2) The Secretary may, subject to sections 9F and 9H, grant the cannabis research licence if the Secretary considers it appropriate in all the circumstances to do so.
- (3) For the purposes of deciding whether to grant, or refuse to grant, a cannabis research licence, the Secretary:
- (a) must have regard to the following:
 - (i) the information and documents provided by the applicant;
 - (ii) any advice, information or documents received in response to a request or requirement under section 14J, 14K or 14L including, in particular, any advice provided by an agency of a State or Territory in which any activities proposed to be authorised by the licence will take place;
 - (iii) any other matter prescribed by the regulations; and
 - (b) may have regard to any other matter relating to the distribution, use, possession and control of cannabis plants cultivated or obtained, or cannabis or cannabis resin produced under the licence; and
 - (c) may have regard to any other matter the Secretary considers relevant; and
 - (d) may require the applicant to provide access to land or premises at which activities proposed to be authorised by the licence will take place, for the purposes of inspecting the land or premises.

9F General circumstances in which Secretary must refuse to grant a cannabis research licence

- (1) The Secretary must refuse to grant a cannabis research licence if:
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- (a) the Secretary is not satisfied on reasonable grounds that:
 - (i) the applicant is a fit and proper person to hold the licence; and
 - (ii) each of the applicant's relevant business associates for the application (see subsection (2)), whether in relation to a business relating to the cannabis research licence, or in relation to any other business, is a fit and proper person to be associated with the holder of a cannabis research licence; or
- (b) subject to section 9G—the Secretary is satisfied on reasonable grounds that:
 - (i) the applicant; or
 - (ii) if the applicant is a body corporate, any of the directors of the body corporate;has engaged in conduct that constitutes a serious offence during the 10 years immediately before the date of the application; or
- (c) the Secretary is satisfied on reasonable grounds that the grant of the licence would not be consistent with Australia's obligations under the Convention; or
- (d) the Secretary is not satisfied on reasonable grounds that the applicant will take all reasonable measures to ensure the physical security of cannabis plants, cannabis or cannabis resin:
 - (i) in the applicant's possession or control; and
 - (ii) obtained, cultivated or produced under, or purportedly under, the licence; or
- (e) the Secretary is not satisfied on reasonable grounds of the suitability of the location, facilities or proposed security arrangements at the land or premises where activities authorised by the licence will take place; or
- (f) the Secretary is satisfied on reasonable grounds that one or more circumstances exist that are prescribed by the regulations as circumstances in which a licence must not be granted; or
- (g) the application fee (if any) has not been paid; or
- (h) the applicant has not complied with a requirement under subsection 14J(1) (additional information) in relation to the application.

Relevant business associate

- (2) A business associate of an applicant is a relevant business associate for the application if the Secretary considers it is reasonable, in the circumstances of the application, to take that business associate into account.

9G Exception in special circumstances

Paragraph 9F(1)(b) does not prevent the Secretary from granting a cannabis research licence if the Secretary is satisfied that:

- (a) the conduct referred to in that paragraph:
- (i) constitutes a serious offence solely because it involves the cultivation or obtaining of the cannabis plant, or the production or supply of cannabis or cannabis resin or of products containing cannabis or cannabis resin; and
 - (ii) was fully disclosed in the application; and
- (b) if the licence were granted, the applicant could comply with all the requirements of the licence and this Act.

However, this section does not require the Secretary to grant the licence even if the Secretary is so satisfied.

9H Particular circumstances in which Secretary must refuse to grant cannabis research licence

The Secretary must refuse to grant a cannabis research licence if the Secretary is not satisfied on reasonable grounds of the following:

- (a) if the licence will authorise the cultivation of cannabis plants—the cultivation so authorised is for the purposes of research relating to medicinal cannabis;
- (b) if the licence will authorise the production of cannabis or cannabis resin—the production of cannabis or cannabis resin authorised by the licence is:
- (i) for the purposes of research relating to medicinal cannabis by the applicant; or
 - (ii) for the purposes of research relating to medicinal cannabis products;
- (c) the applicant:

- (i) has the appropriate financial resources, other resources and expertise that are necessary to carry out such research; or
- (ii) is included in a class of persons prescribed by the regulations.

9J Secretary may impose conditions

If the Secretary decides to grant a cannabis research licence, the Secretary may impose conditions to which the licence is subject including, but not limited to, conditions set out in section 10D.

Note 1: For requirements for a notice of a decision to impose conditions on a cannabis research licence, see section 15F.

Note 2: Conditions are also specified in this Act (see sections 10E to 10K), and may also be prescribed by the regulations (see paragraph 10C(b)).

9K Notification of decision

If the Secretary decides to grant a cannabis research licence, the Secretary must, as soon as practicable:

- (a) notify the applicant for the licence, in writing, of the Secretary's decision; and
- (b) provide a copy of the licence, specifying the matters as mentioned in section 9L, to the applicant.

Note: For requirements for a notice of a decision to refuse to grant a cannabis research licence, see section 15F.

9L Matters to be specified in a cannabis research licence

A cannabis research licence must specify the following:

- (a) the name of the licence holder;
- (b) the activities authorised by the licence, and the extent to which those activities are authorised only in accordance with one or more cannabis research permits held by the licence holder;
- (c) the extent of the land on which, and the premises at which, the obtaining and cultivation of cannabis plants, and the production of cannabis or cannabis resin, as the case requires, is authorised by the licence in accordance with a cannabis research permit;

- (d) the premises at which other activities relating to such obtaining, cultivation or production is authorised by the licence;
- (e) the persons authorised by the licence to engage in activities authorised by the licence;
- (f) the conditions (if any) imposed by the Secretary under section 9J;
- (g) the period for which the licence is in force;
- (h) that the Secretary may, in accordance with section 15, require the destruction of cannabis plants, cannabis or cannabis resin in the licence holder's possession or control.

9M Period in force of a cannabis research licence

A cannabis research licence ceases to be in force:

- (a) at the end of the period for which it is expressed to be in force; or
- (b) if it is revoked earlier—when it is revoked.

9N Holder of a cannabis research licence may apply for a cannabis research permit

- (1) The holder of a cannabis research licence may apply for a permit (a ***cannabis research permit***) in relation to activities that are authorised by the licence only in accordance with such a permit.
- (2) The application must be made in the form or manner approved in writing by the Secretary, and must:
 - (a) contain the information (if any) prescribed by the regulations; and
 - (b) contain the information (if any) specified in writing by the Secretary; and
 - (c) be accompanied by the documents (if any) prescribed by the regulations; and
 - (d) be accompanied by the documents (if any) specified in writing by the Secretary.

Note: The Secretary may also require additional information and documents from the applicant at any time: see subsection 14J(1).

- (3) The application must be accompanied by the application fee (if any) prescribed by the regulations.
- (4) The application may be withdrawn at any time before a decision is made on the application, but the application fee is not refundable.

9P Secretary must make a decision on an application for a cannabis research permit

- (1) If a person has made an application for a cannabis research permit, the Secretary must decide whether to grant, or refuse to grant, the permit.
- (2) The Secretary may, subject to subsections (3) and (4), grant a cannabis research permit if the Secretary considers it appropriate in all the circumstances to do so.
- (3) The Secretary may refuse to grant a cannabis research permit if the Secretary is satisfied on reasonable grounds that the holder of the cannabis research licence to which the permit relates has breached a condition of the licence.
- (4) The Secretary must refuse to grant a cannabis research permit if:
 - (a) the application fee (if any) has not been paid; or
 - (b) the applicant has not complied with a requirement under subsection 14J(1) (additional information) in relation to the application.

10 Notification of decision

If the Secretary decides to grant a cannabis research permit that relates to a cannabis research licence, the Secretary must, as soon as practicable:

- (a) notify the licence holder, in writing, of the Secretary's decision; and
- (b) provide a copy of the permit, specifying the matters as mentioned in section 10A, to the licence holder.

Note: For requirements for a notice of a decision to refuse to grant a cannabis research permit, see section 15F.

10A Matters to be specified in a cannabis research permit*Cannabis research permits—cultivation*

- (1) Without limiting the matters that the Secretary may specify in a cannabis research permit that relates to a licence that authorises the cultivation of cannabis plants, the Secretary may specify one or more of the following that are authorised by the licence in accordance with the permit:
- (a) the types and strains of cannabis plants that may be cultivated;
 - (b) the maximum size of the cannabis crop that may be cultivated;
 - (c) the maximum number of cannabis plants that, in the opinion of the Secretary, having regard to Australia's obligations under the Convention, it is necessary for the licence holder to have in the holder's possession or control at any time for conducting the research authorised by the licence;
 - (d) the period during which cannabis plants may be cultivated;
 - (e) the period for which the permit is in force;
 - (f) any matters prescribed by the regulations.

Note: A cannabis plant includes the seeds of a cannabis plant (see subsection 4(1)).

Cannabis research permits—production

- (2) Without limiting the matters that the Secretary may specify in a cannabis research permit that relates to a licence that authorises the production of cannabis or cannabis resin, the Secretary may specify one or more of the following that are authorised by the licence in accordance with the permit:
- (a) the maximum quantity of cannabis or cannabis resin that may be produced;
 - (b) the maximum quantity of cannabis or cannabis resin that, in the opinion of the Secretary, having regard to Australia's obligations under the Convention, it is necessary for the licence holder to produce at any time for conducting the research authorised by the licence;
 - (c) the period during which the cannabis or cannabis resin may be produced;

- (d) the period for which the permit is in force;
- (e) any matters prescribed by the regulations.

10B Period in force of a cannabis research permit

A cannabis research permit ceases to be in force:

- (a) at the end of the period for which it is expressed to be in force; or
- (b) if it is revoked or taken to be revoked earlier—when it is revoked or taken to be revoked.

Note: A cannabis research permit is taken to be revoked if the cannabis research licence to which the permit relates is revoked: see subsection 10P(4).

Division 3—Conditions of cannabis licences

10C Cannabis licence is subject to conditions

A cannabis licence is subject to the following conditions:

- (a) the conditions set out in sections 10E to 10K;
- (b) the conditions (if any) prescribed by the regulations;
- (c) the conditions (if any) imposed by the Secretary (see sections 8K, 9J, 10D and 10M).

10D Conditions that may be prescribed or imposed

- (1) The conditions of a cannabis licence that may be prescribed or imposed may relate to, but are not limited to, the following:
 - (a) matters relating to the activities authorised by the licence, including activities authorised in accordance with a permit;
 - (b) the supply, delivery, dealing in any way with, transportation and disposal of cannabis plants cultivated or obtained, or cannabis or cannabis resin produced, under the licence in accordance with a permit;
 - (c) the use of names or symbols that may suggest or imply a particular effect upon humans of cannabis or cannabis resin, but not so as to prevent the specification of factual material;
 - (d) waste disposal;

- (e) the destruction of cannabis plants, parts of cannabis plants, cannabis or cannabis resin, including the specification of the circumstances in which:
 - (i) destruction must not occur without the Secretary's permission; or
 - (ii) destruction must occur;
 - (f) documentation and record-keeping in respect of activities to which the licence relates;
 - (g) facilities and containment in respect of the cultivation or production authorised by the licence, including requirements relating to the following:
 - (i) the security of premises;
 - (ii) the certification of premises or facilities to specified containment levels;
 - (h) the safety, security and surveillance of land and premises;
 - (i) access to land and premises on which activities authorised by the licence are, are to be, or have been, undertaken;
 - (j) measures to manage risks posed to the health and safety of people, or to the environment;
 - (k) data collection, including studies to be conducted;
 - (l) information that is to be provided, whether on request by the Secretary, on a regular basis or on the occurrence of a particular event, and the times at which, or periods within which, such information is to be provided;
 - (m) the taking of samples of any thing to which the licence relates and the removal and testing of such samples;
 - (n) auditing and reporting;
 - (o) actions to be taken in case of loss, theft, spoilage or destruction (however occurring) of cannabis plants cultivated or obtained, or cannabis or cannabis resin produced, under (or purportedly under) the licence;
 - (p) compliance with the following (however described):
 - (i) a code of practice;
 - (ii) a technical or procedural guideline (however described);
 - (iii) a prescribed quality standard;
 - (q) contingency planning;
 - (r) matters relating to the employment of staff or the engagement of contractors;
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- (s) advertising to the public by the licence holder in relation to cannabis plants, cannabis or cannabis resin.
- (2) Cannabis licence conditions may include conditions requiring the licence holder to be adequately insured against any loss, damage, or injury that may be caused to human health, property or the environment by activities undertaken under (or purportedly under) the licence.

10E Condition that cannabis licence holder inform people of obligations

- (1) It is a condition of a cannabis licence that the licence holder inform any person authorised by the licence:
 - (a) to engage in the obtaining or cultivation of cannabis plants, or activities related to such obtaining or cultivation; or
 - (b) to engage in the production of cannabis or cannabis resin, or activities related to such production;of the following:
 - (c) each condition that is relevant to that person, including each variation or revocation of such a condition;
 - (d) the revocation of the licence and of any permit that relates to the licence and is relevant to the person;
 - (e) the giving of one or more directions in relation to the licence under Part 3 of Chapter 5.
- (2) Requirements in relation to the manner in which information is provided under subsection (1) may be:
 - (a) prescribed by the regulations; or
 - (b) specified by the Secretary.
- (3) A reference in subsection (1) to a licence holder or a person authorised under a cannabis licence is, in the case of revocation of the licence, taken to be a reference to a person who was the licence holder, or was so authorised, immediately before that revocation.

10F Condition that cannabis licence holder employ or engage suitable staff

- (1) It is a condition of a cannabis licence that the licence holder take all reasonable steps not to employ or engage a person to carry out activities authorised by the licence if:
 - (a) the person is aged under 18 years; or
 - (b) the person has been convicted of a serious offence during the period of 5 years before the employment or engagement; or
 - (c) the person is taken not to be suitable to carry out activities authorised by a cannabis licence under regulations made for the purposes of subsection (2); or
 - (d) the person is included in a class of persons prescribed by the regulations for the purposes of this paragraph.
- (2) The regulations may prescribe circumstances in which a person is taken not to be suitable to carry out activities authorised by a cannabis licence, including but not limited to circumstances relating to the following:
 - (a) a person's criminal record;
 - (b) a person's employment history.

10G Condition that certain activities are undertaken in accordance with a cannabis permit

Medicinal cannabis licence

- (1) It is a condition of a medicinal cannabis licence that the licence holder, and other persons authorised by the licence to obtain or cultivate cannabis plants, or to produce cannabis or cannabis resin, do so in accordance with a medicinal cannabis permit.

Cannabis research licence

- (2) It is a condition of a cannabis research licence that the licence holder, and other persons authorised by the licence to obtain or cultivate cannabis plants, or to produce cannabis or cannabis resin, do so in accordance with a cannabis research permit.

10H Condition about monitoring and inspection

It is a condition of a cannabis licence that, if a person is authorised by the licence:

- (a) to obtain or cultivate cannabis plants or to produce cannabis or cannabis resin; or
- (b) to engage in activities related to such obtaining, cultivation or production;

the person allow the Secretary, or a person authorised by the Secretary, to:

- (c) enter land or premises at which the person is present and where the obtaining, cultivation, production or activity is being undertaken, for the purposes of the following:
 - (i) inspecting or monitoring the obtaining, cultivation, production or activity;
 - (ii) checking whether the obtaining, cultivation, production or activity is being carried out as authorised by the licence in accordance with a cannabis permit, and whether licence conditions are being complied with; and
- (d) take samples of any thing at such land or premises and remove and test such samples.

10J Condition that medicinal cannabis licence holder be a party to certain contracts

Licence authorising cultivation but not production

(1) If, at a particular time:

- (a) a medicinal cannabis licence authorises the obtaining or cultivation of cannabis plants for the purposes of producing cannabis or cannabis resin, but does not also authorise the production of cannabis or cannabis resin; and
- (b) a medicinal cannabis permit that relates to such cultivation is in force;

it is a condition of the licence that a contract that deals with matters prescribed by the regulations is in existence between:

- (c) the holder of the medicinal cannabis licence; and
- (d) the holder of another medicinal cannabis licence that authorises the production of cannabis or cannabis resin.

Licence authorising production

- (2) If, at a particular time:
- (a) a medicinal cannabis licence authorises the production of cannabis or cannabis resin; and
 - (b) a medicinal cannabis permit that relates to such production is in force;
- it is a condition of the licence that:
- (c) a contract that deals with matters prescribed by the regulations is in existence between the holder of the medicinal cannabis licence and the holder of a licence under this Act that authorises:
 - (i) the manufacture of one or more drugs that are medicinal cannabis products; or
 - (ii) the manufacture of a drug for the purposes of research in relation to medicinal cannabis products; or
 - (d) the holder of the medicinal cannabis licence holds a licence that authorises such manufacture.
- (3) A contract of a kind referred to in subsection (1) or (2) is not required to be in existence:
- (a) in the circumstances (if any) prescribed by the regulations; or
 - (b) if the Secretary determines in a particular case that such a contract is not required to be in existence.

10K Condition that licence holder notify the Secretary of certain matters

It is a condition of a cannabis licence that the licence holder notify the Secretary as soon as reasonably practicable after any of the following matters comes to the attention of the licence holder:

- (a) a matter that may affect whether the licence holder is a fit and proper person to hold the licence, or whether a business associate of the licence holder (in relation to a business relating to the licence or in relation to any other business) is a fit and proper person to be associated with the holder of such a licence;
- (b) a breach of the licence;
- (c) any other matter that may require or permit the Secretary to revoke the licence or a permit to which the licence relates;

(d) any matter prescribed by the regulations.

Note: Section 24B deals with the privilege against self-incrimination.

10L Sections 10E to 10K do not limit conditions that may be imposed or prescribed

Sections 10E to 10K do not limit the conditions that may be imposed by the Secretary or prescribed by the regulations.

Division 4—Variation and revocation of cannabis licences and cannabis permits

10M Variation of cannabis licences and cannabis permits

- (1) The Secretary may vary a cannabis licence, or a cannabis permit that relates to a cannabis licence, by notice in writing given to the licence holder:
- (a) at any time, on the Secretary's own initiative; or
 - (b) on application by the licence holder.

Note: For requirements for a notice of a decision under paragraph (1)(a) to vary a cannabis licence or cannabis permit, see section 15F.

- (2) The Secretary may vary a cannabis licence or a cannabis permit if the Secretary considers it appropriate in all the circumstances to do so.
- (3) Despite subsection (2), the Secretary must not vary a cannabis licence or a cannabis permit if:
- (a) the Secretary is satisfied on reasonable grounds that the variation of the licence or permit would not be consistent with Australia's obligations under the Convention; or
 - (b) the Secretary is satisfied on reasonable grounds that one or more circumstances exist that are prescribed by the regulations as circumstances in which a licence or permit must not be varied; or
 - (c) if an application was made for the variation:
 - (i) the application fee (if any) has not been paid; or
 - (ii) the applicant has not complied with a requirement under subsection 14J(1) (additional information) in relation to the application.

- (4) Without limiting subsection (1), the Secretary may:
 - (a) vary a cannabis licence to impose licence conditions or additional licence conditions, or
 - (b) vary a cannabis licence to remove or vary licence conditions that were imposed by the Secretary under section 8K or 9J or paragraph (a) of this subsection; or
 - (c) vary a cannabis licence to extend, modify or reduce the activities authorised by the licence or the persons authorised by the licence to engage in activities authorised by the licence.
- (5) If the Secretary decides to vary a cannabis licence or a cannabis permit to which the licence relates, the Secretary must give the licence or permit as varied to the licence holder.
- (6) A variation of a cannabis licence or a cannabis permit takes effect on the day specified in the notice under subsection (1).

10N Applications for variation of cannabis licences and permits

- (1) An application for a variation of a cannabis licence or a cannabis permit must be in writing, and must:
 - (a) contain the information (if any) prescribed by the regulations; and
 - (b) contain the information (if any) specified in writing by the Secretary; and
 - (c) be accompanied by the documents (if any) prescribed by the regulations; and
 - (d) be accompanied by the documents (if any) specified in writing by the Secretary.

Note: The Secretary may also require additional information and documents from the applicant at any time: see subsection 14J(1).

- (2) The application for a variation must be accompanied by the application fee (if any) prescribed by the regulations.
- (3) The application may be withdrawn at any time before a decision is made on the application, but the application fee is not refundable.
- (4) If an application has been made for variation of a cannabis licence or a cannabis permit, the Secretary may refuse to vary the licence or permit.

Note: For requirements for a notice of a decision to refuse to vary a cannabis licence or a cannabis permit on application, see section 15F.

10P Revocation of cannabis licence and cannabis permit

- (1) The Secretary must, by notice in writing given to the holder of a cannabis licence, revoke the cannabis licence if the Secretary is satisfied on reasonable grounds:
 - (a) that the licence holder, or if the licence holder is a body corporate, any of the directors of the body corporate, has engaged in conduct that constitutes a serious offence since the licence was granted; or
 - (b) that the licence holder is no longer a fit and proper person to hold the licence; or
 - (c) that a business associate of the licence holder is not a fit and proper person (whether in relation to a business relating to the licence or in relation to any other business) to be associated with the holder of a cannabis licence.
- (2) The Secretary may, by notice in writing given to the holder of a cannabis licence, revoke the licence, or a cannabis permit that relates to that licence, if the Secretary is satisfied on reasonable grounds:
 - (a) that a condition of the licence has been breached; or
 - (b) that the licence holder has engaged in conduct that constitutes an offence against this Act; or
 - (c) that the licence or permit, as the case requires, was obtained or varied on the basis of information that:
 - (i) was false or misleading in a material particular; or
 - (ii) omitted a matter or thing without which the information was misleading in a material particular; or
 - (d) that the continuation in force of the licence or permit, as the case requires, would not be consistent with Australia's obligations under the Convention; or
 - (e) that the location, facilities or security arrangements at the land or premises at which activities authorised by the licence take place are not suitable for those activities; or
 - (f) that the licence holder has ceased to carry on all activities authorised by the licence; or

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- (g) that activities authorised by the licence to be undertaken at specified land or premises by the licence holder or another person have been undertaken by the licence holder or the other person, as the case requires, other than at that land or those premises; or
 - (h) that the licence holder is not taking all reasonable measures to ensure the physical security of cannabis plants, cannabis or cannabis resin in the holder's possession or control; or
 - (i) that the licence holder has not provided information required by a notice given under subsection 14J(2) within the time specified in the notice; or
 - (j) that circumstances prescribed by the regulations for the purposes of this paragraph exist.
- (3) The revocation of a cannabis licence or a cannabis permit takes effect on the day specified in the notice under subsection (1) or (2).
 - (4) If a cannabis licence is revoked, any cannabis permit that relates to the licence is taken to be revoked at the time of the revocation of the licence.

Note: For requirements for a notice of a decision to revoke a cannabis licence or a cannabis permit, see section 15F.

11 Secretary to notify of proposed revocation

- (1) Before revoking under section 10P a cannabis licence, or a cannabis permit that relates to a cannabis licence, the Secretary must give written notice of the proposed revocation to the licence holder.
- (2) A notice under subsection (1) in relation to a cannabis licence or a cannabis permit must:
 - (a) state that the Secretary proposes to revoke the licence or permit, as the case requires, and the reasons for the proposed revocation; and
 - (b) invite the licence holder to make a written submission to the Secretary about the proposed revocation.
- (3) A notice under subsection (1) must specify a period within which the licence holder may make a submission under paragraph (2)(b). The period must not end earlier than 30 days after the day on which the notice was given.

- (4) In considering whether to vary or revoke a cannabis licence or a cannabis permit, the Secretary must have regard to any submission made under paragraph (2)(b).

11A Suspension or surrender of cannabis licences and cannabis permits

The regulations may make provision for and in relation to the suspension or surrender of cannabis licences and cannabis permits.

Part 3—Offences and civil penalties relating to medicinal cannabis

11B Unauthorised cultivation of cannabis plants etc.

- (1) A person who is a licence holder contravenes this subsection if:
- (a) the person obtains or cultivates a cannabis plant for the production of cannabis or cannabis resin, or does a thing in connection with such obtaining or cultivation; and
 - (b) the obtaining or cultivation of the cannabis plant, or the doing of the thing, by the person is not authorised by or under one of the following:
 - (i) a medicinal cannabis licence;
 - (ii) a cannabis research licence.

Fault-based offence

- (2) A person commits an offence if the person contravenes subsection (1).

Note: See section 24A in relation to the physical elements of the offence.

Penalty: Imprisonment for 10 years, or 600 penalty units, or both.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (1).

Penalty: 60 penalty units.

Civil penalty provision

- (4) A person is liable to a civil penalty if the person contravenes subsection (1).

Civil penalty: 1,000 penalty units.

11C Breach of condition of a cannabis licence—cultivation

- (1) A person contravenes this subsection if:
- (a) the person is authorised by a cannabis licence to cultivate cannabis plants in accordance with a cannabis permit, or to engage in activities related to such cultivation; and
 - (b) the person breaches a condition of the cannabis licence; and
 - (c) the condition is not prescribed by the regulations for the purposes of this paragraph.

Fault-based offence

- (2) A person commits an offence if the person contravenes subsection (1).

Note: See section 24A in relation to the physical elements of the offence.

Penalty: Imprisonment for 10 years, or 600 penalty units, or both.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (1).

Penalty: 60 penalty units.

Civil penalty provision

- (4) A person is liable to a civil penalty if the person contravenes subsection (1).

Civil penalty: 1,000 penalty units.

11D Unauthorised production of cannabis or cannabis resin

- (1) A person who is a licence holder contravenes this subsection if:

- (a) the person produces cannabis or cannabis resin, or does a thing in connection with such production; and
- (b) the production of the cannabis or the cannabis resin, or the doing of the thing, by the person is not authorised by or under one of the following:
 - (i) a medicinal cannabis licence;
 - (ii) a cannabis research licence.

Fault-based offence

- (2) A person commits an offence if the person contravenes subsection (1).

Note: See section 24A in relation to the physical elements of the offence.

Penalty: Imprisonment for 10 years, or 600 penalty units, or both.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (1).

Penalty: 60 penalty units.

Civil penalty provision

- (4) A person is liable to a civil penalty if the person contravenes subsection (1).

Civil penalty: 1,000 penalty units.

11E Breach of condition of a cannabis licence—production

- (1) A person contravenes this subsection if:
 - (a) the person is authorised by a cannabis licence to produce cannabis or cannabis resin, in accordance with a cannabis permit, or to engage in activities related to such production; and
 - (b) the person breaches a condition of the cannabis licence; and
 - (c) the condition is not prescribed by the regulations for the purposes of this paragraph.

Fault-based offence

- (2) A person commits an offence if the person contravenes subsection (1).

Note: See section 24A in relation to the physical elements of the offence.

Penalty: Imprisonment for 10 years, or 600 penalty units, or both.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (1).

Penalty: 60 penalty units.

Civil penalty provision

- (4) A person is liable to a civil penalty if the person contravenes subsection (1).

Civil penalty: 1,000 penalty units.

Chapter 3—Licensing the manufacturing of drugs

Part 1—Introduction

11F Simplified outline of this Chapter

A manufacture licence may authorise the manufacture of a drug and activities related to such manufacture, including manufacture for the purposes of research relating to medicinal cannabis products.

Before a licence holder can manufacture a drug, the licence holder must obtain a manufacture permit. Permits deal with matters such as the types and quantities of drugs that can be manufactured.

Certain conditions are imposed on all manufacture licence holders, and the Secretary may impose additional conditions.

Manufacture licences and manufacture permits can be varied or revoked in certain circumstances.

There are offences and civil penalties relating to the manufacture of drugs.

Part 2—Licences and permits

Division 1—Manufacture licences and permits

11G Person may apply for a manufacture licence

- (1) A person may apply to the Secretary for a licence (a *manufacture licence*) that authorises one or more of the following activities:
 - (a) the manufacture of a drug in accordance with one or more manufacture permits;
 - (b) activities relating to such manufacture, including but not limited to the following (as applicable):
 - (i) the supply of the drug;
 - (ii) the packaging, transport, storage, possession and control of the drug;
 - (iii) the disposal or destruction of the drug.
- (2) The application must be made in the form or manner approved in writing by the Secretary, and must:
 - (a) contain the information (if any) prescribed by the regulations; and
 - (b) contain the information (if any) specified in writing by the Secretary; and
 - (c) be accompanied by the documents (if any) prescribed by the regulations; and
 - (d) be accompanied by the documents (if any) specified in writing by the Secretary.

Note: The Secretary may also require additional information and documents from the applicant at any time: see subsection 14J(1).
- (3) The application must be accompanied by the application fee (if any) prescribed by the regulations.

- (4) The application may be withdrawn at any time before a decision is made on the application, but the application fee is not refundable.

11H Secretary must make a decision on an application for a manufacture licence

- (1) If a person has made an application for a manufacture licence, the Secretary must decide whether to grant, or refuse to grant, the licence.
- (2) The Secretary may, subject to sections 11J and 11K, grant a manufacture licence if the Secretary considers it appropriate in all the circumstances to do so.
- (3) For the purposes of deciding whether to grant, or refuse to grant, a manufacture licence, the Secretary:
- (a) must have regard to the following:
 - (i) the information and documents provided by the applicant;
 - (ii) any advice or information received in response to a request or requirement under section 14J, 14K or 14L including, in particular, advice provided by an agency of a State or Territory in which any activities proposed to be authorised by the licence will take place;
 - (iii) any other matter prescribed by the regulations; and
 - (b) may have regard to any other matter relating to the conduct of activities authorised by the licence and to the distribution, use and possession of drugs manufactured under the licence; and
 - (c) may have regard to any other matter the Secretary considers relevant; and
 - (d) may require the applicant to provide access to land or premises at which activities proposed to be authorised by the licence will take place, for the purposes of inspecting the land or premises.

11J General circumstances in which Secretary must refuse to grant a manufacture licence

- (1) The Secretary must refuse to grant a manufacture licence if:
- (a) the Secretary is not satisfied on reasonable grounds that:
-

- (i) the applicant is a fit and proper person to hold the licence; and
 - (ii) each of the applicant's relevant business associates for the application (see subsection (2)), whether in relation to a business relating to the manufacture licence, or in relation to any other business, is a fit and proper person to be associated with the holder of a manufacture licence; or
- (b) subject to subsection 11K(3)—the Secretary is satisfied on reasonable grounds that:
 - (i) the applicant; or
 - (ii) if the applicant is a body corporate, any of the directors of the body corporate;
has engaged in conduct that constitutes a serious offence during the 10 years immediately before the date of the application; or
- (c) the Secretary is satisfied on reasonable grounds that the grant of the licence would not be consistent with Australia's obligations under the Convention; or
- (d) the Secretary is not satisfied on reasonable grounds that the applicant will take all reasonable measures to ensure the physical security of drugs or narcotic preparations:
 - (i) in the applicant's possession or control; and
 - (ii) manufactured under, or purportedly under, the licence;
or
- (e) the Secretary is not satisfied on reasonable grounds of the suitability of the location, facilities or proposed security arrangements at the land or premises where activities authorised by the licence will take place; or
- (f) the Secretary is satisfied on reasonable grounds that one or more circumstances exist that are prescribed by the regulations as circumstances in which a licence must not be granted; or
- (g) the application fee (if any) has not been paid; or
- (h) the applicant has not complied with a requirement under subsection 14J(1) (additional information) in relation to the application.

Relevant business associate

- (2) A business associate of an applicant is a relevant business associate for the application if the Secretary considers it is reasonable, in the circumstances of the application, to take that business associate into account.

11K Particular rules about manufacture licences involving cannabis etc.

Application of section

- (1) This section applies to an application for a manufacture licence that will authorise the manufacture of a drug that includes, or is from, any part of the cannabis plant.

Particular circumstances in which Secretary must refuse to grant a manufacture licence

- (2) The Secretary must refuse to grant the licence if the Secretary is not satisfied on reasonable grounds of one of the following:
- (a) in the case of any such drug (including, but not limited to, a drug that is a medicinal cannabis product)—that the drug is for the purposes of research in relation to medicinal cannabis products, and the applicant:
 - (i) has the appropriate financial resources, other resources and expertise that are necessary to carry out such research; or
 - (ii) is included in a class of persons prescribed by the regulations;
 - (b) that the drug is a medicinal cannabis product that will be:
 - (i) supplied for the purposes of use in a clinical trial that is, or is likely to be, approved under the *Therapeutic Goods Act 1989* or notified to the Secretary under that Act; or
 - (ii) otherwise supplied in accordance with an approval or authority under the *Therapeutic Goods Act 1989*; or
 - (iii) supplied in circumstances prescribed by the regulations;
 - (c) that the drug is a medicinal cannabis product that is registered goods within the meaning of the *Therapeutic Goods Act 1989*.

Special rule in exceptional circumstances

- (3) Paragraph 11J(1)(b) does not prevent the Secretary from granting the licence if the Secretary is satisfied that:
- (a) the conduct referred to in that paragraph:
 - (i) constitutes a serious offence solely because it involves the cultivation or obtaining of the cannabis plant, or the production or supply of cannabis or cannabis resin or of products containing cannabis or cannabis resin; and
 - (ii) was fully disclosed in the application; and
 - (b) if the licence were granted, the applicant could comply with all the requirements of the licence and this Act.

However, this subsection does not require the Secretary to grant the licence even if the Secretary is so satisfied.

11L Secretary may impose conditions

If the Secretary grants a manufacture licence, the Secretary may impose conditions to which the licence is subject including, but not limited to, conditions relating to matters set out in section 12F.

Note 1: For requirements for a notice of a decision to impose conditions on a manufacture licence, see section 15F.

Note 2: Conditions are also specified in this Act (see sections 12G to 12N), and may also be prescribed by the regulations (see paragraph 12E(b)).

11M Notification of decision

If the Secretary decides to grant a manufacture licence, the Secretary must, as soon as practicable:

- (a) notify the applicant for the licence, in writing, of the Secretary's decision; and
- (b) provide a copy of the licence, specifying the matters as mentioned in section 11N, to the applicant.

Note: For requirements for a notice of a decision to refuse to grant a manufacture licence, see section 15F.

11N Matters to be specified in a manufacture licence

A manufacture licence must specify the following:

- (a) the name of the licence holder;

- (b) the activities authorised by the licence, including the manufacture of specified drugs, and the extent to which those activities are authorised only in accordance with one or more manufacture permits held by the licence holder;
- (c) the premises at which the manufacture of drugs is authorised by the licence in accordance with one or more manufacture permits;
- (d) the premises at which other activities relating to such manufacture is authorised by the licence;
- (e) the persons authorised by the licence to engage in activities authorised by the licence;
- (f) the conditions (if any) imposed by the Secretary under section 11L;
- (g) the period for which the licence is in force;
- (h) that the Secretary may, in accordance with section 15, require the destruction of drugs or narcotic preparations in the licence holder's possession or control;
- (i) the purposes for which, or the circumstances in which, any medicinal cannabis product manufactured under the licence is to be supplied.

11P Period in force of a manufacture licence

A manufacture licence ceases to be in force:

- (a) at the end of the period for which it is expressed to be in force; or
- (b) if it is revoked earlier—when it is revoked.

12 Holder of a manufacture licence may apply for a manufacture permit

- (1) The holder of a manufacture licence may apply for a permit (a ***manufacture permit***) in relation to activities that are authorised by the licence only in accordance with such a permit.
- (2) The application must be made in the form or manner approved in writing by the Secretary, and must:
 - (a) contain the information (if any) prescribed by the regulations; and

- (b) contain the information (if any) specified in writing by the Secretary; and
- (c) be accompanied by the documents (if any) prescribed by the regulations; and
- (d) be accompanied by the documents (if any) specified in writing by the Secretary.

Note: The Secretary may also require additional information and documents from the applicant at any time: see subsection 14J(1).

- (3) The application must be accompanied by the application fee (if any) prescribed by the regulations.
- (4) The application may be withdrawn at any time before a decision is made on the application, but the application fee is not refundable.

12A Secretary must make a decision on an application for a manufacture permit

- (1) If the holder of a manufacture licence has made an application for a manufacture permit, the Secretary must decide whether to grant, or refuse to grant, the permit.
- (2) The Secretary may, subject to subsections (3) and (4), grant a manufacture permit if the Secretary considers it appropriate in all the circumstances to do so.
- (3) The Secretary may refuse to grant a manufacture permit if the Secretary is satisfied on reasonable grounds that the holder of the manufacture licence to which the permit relates has breached a condition of the licence.
- (4) The Secretary must refuse to grant a manufacture permit if:
 - (a) the application fee (if any) has not been paid; or
 - (b) the applicant has not complied with a requirement under subsection 14J(1) (additional information) in relation to the application.

12B Notification of decision

If the Secretary decides to grant a manufacture permit that relates to a manufacture licence, the Secretary must, as soon as practicable:

- (a) notify the licence holder, in writing, of the Secretary's decision; and
- (b) provide a copy of the permit, specifying the matters as mentioned in section 12C, to the licence holder.

Note: For requirements for a notice of a decision to refuse to grant a manufacture permit, see section 15F.

12C Matters to be specified in a manufacture permit

Without limiting the matters that the Secretary may specify in a manufacture permit that relates to a licence that authorises the manufacture of a drug, the Secretary may specify one or more of the following that are authorised by the licence in accordance with the permit:

- (a) the maximum quantity of the drug that may be manufactured at premises specified in the permit;
- (b) the maximum quantity of the drug that, in the opinion of the Secretary, having regard to prevailing market conditions, it is necessary for the licence holder to have in the holder's possession or control at any time for the normal conduct of business;
- (c) the period during which the drug may be manufactured;
- (d) the period for which the permit is in force;
- (e) any matter prescribed by the regulations.

12D Period in force of a manufacture permit

A manufacture permit ceases to be in force:

- (a) at the end of the period for which it is expressed to be in force; or
- (b) if it is revoked or taken to be revoked earlier—when it is revoked or taken to be revoked.

Note: A manufacture permit is taken to be revoked if the manufacture licence to which the permit relates is revoked: see subsection 13B(4).

Division 2—Conditions of manufacture licences

12E Manufacture licence is subject to conditions

A manufacture licence is subject to the following conditions:

- (a) the conditions set out in sections 12G to 12N;
- (b) the conditions (if any) prescribed by the regulations;
- (c) the conditions (if any) imposed by the Secretary (see sections 11L, 12F and 13).

12F Conditions that may be prescribed or imposed

The conditions of a manufacture licence that may be prescribed or imposed may relate to, but are not limited to, the following:

- (a) matters relating to the activities authorised by the licence, including activities authorised in accordance with a permit;
- (b) the supply, delivery, dealing in any way with, transportation and disposal of drugs manufactured under the licence;
- (c) the use of names or symbols that may suggest or imply a particular effect upon humans of a drug or narcotic preparation that contains cannabis or cannabis resin, but not so as to prevent the specification of factual material;
- (d) waste disposal;
- (e) the destruction of drugs, narcotic preparations and by-products of such drugs or preparations;
- (f) documentation and record-keeping in respect of activities to which the licence relates;
- (g) facilities and containment in respect of the manufacture authorised by the licence, including requirements relating to the following:
 - (i) the security of premises;
 - (ii) the certification of premises or facilities to specified containment levels;
- (h) the safety, security and surveillance of premises;
- (i) access to land and premises on which activities authorised by the licence are, are to be, or have been undertaken;
- (j) measures to manage risks posed to the health and safety of people, or to the environment;
- (k) data collection, including studies to be conducted;
- (l) information that is to be provided, whether on request by the Secretary or on a regular basis, and the times at which, or periods within which, such information is to be provided;
- (m) the taking of samples of any thing to which the licence relates and the removal and testing of such samples;

- (n) auditing and reporting;
- (o) actions to be taken in case of loss, theft, spoilage or destruction (however occurring) of drugs manufactured, under (or purportedly under) the licence, or of narcotic preparations;
- (p) compliance with the following (however described):
 - (i) a code of practice;
 - (ii) a technical or procedural guideline (however described);
- (q) contingency planning;
- (r) matters relating to the employment of staff or the engagement of contractors;
- (s) advertising to the public by the licence holder in relation to drugs or narcotic preparations that contain cannabis plants, cannabis or cannabis resin;
- (t) the labelling of medicinal cannabis products.

12G Condition that manufacture licence holder inform people of obligations

- (1) It is a condition of a manufacture licence that the licence holder inform any person authorised by the licence to engage in the manufacture of drugs, or activities related to such manufacture, of the following:
 - (a) each condition that is relevant to that person, including each variation or revocation of such a condition;
 - (b) the revocation of the licence and of any permit that relates to the licence and is relevant to the person;
 - (c) the giving of one or more directions in relation to the licence under Part 3 of Chapter 5.
- (2) Requirements in relation to the manner in which information is provided under subsection (1) may be:
 - (a) prescribed by the regulations; or
 - (b) specified by the Secretary.
- (3) A reference in subsection (1) to a licence holder or a person authorised under a manufacture licence is, in the case of revocation of the licence, taken to be a reference to the person who was the licence holder, or was so authorised, immediately before that revocation.

12H Condition that manufacture licence holder employ or engage suitable staff

- (1) It is a condition of a manufacture licence that the licence holder take all reasonable steps not to employ or engage a person to carry out activities authorised by the licence if:
 - (a) the person is aged under 18 years; or
 - (b) the person has been convicted of a serious offence during the period of 5 years before the employment or engagement; or
 - (c) the person is taken not to be suitable to carry out activities authorised by a manufacture licence under regulations made for the purposes of subsection (2); or
 - (d) the person is included in a class of persons prescribed by the regulations for the purposes of this paragraph.
- (2) The regulations may prescribe circumstances in which a person is taken not to be suitable to carry out activities authorised by a manufacture licence, including but not limited to circumstances relating to the following:
 - (a) a person's criminal record;
 - (b) a person's employment history.

12J Condition that manufacture of drugs is in accordance with a manufacture permit

It is a condition of a manufacture licence that the licence holder, and other persons authorised by the licence to manufacture a drug, do so in accordance with a manufacture permit.

12K Condition about monitoring and inspection

It is a condition of a manufacture licence that, if a person is authorised by the licence:

- (a) to manufacture a drug; or
 - (b) to engage in activities related to such manufacture;
- the person allow the Secretary, or a person authorised by the Secretary, to:
- (c) enter the premises at which the person is present and where the manufacture or activity is being undertaken, for the purposes of the following:

- (i) inspecting or monitoring the manufacture or activity;
- (ii) checking whether the manufacture or activity is being carried out as authorised by the licence in accordance with a manufacture permit, and whether licence conditions are being complied with; and
- (d) take samples of any thing at such premises and remove and test such samples.

12L Condition for manufacture licences authorising manufacture of drugs that are medicinal cannabis products

It is a condition of a manufacture licence that authorises the manufacture of one or more drugs that are medicinal cannabis products that the licence holder does not supply the medicinal cannabis products other than as mentioned in paragraph 11K(2)(b) or (c).

12M Condition for manufacture licences authorising manufacture for medicinal cannabis research

It is a condition of a manufacture licence that authorises the manufacture of one or more drugs for the purposes of research in relation to medicinal cannabis products that the manufacture of those drugs is undertaken solely for those purposes.

12N Condition that licence holder notify the Secretary of certain matters

It is a condition of a manufacture licence that the licence holder notify the Secretary as soon as reasonably practicable after any of the following matters comes to the attention of the licence holder:

- (a) a matter that may affect whether the licence holder is a fit and proper person to hold the licence, or whether a business associate of the licence holder (in relation to a business relating to the licence or in relation to any other business) is a fit and proper person to be associated with the holder of such a licence;
 - (b) a breach of the licence;
 - (c) any other matter that may require or permit the Secretary to revoke the licence;
 - (d) any other matter prescribed by the regulations.
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Note: Section 24B deals with the privilege against self-incrimination.

12P Sections 12G to 12N do not limit conditions that may be imposed or prescribed

Sections 12G to 12N do not limit the conditions that may be imposed by the Secretary or prescribed by the regulations.

Division 3—Variation and revocation of manufacture licences and manufacture permits

13 Variation of manufacture licences and manufacture permits

- (1) The Secretary may vary a manufacture licence, or a manufacture permit that relates to a manufacture licence, by notice in writing given to the licence holder:

- (a) at any time, on the Secretary's own initiative; or
- (b) on application by the licence holder.

Note: For requirements for a notice of a decision under paragraph (1)(a) to vary a manufacture licence or manufacture permit, see section 15F.

- (2) The Secretary may vary a manufacture licence or a manufacture permit if the Secretary considers it appropriate in all the circumstances to do so.
- (3) Despite subsection (2), the Secretary must not vary a manufacture licence or a manufacture permit if:
- (a) the Secretary is satisfied on reasonable grounds that the variation of the licence or permit would not be consistent with Australia's obligations under the Convention; or
 - (b) the Secretary is satisfied on reasonable grounds that one or more circumstances exist that are prescribed by the regulations as circumstances in which a licence or permit must not be varied; or
 - (c) if an application was made for the variation:
 - (i) the application fee (if any) has not been paid; or
 - (ii) the applicant has not complied with a requirement under subsection 14J(1) (additional information) in relation to the application.
- (4) Without limiting subsection (1), the Secretary may:
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- (a) vary a manufacture licence to impose licence conditions or additional licence conditions; or
 - (b) vary a manufacture licence to remove or vary licence conditions that were imposed by the Secretary under section 11L or paragraph (a) of this subsection; or
 - (c) vary a manufacture licence to extend, modify or reduce the activities authorised by the licence; or
 - (d) vary the persons authorised by the licence to engage in activities authorised by the licence.
- (5) If the Secretary decides to vary a manufacture licence or a manufacture permit to which the licence relates, the Secretary must give the licence or permit as varied to the licence holder.
- (6) A variation of a manufacture licence or a manufacture permit takes effect on the day specified in the notice under subsection (1).

13A Applications for variation of manufacture licences and permits

- (1) An application for a variation of a manufacture licence or a manufacture permit must be in writing, and must:
- (a) contain the information (if any) prescribed by the regulations; and
 - (b) contain the information (if any) specified in writing by the Secretary; and
 - (c) be accompanied by the documents (if any) prescribed by the regulations; and
 - (d) be accompanied by the documents (if any) specified in writing by the Secretary.

Note: The Secretary may also require additional information and documents from the applicant at any time: see subsection 14J(1).

- (2) The application for a variation must be accompanied by the application fee (if any) prescribed by the regulations.
- (3) The application may be withdrawn at any time before a decision is made on the application, but the application fee is not refundable.
- (4) If an application has been made for variation of a manufacture licence or a manufacture permit, the Secretary may refuse to vary the licence or permit.

Note: For requirements for a notice of a decision to refuse to vary a manufacture licence or a manufacture permit on application, see section 15F.

13B Revocation of manufacture licence and manufacture permit

- (1) The Secretary must, by notice in writing given to the holder of a manufacture licence, revoke the licence if the Secretary is satisfied on reasonable grounds:
 - (a) that the licence holder, or if the licence holder is a body corporate, any of the directors of the body corporate, has engaged in conduct that constitutes a serious offence since the licence was granted; or
 - (b) that the licence holder is no longer a fit and proper person to hold the licence; or
 - (c) that a business associate of the licence holder is not a fit and proper person (whether in relation to a business relating to the licence or in relation to any other business) to be associated with the holder of a manufacture licence.

- (2) The Secretary may, by notice in writing given to the holder of a manufacture licence, revoke the licence or a manufacture permit that relates to the licence if the Secretary is satisfied on reasonable grounds:
 - (a) that a condition of the licence has been breached; or
 - (b) that the licence holder has engaged in conduct that constitutes an offence against this Act; or
 - (c) that the licence or permit, as the case requires, was obtained or varied on the basis of information that:
 - (i) was false or misleading in a material particular; or
 - (ii) omitted a matter or thing without which the information was misleading in a material particular; or
 - (d) that the continuation in force of the licence or permit, as the case requires, would not be consistent with Australia's obligations under the Convention; or
 - (e) that the location, facilities or security arrangements at the land or premises at which activities authorised by the licence take place are not suitable for those activities; or
 - (f) the licence holder has ceased to carry on all activities authorised by the licence; or

- (g) that activities authorised by the licence to be undertaken at specified land or premises by the licence holder or another person have been undertaken by the licence holder or the other person, as the case requires, other than at that land or those premises; or
 - (h) that the licence holder is not taking all reasonable measures to ensure the physical security of drugs or narcotic preparations in the holder's possession or control; or
 - (i) that the licence holder has not provided information required by a notice given under subsection 14J(2) within the time specified in the notice; or
 - (j) that circumstances prescribed by the regulations exist.
- (3) The revocation of a manufacture licence or a manufacture permit takes effect on the day specified in the notice under subsection (1) or (2).
- (4) If a manufacture licence is revoked, any manufacture permit that relates to the licence is taken to be revoked at the time of the revocation of the licence.

Note: For requirements for a notice of a decision to revoke a manufacture licence or a manufacture permit, see section 15F.

13C Secretary to notify of proposed revocation

- (1) Before revoking under section 13B a manufacture licence or a manufacture permit that relates to a manufacture licence, the Secretary must give written notice of the proposed revocation to the licence holder.
- (2) A notice under subsection (1) in relation to a manufacture licence or a manufacture permit must:
 - (a) state that the Secretary proposes to revoke the licence or permit, as the case requires, and the reasons for the proposed revocation; and
 - (b) invite the licence holder to make a written submission to the Secretary about the proposed revocation.
- (3) A notice under subsection (1) must specify a period within which the licence holder may make a submission under paragraph (2)(b). The period must not end earlier than 30 days after the day on which the notice was given.

- (4) In considering whether to vary or revoke a manufacture licence or a manufacture permit, the Secretary must have regard to any submission made under paragraph (2)(b).

13D Suspension or surrender of manufacture licences and manufacture permits

The regulations may make provision for and in relation to the suspension or surrender of manufacture licences and manufacture permits.

Part 3—Offences and civil penalties relating to manufacture of drugs

13E Unauthorised manufacture of drugs

- (1) A person who is a licence holder contravenes this subsection if:
- (a) the person manufactures drugs, or does a thing in connection with such manufacture; and
 - (b) the manufacture of the drugs, or the doing of the thing, by the person is not authorised by or under a manufacture licence.

Fault-based offence

- (2) A person commits an offence if the person contravenes subsection (1).

Note: See section 24A in relation to the physical elements of the offence.

Penalty: Imprisonment for 10 years, or 600 penalty units, or both.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (1).

Penalty: 60 penalty units.

Civil penalty provision

- (4) A person is liable to a civil penalty if the person contravenes subsection (1).

Civil penalty: 1,000 penalty units.

13F Breach of condition of a manufacture licence

- (1) A person contravenes this subsection if:
- (a) the person is authorised by a manufacture licence to manufacture drugs in accordance with a manufacture permit, or to engage in activities related to such manufacture; and
 - (b) the person breaches a condition of the manufacture licence; and
 - (c) the condition is not prescribed by the regulations for the purposes of this paragraph.

Fault-based offence

- (2) A person commits an offence if the person contravenes subsection (1).

Note: See section 24A in relation to the physical elements of the offence.

Penalty: Imprisonment for 10 years, or 600 penalty units, or both.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (1).

Penalty: 60 penalty units.

Civil penalty provision

- (4) A person is liable to a civil penalty if the person contravenes subsection (1).

Civil penalty: 1,000 penalty units.

Chapter 4—Monitoring and enforcement

Part 1—Introduction

13G Simplified outline of this Chapter

Authorised inspectors have monitoring, inspection and enforcement powers under the Regulatory Powers Act to ensure this Act is being complied with. Specific powers are included for the monitoring of licensed premises.

This Chapter also provides for the application of the Regulatory Powers Act in relation to the following:

- (a) civil penalties;
- (b) infringement notices;
- (c) enforceable undertakings;
- (d) injunctions.

Part 2—Appointment of authorised inspectors

13H Appointment of authorised inspectors

- (1) The Secretary may, in writing, appoint any of the following persons as an authorised inspector for the purposes of this Act:
 - (a) an APS employee or an officer or employee of a Commonwealth agency;
 - (b) an officer or employee of an agency of a State or Territory that has functions relating to health, agriculture or law enforcement.
- (2) An authorised inspector is appointed for the period specified in the instrument of appointment.

Note: An authorised inspector is eligible for reappointment (see section 33AA of the *Acts Interpretation Act 1901*).

Part 3—Monitoring, inspection, investigation etc. under the Regulatory Powers Act

13J Powers of issuing officers

Consent to conferral of powers

- (1) An issuing officer may, by writing, consent to have powers conferred by this Part.

Nomination by Minister

- (2) The Minister may, by writing, nominate an issuing officer in relation to whom a consent is in force under subsection (1) to exercise powers conferred by this Part.

Powers conferred personally

- (3) A power conferred on an issuing officer by this Part is conferred on the issuing officer:
 - (a) in a personal capacity; and
 - (b) in relation to a Judge of a court created by the Parliament—not as a court or a member of a court.

Protection and immunity—Deputy Presidents and non-presidential members

- (4) An issuing officer who is a Deputy President or non-presidential member of the Administrative Appeals Tribunal exercising a power conferred by this Part has the same protection and immunity as a Justice of the High Court.

Note: Subsections 34(3) and 75(3) of the Regulatory Powers Act confer protection and immunity on a judge exercising the powers of an issuing officer.

13K Monitoring powers under Part 2 of the Regulatory Powers Act

Provisions subject to monitoring

- (1) A provision is subject to monitoring under Part 2 of the Regulatory Powers Act if it is:
-

- (a) an offence against this Act; or
- (b) a civil penalty provision of this Act.

Note 1: Part 2 of the Regulatory Powers Act creates a framework for monitoring whether this Act has been complied with. It includes powers of entry and inspection.

Note 2: Part 4 of this Chapter contains special provisions about monitoring licensed premises.

Information subject to monitoring

- (2) Information given in compliance or purported compliance with a provision of this Act is subject to monitoring under Part 2 of the Regulatory Powers Act.

Note: Part 2 of the Regulatory Powers Act creates a framework for monitoring whether the information is correct. It includes powers of entry and inspection.

Authorised applicant, authorised person, issuing officer, relevant chief executive and relevant court

- (3) For the purposes of Part 2 of the Regulatory Powers Act, as it applies in relation to the provisions of this Act:
 - (a) the Secretary is an authorised applicant; and
 - (b) an authorised inspector is an authorised person; and
 - (c) an issuing officer (as defined in subsection 4(1) of this Act) is an issuing officer; and
 - (d) the Secretary is the relevant chief executive; and
 - (e) each relevant court (as defined in subsection 4(1) of this Act) is a relevant court.

Person assisting

- (4) An authorised person may be assisted by other persons in exercising powers or performing functions or duties under Part 2 of the Regulatory Powers Act in relation to the provisions of this Act.

13L Modifications of Part 2 of the Regulatory Powers Act

Additional monitoring power

- (1) For the purposes of Part 2 of the Regulatory Powers Act, the additional powers mentioned in subsection (2) are also taken to be monitoring powers for the purposes of determining:
 - (a) whether a provision mentioned in subsection 13K(1) has been, or is being, complied with; or
 - (b) the correctness of information mentioned in subsection 13K(2).
- (2) The additional monitoring powers are:
 - (a) the power to sample any thing on premises entered under Part 2 of the Regulatory Powers Act; and
 - (b) the power to remove and test such samples.

13M Investigation powers under Part 3 of the Regulatory Powers Act

Provisions subject to investigation

- (1) A provision is subject to investigation under Part 3 of the Regulatory Powers Act if it is:
 - (a) an offence against this Act; or
 - (b) a civil penalty provision of this Act.

Note: Part 3 of the Regulatory Powers Act creates a framework for investigating whether a provision has been contravened. It includes powers of entry, search and seizure.

Authorised applicant, authorised person, issuing officer, relevant chief executive and relevant court

- (2) For the purposes of Part 3 of the Regulatory Powers Act, as it applies in relation to evidential material that relates to a provision mentioned in subsection (1):
 - (a) the Secretary is an authorised applicant; and
 - (b) an authorised inspector is an authorised person; and
 - (c) an issuing officer (as defined in subsection 4(1) of this Act) is an issuing officer; and
 - (d) the Secretary is the relevant chief executive; and

- (e) each relevant court (as defined in subsection 4(1) of this Act) is a relevant court.

Person assisting

- (3) An authorised person may be assisted by other persons in exercising powers or performing functions or duties under Part 3 of the Regulatory Powers Act in relation to evidential material that relates to a provision mentioned in subsection (1).

13N Civil penalties under Part 4 of the Regulatory Powers Act

Enforceable civil penalty provisions

- (1) Each civil penalty provision of this Act is enforceable under Part 4 of the Regulatory Powers Act.

Note: Part 4 of the Regulatory Powers Act allows a civil penalty provision to be enforced by obtaining an order for a person to pay a pecuniary penalty for the contravention of the provision.

Authorised applicant

- (2) For the purposes of Part 4 of the Regulatory Powers Act, the Secretary is an authorised applicant in relation to the civil penalty provisions mentioned in subsection (1).

Relevant court

- (3) For the purposes of Part 4 of the Regulatory Powers Act, each relevant court (as defined in subsection 4(1) of this Act) is a relevant court in relation to the civil penalty provisions mentioned in subsection (1).

Crown not liable to pecuniary penalty

- (4) Part 4 of the Regulatory Powers Act, as that Part applies in relation to the civil penalty provisions mentioned in subsection (1), does not make the Crown liable to a pecuniary penalty.

13P Provisions subject to an infringement notice

- (1) The following provisions are subject to an infringement notice under Part 5 of the Regulatory Powers Act:
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- (a) subsection 11B(3);
 - (a) subsection 11C(3);
 - (b) subsection 11D(3);
 - (c) subsection 11E(3);
 - (d) subsection 13E(3);
 - (e) subsection 13F(3);
 - (f) subsection 14F(2);
 - (g) subsection 14G(2);
 - (h) subsection 14M(3);
 - (i) subsection 15C(3);
 - (j) subsection 15D(3);
 - (k) subsection 23(3);
 - (l) subsection 24(3);
 - (m) a provision of the regulations that creates an offence of strict liability.
- (2) For the purposes of Part 5 of the Regulatory Powers Act:
- (a) the Secretary is an infringement officer in relation to the provisions mentioned in subsection (1); and
 - (b) the Secretary is the relevant chief executive in relation to the provisions mentioned in subsection (1).

14 Enforceable undertakings

Enforceable provisions

- (1) The provisions of this Act are enforceable under Part 6 of the Regulatory Powers Act.

Note: Part 6 of the Regulatory Powers Act creates a framework for accepting and enforcing undertakings relating to compliance with provisions.

Authorised person

- (2) For the purposes of Part 6 of the Regulatory Powers Act, the Secretary is an authorised person in relation to the provisions mentioned in subsection (1).

Relevant court

- (3) For the purposes of Part 6 of the Regulatory Powers Act, each relevant court (as defined in subsection 4(1) of this Act) is a relevant court in relation to the provisions mentioned in subsection (1).

Publication of undertaking

- (4) The Secretary may publish an undertaking that relates to this Act on the Department's website.

14A Injunctions

Enforceable provisions

- (1) The provisions of this Act are enforceable under Part 7 of the Regulatory Powers Act.

Note: Part 7 of the Regulatory Powers Act creates a framework for using injunctions to enforce provisions.

Authorised person

- (2) For the purposes of Part 7 of the Regulatory Powers Act, the Secretary is an authorised person in relation to the provisions mentioned in subsection (1).

Relevant court

- (3) For the purposes of Part 7 of the Regulatory Powers Act, each relevant court (as defined in subsection 4(1) of this Act) is a relevant court in relation to the provisions mentioned in subsection (1).

14B Extension to external Territories

A Part of the Regulatory Powers Act, as it applies in relation to a provision mentioned in this Part, extends to every external Territory to which the provision extends.

Part 4—Monitoring and searching licensed premises

14C Monitoring licensed premises

- (1) An authorised inspector may enter licensed premises without consent or a warrant for the following purposes:
 - (a) determining whether this Act has been, or is being, complied with;
 - (b) determining whether information provided for the purposes of this Act is correct;
 - (c) deciding whether to exercise a power under this Act.

Note: The expression *this Act* includes the Regulatory Powers Act as it applies in relation to this Act: see the definition of *this Act* in subsection 4(1).

- (2) The authorised inspector may enter the premises during the business hours of the premises.
- (3) Subdivision A of Division 2 of Part 2, and section 29, of the Regulatory Powers Act apply in accordance with Part 3 of this Chapter as if:
 - (a) entry to the premises was made under section 18 of that Act under a monitoring warrant; and
 - (b) the purposes for which section 18 of that Act permits the monitoring powers to be exercised included the purpose of deciding whether to exercise a power under this Act; and
 - (c) for the purposes of that Subdivision, relevant data included information relevant to deciding whether to exercise a power under this Act.

Note 1: Subdivision A of Division 2 of Part 2, and section 29, of the Regulatory Powers Act are about monitoring powers and compensation for damage to electronic equipment operated under those powers.

Note 2: Section 13L expands the monitoring powers under Subdivision A of Division 2 of Part 2 of the Regulatory Powers Act.

- (4) The application of Subdivision A of Division 2 of Part 2, and section 29, of the Regulatory Powers Act under subsection (3) of

this section is in addition to their application under Part 3 of this Chapter.

14D Announcement before entry

Before an authorised inspector enters premises under a provision referred to in section 14C, the authorised inspector must:

- (a) announce that he or she is authorised to enter the premises; and
- (b) if the occupier of the premises is present at the premises:
 - (i) ensure that the identity card of the authorised inspector is shown to the occupier; and
 - (ii) explain the reasons for entering the premises.

14E Occupier is entitled to observe exercise of powers

- (1) The occupier of premises entered under section 14C is (subject to subsections (2) and (3) of this section) entitled to observe the exercise of powers while on the premises if the occupier is present at the premises while those powers are being exercised.
- (2) The right to observe the exercise of powers ceases if the occupier impedes the exercise of those powers.
- (3) This section does not prevent powers being exercised in 2 or more areas of the premises at the same time.

14F Occupier to provide officers etc. with facilities and assistance

- (1) The occupier of premises entered under section 14C must provide the following persons with all reasonable facilities and assistance for the effective exercise of their powers while on the premises:
 - (a) any authorised inspector who enters the premises;
 - (b) any person assisting the authorised inspector.

Strict liability offence

- (2) A person commits an offence of strict liability if:
 - (a) the person is subject to subsection (1); and
 - (b) the person fails to comply with that subsection.

Penalty: 30 penalty units.

14G Obstruction or hindrance of authorised inspectors

- (1) A person must not obstruct or hinder an authorised inspector who is performing functions or exercising powers under this Act.

Strict liability offence

- (2) A person commits an offence of strict liability if the person contravenes subsection (1).

Penalty: 30 penalty units.

11 Part III (heading)

Repeal the heading.

12 Sections 15, 16, 17, 18, 19 and 20

Repeal the sections.

13 Before section 21

Insert:

Chapter 5—General

Part 1—Introduction

14H Simplified outline of this Chapter

This Chapter enables the Secretary to obtain information and documents from applicants for licences and licence holders.

This Chapter also enables the Secretary to request information and documents from other persons, and to require information and documents from certain agencies.

The Secretary is authorised to release information and documents obtained under or for the purposes of this Act.

The Secretary has directions powers with respect to the security of premises, the destruction of cannabis plants, cannabis and cannabis resin and other drugs.

This Chapter also deals with internal and external review of decisions.

This Chapter provides that State and Territory agencies can be approved to carry out specified activities relating to cannabis plants, cannabis and cannabis resin, including cultivating cannabis plants to produce cannabis or cannabis resin or for research relating to medicinal cannabis. Such agencies can also be authorised to undertake the manufacture of certain drugs.

This Chapter provides for a review of the Act.

This Chapter also contains provisions dealing with matters such as:

- (a) requirements relating to drugs passing through Australia; and
- (b) delegating powers and functions under this Act; and
- (c) serving notices; and
- (d) making regulations for the purposes of this Act.

Part 2—Obtaining and disclosing information and documents

Division 1—Obtaining information and documents for purposes relating to licences

14J Secretary may require further information or documents

- (1) The Secretary may, by notice in writing, require an applicant for a licence or a permit, or for a variation of such a licence or permit, to give the Secretary such further information or documents in relation to the application as the Secretary reasonably requires.
- (2) The Secretary may, by notice in writing, require the holder of a licence to give the Secretary such further information or documents about matters relating to the licence as the Secretary reasonably requires, including but not limited to the following matters:
 - (a) activities engaged in under, or purportedly under, the licence;
 - (b) conditions of the licence;
 - (c) variation or revocation of the licence;

- (d) matters relating to one or more permits that relate to the licence.
- (3) A notice under subsection (1) or (2) may specify a period, which must be reasonable in all the circumstances and must not be less than 14 days, within which the information or documents are to be given.
- (4) The Secretary may require information or documents to be given under this section at any time, and on one or more occasions:
 - (a) if the information or documents relate to an application for a licence or a permit, or for a variation of such a licence or permit—before the Secretary makes a decision on the application, whether before or after the Secretary has begun to consider the application; or
 - (b) if the information or documents otherwise relate to a licence—at any time while the licence is in force.
- (5) To avoid doubt, the information or documents that the Secretary may require include information or documents about whether a person is a fit and proper person to hold a licence or to be associated with the holder of a licence.

Note: Section 24B deals with the privilege against self-incrimination.

14K Secretary may request information or documents from any source

- (1) The Secretary may request information, documents or advice relevant to an application for a licence or a permit, or otherwise in relation to a licence or permit, from any source, including an agency of the Commonwealth.
- (2) If the Secretary requests personal information about an individual, the giving of the information by the person to whom the request is made, and the collection of the information, is taken to be authorised by this Act for the purposes of the *Privacy Act 1988* and the *Australian Border Force Act 2015*.

14L Secretary may require information or documents from other sources

- (1) The Secretary may, by written notice, require the head of a State or Territory agency to give the Secretary information or documents that:
- (a) are relevant to an application for a licence or a permit, a variation or revocation of a licence or permit or otherwise in relation to a licence or permit; and
 - (b) are of a kind specified in the notice; and
 - (c) relate to a person, location or premises specified in the notice.

Note: For specification by class, see subsection 33(3AB) of the *Acts Interpretation Act 1901*.

- (2) The Secretary must not give a notice under subsection (1) to the head of an agency unless the Secretary reasonably believes:
- (a) that the head of the agency has, or can reasonably acquire, the information or documents; and
 - (b) that the information or documents are relevant for the purposes of considering an application for a licence or permit, or are otherwise relevant to a licence or permit.
- (3) The head of an agency who is given a notice under subsection (1) must, as soon as practicable after the notice is given, comply with the notice to the extent that he or she has, or can reasonably acquire, the information or documents specified in the notice.
- (4) Despite subsection (3), the registrar (however described) of a court is not required to comply with a notice under subsection (1) to the extent that the information or documents specified in the notice, in relation to a person specified in the notice, are information or documents that relate to proceedings that have not been finally determined by the court.
- (5) The head of an agency is authorised to comply with a notice under subsection (1), even if the giving or collecting of the information or documents specified in the notice would contravene a law of a State or a Territory that:
- (a) primarily relates to the protection of the privacy of individuals; and

- (b) prohibits or regulates the use or disclosure of personal information.
- (6) A person is not liable to:
 - (a) any proceedings for contravening a provision of a law referred to in subsection (5); or
 - (b) civil proceedings for loss, damage or injury of any kind suffered by another person;merely because the person gives information or documents to the Secretary, or collects information or documents, for the purposes of ensuring that the head of an agency complies with a notice under subsection (1).
- (7) If the Secretary requires personal information about an individual, the giving of the information by the person to whom the request is made, and the collection of the information, is taken to be authorised by this Act for the purposes of the *Privacy Act 1988*.

14M Failure to give information or documents within specified period

- (1) A person contravenes this subsection if:
 - (a) the person is required by notice under subsection 14J(2) to give information or documents to the Secretary; and
 - (b) the notice specifies the period within which the information or documents are to be given; and
 - (c) the person does not give the information or documents within the specified period.

Note: Division 137 of the *Criminal Code* creates offences for providing false or misleading information or documents.

Fault-based offence

- (2) A person commits an offence if the person contravenes subsection (1).

Note: See section 24A in relation to the physical elements of the offence.

Penalty: 100 penalty units.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (1).

Penalty: 60 penalty units.

Civil penalty provision

- (4) A person is liable to a civil penalty if the person contravenes subsection (1).

Civil penalty: 500 penalty units.

Division 2—Disclosure of certain information

14N Authorised disclosures of information

A disclosure by the Secretary of information is authorised for the purposes of the *Privacy Act 1988* if:

- (a) the disclosure is in the course of performing functions or duties, or exercising powers, under this Act; or
- (b) the disclosure is for the purposes of this Act; or
- (c) the disclosure is required or authorised by or under a law of the Commonwealth, a State or a Territory; or
- (d) the person to whom the information relates consents to the disclosure; or
- (e) the disclosure is to an agency of the Commonwealth, a State or a Territory that is responsible for, or deals with, matters relating to health, therapeutic goods, poisons, industrial chemicals, agriculture, environmental matters, land management or the registration of pharmacies or the regulation of pharmacists; or
- (f) the disclosure is to an agency of the Commonwealth, a State or a Territory that is responsible for, or deals with, law enforcement, criminal intelligence, criminal investigation or fraud in, or in a part of, Australia; or
- (g) the information has already been lawfully made available to the public; or
- (h) the disclosure is in circumstances prescribed by the regulations, being circumstances that relate to public safety,

research relating to medicinal cannabis or the regulation of health professionals.

Part 3—Directions powers

14P Directions with respect to security of premises and handling of things

- (1) The Secretary may, by notice in writing given to a person who is a licence holder, or who has been a licence holder:
 - (a) direct the person to take specified measures for ensuring the security of land or premises at which activities authorised by the licence are, were or may be, occurring; or
 - (b) direct the person to take specified measures for regulating or controlling the entry of persons or vehicles into, or the departure of persons or vehicles from, such land or premises; or
 - (c) direct the person to take specified measures for preventing the entry of persons or vehicles into, or the departure of persons or vehicles from, such land or premises other than at specified places; or
 - (d) give such other directions to the person as the Secretary considers appropriate in relation to the following:
 - (i) cannabis plants obtained or cultivated by the person or in the person's possession or control;
 - (ii) cannabis or cannabis resin produced by the person or in the person's possession or control;
 - (iii) drugs or narcotic preparations manufactured by the person or in the person's possession or control, or substances used in such manufacture in the person's possession or control;including, but not limited to, directions in relation to their handling at a place other than the land or premises at which the obtaining, cultivation, production or manufacture occurred; or
 - (e) give such other directions to the person, in relation to the licence or a permit that relates to the licence, as the Secretary considers appropriate.

Note: For requirements for a notice of a decision to give a direction under this section, see section 15F.

- (2) In this section, a reference to land or premises includes a reference to a part of land or premises.

15 Directions with respect to destruction, etc.

- (1) The Secretary may, by notice in writing given to a person who is licence holder, or who has been a licence holder, require the destruction of, or other dealings with, cannabis plants, cannabis, cannabis resin, drugs or narcotic preparations in the person's possession or control, if the Secretary is satisfied on reasonable grounds that:
- (a) the cannabis plants were cultivated or obtained, the cannabis or cannabis resin was produced or the drugs or narcotic preparations were manufactured in breach of the licence; or
 - (b) the cannabis plants were cultivated or obtained, the cannabis or cannabis resin was produced or the drugs or narcotic preparations were manufactured in circumstances prescribed by the regulations; or
 - (c) circumstances prescribed by the regulations for the purposes of this paragraph exist.
- (2) If the Secretary requires the destruction of, or other dealing with, cannabis plants, cannabis, cannabis resin, drugs or narcotic preparations the Secretary may:
- (a) direct the person to whom the notice was given under subsection (1), or a person in charge of the cannabis plants, cannabis, cannabis resin, drugs or narcotic preparations, to carry out the destruction or dealing; or
 - (b) carry out the destruction or dealing; or
 - (c) arrange for another person with appropriate qualifications or expertise to carry out the destruction or dealing.
- (3) If the Secretary:
- (a) directs the destruction of, or other dealing with, cannabis plants, cannabis, cannabis resin, drugs or narcotic preparations as mentioned in paragraph (2)(a); or
 - (b) arranges for such destruction or dealing as mentioned in paragraph (2)(c);

the Secretary may supervise the destruction or dealing.

- (4) If the Commonwealth incurs costs because of a requirement under this section:
- (a) the person to whom the notice was given under subsection (1) is liable to pay to the Commonwealth an amount equal to the costs; and
 - (b) the amount may be recovered by the Commonwealth as a debt due to the Commonwealth in a court of competent jurisdiction.

Note: For requirements for a notice of a decision to give a direction under this section, see section 15F.

15A Directions with respect to manufacturing and labelling of drugs

The Secretary may, by notice in writing given to a person who is the holder of a manufacture licence, give directions to the person with respect to:

- (a) operations connected with the manufacturing of drugs or narcotic preparations; or
- (b) the labelling of drugs or narcotic preparations; manufactured by the person.

Note: For requirements for a notice of a decision to give a direction under this section, see section 15F.

15B General matters about directions

- (1) This section applies to a direction under section 14P, 15 or 15A.
- (2) To avoid doubt, the direction may be given:
 - (a) in respect of cannabis plants, cannabis, cannabis resin, drugs or narcotic preparations generally; or
 - (b) in respect of cannabis plants, cannabis, cannabis resin, drugs or narcotic preparations of a kind specified in the direction; or
 - (c) in respect of particular cannabis plants, cannabis, cannabis resin, drugs or narcotic preparations specified in the direction.
- (3) If the direction is inconsistent with a condition of a licence (whether the condition is specified in the licence or imposed by

this Act), the condition is of no effect to the extent of the inconsistency.

15C Failure to comply with a direction

- (1) A person contravenes this subsection if:
- (a) the person is given a direction under:
 - (i) section 14P or 15; or
 - (ii) paragraph 15A(a); and
 - (b) the person does not comply with the direction.

Fault-based offence

- (2) A person commits an offence if the person contravenes subsection (1).

Note: See section 24A in relation to the physical elements of the offence.

Penalty: 300 penalty units.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (1).

Penalty: 60 penalty units.

Civil penalty provision

- (4) A person is liable to a civil penalty if the person contravenes subsection (1).

Civil penalty: 600 penalty units.

15D Supply of a drug or narcotic preparation not labelled in accordance with a direction

- (1) A person contravenes this subsection if:
- (a) the person is given a direction under paragraph 15A(b) (labelling of drugs and narcotic preparations); and
 - (b) the person supplies a drug or narcotic preparation that is not labelled in accordance with the direction.

Fault-based offence

- (2) A person commits an offence if the person contravenes subsection (1).

Note: See section 24A in relation to the physical elements of the offence.

Penalty: 300 penalty units.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (1).

Penalty: 60 penalty units.

Civil penalty provision

- (4) A person is liable to a civil penalty if the person contravenes subsection (1).

Civil penalty: 600 penalty units.

Part 4—Review of decisions

15E Reviewable decisions

- (1) Each of the following decisions of the Secretary is a ***reviewable decision***:
- (a) a decision under section 8F to grant a medicinal cannabis licence;
 - (b) a decision under section 8F to refuse to grant a medicinal cannabis licence;
 - (c) a decision under section 8K to impose conditions on a medicinal cannabis licence;
 - (d) a decision under section 9 to grant a medicinal cannabis permit;
 - (e) a decision under section 9 to refuse to grant a medicinal cannabis permit;
 - (f) a decision under section 9E to grant a cannabis research licence;

- (g) a decision under section 9E to refuse to grant a cannabis research licence;
 - (h) a decision under section 9J to impose conditions on a cannabis research licence;
 - (i) a decision under section 9P to grant a cannabis research permit;
 - (j) a decision under section 9P to refuse to grant a cannabis research permit;
 - (k) a decision under subsection 10M(1) to vary a cannabis licence or a cannabis permit;
 - (l) a decision under subsection 10N(4) to refuse to vary a cannabis licence or a cannabis permit on application;
 - (m) a decision under section 10P to revoke a cannabis licence or a cannabis permit;
 - (n) a decision under section 11H to refuse to grant a manufacture licence;
 - (o) a decision under section 11L to impose conditions on a manufacture licence;
 - (p) a decision under section 12A to refuse to grant a manufacture permit;
 - (q) a decision under subsection 13(1) to vary a manufacture licence or a manufacture permit;
 - (r) a decision under subsection 13A(4) to refuse to vary a manufacture licence or a manufacture permit on application;
 - (s) a decision under section 13B to revoke a manufacture licence or a manufacture permit;
 - (t) a decision under section 14P or 15 to give a direction to the holder or former holder of a licence;
 - (u) a decision under section 15A to give a direction to the holder of a manufacture licence.
- (2) The regulations may also provide that a decision made under a specified provision of this Act is a ***reviewable decision***.

Note: The reference to this Act includes a reference to instruments made under this Act (see the definition of ***this Act*** in subsection 4(1)).

15F Notice of reviewable decisions

- (1) After a reviewable decision is made, the person who made the decision must, as soon as practicable, give a written notice to the
-

applicant for, or the holder or former holder of, the licence or permit concerned, containing:

- (a) the terms of the decision; and
- (b) the reasons for the decision; and
- (c) notice of the person's right to have the decision reviewed.

(2) In addition to giving notice under subsection (1), if:

- (a) the reviewable decision is a decision referred to in:
 - (i) paragraph 15E(1)(a) or (f); or
 - (ii) paragraph 15E(1)(k), to the extent that the paragraph relates to the variation of a cannabis licence; and
- (b) the cannabis licence concerned relates to land or premises situated wholly or partly in a State or Territory; and
- (c) a notice under subsection 25B(1), given by the head of a State or Territory agency for that State or Territory, is in force;

the person who made the decision must, as soon as practicable, give a written notice to the head of the State or Territory agency, containing:

- (d) the terms of the decision; and
- (e) the reasons for the decision; and
- (f) notice of the right of the State or Territory agency to have the decision reviewed.

(3) This section does not affect any requirement to give notice of a reviewable decision under another provision of this Act.

15G Internal review of reviewable decisions—application for review

(1) A person to whom a notice is given under subsection 15F(1) or (2) in relation to a reviewable decision may apply to the Minister for review of the decision.

(2) An application for review must:

- (a) be in writing; and
- (b) set out the reasons for the application; and
- (c) be made within 90 days after the date of the notice under subsection 15F(1) or (2), as the case requires.

Note: Under section 15K, further information may be required in relation to an application.

15H Internal review of reviewable decisions—review of decision

- (1) On receiving an application for review of a reviewable decision, the Minister must either:
 - (a) review the reviewable decision personally; or
 - (b) cause the reviewable decision to be reviewed by a person (the *internal reviewer*) who:
 - (i) is a person to whom the Minister's power to review the decision has been delegated; and
 - (ii) was not involved in making the decision; and
 - (iii) occupies a position at least as senior as the person who actually made the decision.
- (2) In reviewing the reviewable decision:
 - (a) the Minister or the internal reviewer must take into account any information included in the application for review; and
 - (b) the Minister or the internal reviewer must not take into account any other information provided by, or on behalf of, the applicant after the making of the application, other than information provided in response to a notice under section 15K.
- (3) Paragraph (2)(b) does not otherwise limit the information the Minister or the internal reviewer may take into account in reviewing the reviewable decision.
- (4) The Minister or the internal reviewer may:
 - (a) affirm, vary or set aside the reviewable decision; and
 - (b) if he or she sets aside the reviewable decision—make such other decision as he or she thinks appropriate.
- (5) The decision (the *decision on review*) of the Minister or the internal reviewer takes effect:
 - (a) on the day specified in the decision on review; or
 - (b) if a day is not specified—on the day the decision on review was made.

15J Internal review of reviewable decisions—notice of decision

- (1) After a decision on review is made under section 15H, the person who made the decision on review must give the applicant a written notice containing:
 - (a) the terms of the decision; and
 - (b) the reasons for the decision; and
 - (c) notice of the applicant's right to have the decision reviewed by the Administrative Appeals Tribunal.

Deemed affirmation—failure to give notice

- (2) For the purposes of section 15L (review by the AAT), the Minister is taken to have affirmed a reviewable decision if the applicant does not receive notice of a decision on review within 60 days after the application for review was made.

Time does not run while further information being sought

- (3) If the Minister or the internal reviewer has given a notice under section 15K requiring further information about an application for review, a day is not to be counted for the purposes of subsection (2) if it is:
 - (a) on or after the date of the notice; and
 - (b) on or before the day the Minister or the internal reviewer notifies the applicant that the further information provided satisfies the requirement.

15K Minister or internal reviewer may require further information

The Minister or an internal reviewer may, by written notice, require a person who has made an application under section 15G to give the Minister or the internal reviewer further information about the application.

15L Review of decisions under this Division by Administrative Appeals Tribunal

- (1) Applications may be made to the Administrative Appeals Tribunal for review of decisions of the Minister, or an internal reviewer, under section 15H that relate to a reviewable decision.

- (2) If the reviewable decision is a decision of a kind referred to in subsection 15F(2) then, for the purposes of an application for review referred to in subsection (1) of this section, the State or Territory concerned may be a *person whose interests are affected* for the purposes of subsections 27(2) and 30(1A) of the *Administrative Appeals Tribunal Act 1975*.

Part 5—Other matters

14 Section 21

Omit “Part”, substitute “Act”.

15 Part IV (heading)

Repeal the heading.

16 Subsection 22(1)

After “vessel”, insert “or aircraft”.

17 Subsection 22(4)

After “vessel” (first and second occurring), insert “or aircraft”.

18 Subsection 22(4)

Omit “master of the vessel”, substitute “master of the vessel or captain of the aircraft, as the case requires”.

19 Section 23 (heading)

Repeal the heading, substitute:

23 Requirement to keep records and furnish reports

20 Subsection 23(1)

Omit “a licensed manufacturer, a manufacturer of narcotic preparations”, substitute “a manufacturer of narcotic preparations, other than a person who is the holder of a manufacture licence,”.

21 Paragraph 23(1)(a)

Omit “drugs or”.

22 Subsections 23(2) and (3)

Repeal the subsections, substitute:

- (2) A person contravenes this subsection if:
- (a) the person is given a notice under subsection (1); and
 - (b) the person does not comply with the notice.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (2).

Penalty: 60 penalty units.

Civil penalty provision

- (4) A person is liable to a civil penalty if the person contravenes subsection (2).

Civil penalty: 500 penalty units.

23 Section 24 (heading)

Repeal the heading, substitute:

24 Inspection of certain premises

24 Subsection 24(1)

Omit all the words from and including “A person appointed” to and including “appointment” substitute “An authorised inspector may, at any reasonable time and on production of his or her identity card”.

25 Subsection 24(1)

Omit “drugs” (first occurring), substitute “narcotic preparations”.

26 Paragraphs 24(1)(a) and (b)

After “drug”, (wherever occurring), insert “or narcotic preparation”.

27 Subsections 24(2), (3), (3A) and (3B)

Repeal the subsections, substitute:

- (2) A person contravenes this subsection if:

- (a) the person is the occupier of, or is in charge of, premises; and
- (b) an authorised inspector enters the premises under subsection (1); and
- (c) the person does not provide the authorised inspector with reasonable facilities and assistance for the effective exercise of the inspector's powers.

Strict liability offence

- (3) A person commits an offence of strict liability if the person contravenes subsection (2).

Penalty: 60 penalty units.

Civil penalty provision

- (3A) A person is liable to a civil penalty if the person contravenes subsection (2).

Civil penalty: 500 penalty units.

28 Subsection 24(3C)

Omit "(3B)", substitute "(3)".

29 Subsections 24(3D) and (4)

Repeal the subsections.

30 After section 24

Insert:

24A Physical elements of offences

- (1) This section applies if a provision of this Act provides that a person contravening another provision of this Act (the *conduct rule provision*) commits an offence.
- (2) For the purposes of applying Chapter 2 of the *Criminal Code* to the offence, the physical elements of the offence are set out in the conduct rule provision.

Note: Chapter 2 of the *Criminal Code* sets out general principles of criminal responsibility.

24B Privilege against self-incrimination

Person not entitled to refuse to provide information

- (1) A person is not excused from giving information under section 10K, 12N or 14J on the ground that the information might tend to incriminate the person or expose the person to a penalty.

Use immunity applies to information

- (2) However, in the case of an individual:
 - (a) the information given; and
 - (b) giving the information;are not admissible in evidence against the individual in any criminal proceedings, or in proceedings for contravention of a civil penalty provision, except proceedings under, or arising out of any of the following in relation to the giving of the information:
 - (c) subsection 14M(1) of this Act;
 - (d) section 137.1 or 137.2 of the *Criminal Code* (false or misleading information or documents);
 - (e) subsection 149.1(1) of the *Criminal Code* (obstruction of Commonwealth public officials).

31 Subsections 25(1), (2) and (3)

Omit “, the Customs Minister,”.

32 At the end of section 25

Add:

- (4) The Minister or the Secretary must not delegate a power or function under subsection (1) to an officer or employee of an agency of a State or a Territory without the agreement of the State or the Territory, as the case requires.

33 Before section 26

Insert:

25B Secretary to notify States and Territories of certain matters

- (1) The head of a State or Territory agency may notify the Secretary in writing that the State or Territory wishes to be advised if a licence
-

or permit that relates to land or premises situated wholly or partly in the State or Territory is granted, varied or revoked.

(2) If:

- (a) a notice under subsection (1) given by the head of a State or Territory agency is in force; and
- (b) a licence or permit that relates to land or premises situated wholly or partly in the State or Territory is granted, varied or revoked;

the Secretary must advise the head of the State or Territory agency, in writing, of the matters prescribed by the regulations for the purposes of this subsection.

34 At the end of section 26

Add:

- (2) A notice or document sent to a fax number or electronic address, or by other electronic means, is taken to have been given on the business day after it is sent.

35 After section 26

Insert:

26A Review of operation of Act

- (1) The Minister must cause a review of the operation of this Act to be undertaken as soon as possible after the second anniversary of the commencement of Schedule 1 to this Act.
- (2) A person who undertakes such a review must give the Minister a written report of the review.
- (3) The Minister must cause a copy of the report of the review to be tabled in each House of the Parliament on or before the third anniversary of the commencement of Schedule 1 to this Act.

36 Section 27

Repeal the section, substitute:

27 Regulations

General

- (1) The Governor-General may make regulations prescribing matters:
 - (a) required or permitted by this Act to be prescribed by the regulations; or
 - (b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.

Requirements for land and premises at which licensed activities carried out

- (2) The regulations may prescribe requirements in relation to land or premises at which activities authorised by licences under this Act are carried out.
- (3) Without limiting the matters that may be dealt with by regulations made under subsection (2), the regulations may deal with the following:
 - (a) access to the land or premises by persons;
 - (b) conditions of entry, the issue and use of security passes and other identification systems by employees and other people.

Other matters

- (4) The regulations may provide for or in relation to the following:
 - (a) testing of samples;
 - (b) authorising people engaged by licence holders, but not otherwise authorised by a licence, to transport cannabis plants, cannabis and cannabis resin obtained, cultivated or produced under a licence;
 - (c) the making of quality standards (however described) for the cultivation of cannabis plants and the production of cannabis and cannabis resin;
 - (d) regulating, restricting or prohibiting premises, vehicles, equipment or machines used, or intended to be used, for or in connection with activities relating to licences;
 - (e) regulating, restricting or prohibiting the advertising to the public of cannabis plants, cannabis or cannabis resin by licence holders;

- (f) regulating the manner in which cannabis plants, cannabis, cannabis resin, and drugs and narcotic preparations that contain cannabis or cannabis resin, are presented for supply;
- (g) modifying the operation of Chapters 2 and 3 of this Act if an applicant for a licence, or a licence holder, is an agency of a State or Territory;
- (h) empowering the Secretary to do things in relation to cannabis plants, cannabis, cannabis resin, drugs and narcotic preparations that have been seized under this Act;
- (i) how forfeited goods are dealt with.

28 General provisions relating to regulations

- (1) The regulations may provide for:
 - (a) the imposition of penalties of not more than 50 penalty units for a contravention of a provision of the regulations; and
 - (b) the imposition of civil penalties for contraventions of a kind referred to in paragraph (a) of not more than:
 - (i) 50 penalty units for an individual; or
 - (ii) 250 penalty units for a body corporate; and
 - (c) the charging of fees in respect of any matters under this Act.
- (2) Despite section 14 of the *Legislation Act 2003*, the regulations may make provision in relation to a matter by applying, adopting or incorporating, with or without modification, any matter contained in an instrument or other document:
 - (a) as in force or existing at a particular time; or
 - (b) as in force or existing from time to time;even if the instrument or other document does not exist when the regulations come into operation.
- (3) The regulations may provide for review of decisions under the regulations.

Schedule 2—Amendments relating to authorisation of State and Territory agencies

Narcotic Drugs Act 1967

1 Subsection 4(1)

Insert:

agency of the Commonwealth, a State or a Territory includes the following:

- (a) the Crown in right of the Commonwealth, a State or a Territory;
- (b) a Minister of the Commonwealth, a State or a Territory;
- (c) a Commonwealth, State or Territory government department;
- (d) an instrumentality of the Commonwealth, a State or a Territory, including a body corporate established for a public purpose by or under a law of the Commonwealth, a State or a Territory;
- (e) a company in which a controlling interest is held by any one of the following persons, or by 2 or more of the following persons together:
 - (i) the Crown in right of the Commonwealth, a State or a Territory;
 - (ii) a person or body covered by paragraph (b) or (d);
- (f) a court, tribunal or parole board of the Commonwealth, a State or a Territory.

cannabis plant means the following:

- (a) any plant of the genus *cannabis*;
- (b) any part of a plant of the genus *cannabis* including, but not limited to, the seeds, stems or leaves of the plant.

cultivate a cannabis plant includes the following:

- (a) sow a seed of a cannabis plant;
- (b) plant, grow, tend, nurture or harvest a cannabis plant;
- (c) graft, divide or transplant a cannabis plant;

but does not include the separation of cannabis or cannabis resin from a cannabis plant.

supply includes the following, whether free of charge or otherwise:

- (a) supply by way of sale, exchange, gift, lease, loan, hire or hire-purchase;
- (b) supply by way of sample;
- (c) supply in the course of testing safety or efficacy;
- (d) supply by way of administration to, or application in the treatment of, a person.

2 After section 25

Insert:

25A Certain State and Territory agencies are authorised to cultivate cannabis plants, produce cannabis etc. and manufacture drugs

- (1) The Secretary may, in writing, approve an agency of a State or Territory for the purposes of this section if the Secretary is satisfied on reasonable grounds:
 - (a) that such an approval would not be inconsistent with Australia's obligations under the Convention; and
 - (b) that the agency will take all reasonable measures to ensure the physical security of the following:
 - (i) cannabis plants obtained or cultivated by the agency, or in the possession or control of the agency, or cannabis or cannabis resin produced by the agency, in accordance with this section;
 - (ii) drugs and narcotic preparations manufactured in accordance with this section; and
 - (c) that appropriate reporting arrangements will apply to the approval; and
 - (d) in relation to such other matters as are prescribed by the regulations.
- (2) An agency of a State or Territory that is approved under subsection (1) is authorised to engage in, or to authorise another person to engage in under a contract with the agency, one or more of the following activities as set out in the approval:

- (a) the cultivation of cannabis plants for the purpose of producing cannabis or cannabis resin for medicinal purposes and, if appropriate, the obtaining of cannabis plants for that purpose;
- (b) the production of cannabis or cannabis resin for medicinal purposes;
- (c) the cultivation of cannabis plants for the purpose of producing cannabis or cannabis resin for research relating to medicinal cannabis and, if appropriate, the obtaining of cannabis plants for that purpose;
- (d) the production of cannabis or cannabis resin for research relating to medicinal cannabis;
- (e) the manufacture of drugs and narcotic preparations that include, or are from, any part of the cannabis plant;
- (f) activities relating to such cultivation, production or manufacture, including but not limited to the following (as applicable):
 - (i) the supply of cannabis plants, cannabis, cannabis resin, drugs and narcotic preparations;
 - (ii) the packaging, transport, storage, possession and control of cannabis plants, cannabis, cannabis resin, drugs or narcotic preparations;
 - (iii) the disposal or destruction of cannabis plants, cannabis, cannabis resin, drugs and narcotic preparations.

Note: A cannabis plant includes the seeds of a cannabis plant (see subsection 4(1)).

- (3) The Secretary may, in his or her absolute discretion, revoke in writing an approval made under subsection (1).
- (4) The Secretary may, in writing, impose conditions upon an approval under subsection (1) including, but not limited to, in relation to persons who are authorised to undertake activities under the approval.
- (5) The Secretary must provide a copy of the following:
 - (a) an approval under this section;
 - (b) any conditions to which such an approval is subject;
 - (c) a revocation of such an approval;

to the agency head of the agency to which the approval relates. The copy must be given as soon as reasonably practicable after the approval is given or revoked, or the conditions are imposed, as the case requires.

- (6) An approval given under subsection (1) is not a legislative instrument.

Schedule 3—Transitional provisions

1 Saving of manufacturing licences in force as at commencement of Schedule 1 and applying old law to them

Despite the repeals and amendments of the old law made by this Act, if a manufacturing licence granted under the old law was in force immediately before commencement, the old law continues to have effect, in relation to that licence, as if those repeals and amendments had not happened.

2 Transitional regulations

- (1) The Governor-General may make regulations prescribing matters:
 - (a) required or permitted by this Schedule to be prescribed; or
 - (b) necessary or convenient to be prescribed for carrying out or giving effect to this Schedule.
- (2) In particular, regulations may be made prescribing matters of a transitional nature (including any saving or application provisions) relating to the following:
 - (a) the amendments or repeals made by this Act;
 - (b) the transition from the application of provisions of laws of the States and the Territories to the application of provisions of the new law.
- (3) Without limiting subitem (2), the regulations may provide:
 - (a) that a prescribed licence, authorisation or permit (however described) that was in force immediately before commencement under a law of a State or a Territory is taken, on and after commencement, to be a licence granted under the *Narcotic Drugs Act 1967*; and
 - (b) that prescribed provisions (the ***modified provisions***) of the *Narcotic Drugs Act 1967* are taken to be modified, in relation to such a licence.

The modified provisions have effect, in relation to such a licence, as if they were modified as prescribed, despite anything else in the *Narcotic Drugs Act 1967*.

3 Definitions

In this Schedule:

new law means the *Narcotic Drugs Act 1967*, as in force on and after commencement.

old law means the *Narcotic Drugs Act 1967*, as in force immediately before commencement.

commencement means the commencement of Schedule 1 to this Act.

Schedule 4—Amendments relating to Schedules

Narcotic Drugs Act 1967

1 First and Second Schedules

Repeal the Schedules, substitute:

Schedule 1—Single Convention on Narcotic Drugs, 1961, as amended by the 1972 Protocol

Note: See the definition of *Convention* in subsection 4(1).

PREAMBLE

THE PARTIES,

CONCERNED with the health and welfare of mankind,

RECOGNIZING that the medical use of narcotic drugs continues to be indispensable for the relief of pain and suffering and that adequate provision must be made to ensure the availability of narcotic drugs for such purposes,

RECOGNIZING that addiction to narcotic drugs constitutes a serious evil for the individual and is fraught with social and economic danger to mankind,

CONSCIOUS of their duty to prevent and combat this evil,

CONSIDERING that effective measures against abuse of narcotic drugs require coordinated and universal action,

UNDERSTANDING that such universal action calls for international cooperation guided by the same principles and aimed at common objectives,

ACKNOWLEDGING the competence of the United Nations in the field of narcotics control and desirous that the international organs concerned should be within the framework of that Organization,

DESIRING to conclude a generally acceptable international convention replacing existing treaties on narcotic drugs, limiting such drugs to medical and scientific use, and providing for continuous international cooperation and control for the achievement of such aims and objectives,

HEREBY AGREE as follows:

Article 1

Definitions

1. Except where otherwise expressly indicated or where the context otherwise requires, the following definitions shall apply throughout the Convention:

- (a) “Board” means the International Narcotics Control Board.
- (b) “Cannabis” means the flowering or fruiting tops of the cannabis plant (excluding the seeds and leaves when not accompanied by the tops) from which the resin has not been extracted, by whatever name they may be designated.
- (c) “Cannabis plant” means any plant of the genus cannabis.
- (d) “Cannabis resin” means the separated resin, whether crude or purified, obtained from the cannabis plant.
- (e) “Coca bush” means the plant of any species of the genus erythroxyton.
- (f) “Coca leaf” means the leaf of the coca bush except a leaf from which all ecgonine, cocaine and any other ecgonine alkaloids have been removed.
- (g) “Commission” means the Commission on Narcotic Drugs of the Council.
- (h) “Council” means the Economic and Social Council of the United Nations.
- (i) “Cultivation” means the cultivation of the opium poppy, coca bush or cannabis plant.
- (j) “Drug” means any of the substances in Schedules I and II, whether natural or synthetic.

- (k) “General Assembly” means the General Assembly of the United Nations.
- (l) “Illicit traffic” means cultivation or trafficking in drugs contrary to the provisions of this Convention.
- (m) “Import” and “export” mean in their respective connotations the physical transfer of drugs from one State to another State, or from one territory to another territory of the same State.
- (n) “Manufacture” means all processes, other than production, by which drugs may be obtained and includes refining as well as the transformation of drugs into other drugs.
- (o) “Medicinal opium” means opium which has undergone the processes necessary to adapt it for medicinal use.
- (p) “Opium” means the coagulated juice of the opium poppy.
- (q) “Opium poppy” means the plant of the species *Papaver somniferum L.*
- (r) “Poppy straw” means all parts (except the seeds) of the opium poppy, after mowing.
- (s) “Preparation” means a mixture, solid or liquid, containing a drug.
- (t) “Production” means the separation of opium, coca leaves, cannabis and cannabis resin from the plants from which they are obtained.
- (u) “Schedule I”, “Schedule II”, “Schedule III” and “Schedule IV” mean the correspondingly numbered list of drugs or preparations annexed to this Convention, as amended from time to time in accordance with Article 3.
- (v) “Secretary-General” means the Secretary-General of the United Nations.
- (w) “Special stocks” means the amounts of drugs held in a country or territory by the government of such country or territory for special Government purposes and to meet exceptional circumstances; and the expression “special purposes” shall be construed accordingly.
-

(x) “Stocks” means the amounts of drugs held in a country or territory and intended for:

(i) Consumption in the country or territory for medical and scientific purposes,

(ii) Utilization in the country or territory for the manufacture of drugs and other substances, or

(iii) Export;

but does not include the amounts of drugs held in the country or territory,

(iv) By retail pharmacists or other authorized retail distributors and by institutions or qualified persons in the duly authorized exercise of therapeutic or scientific functions, or

(v) As “special stocks”.

(y) “Territory” means any part of a State which is treated as a separate entity for the application of the system of import certificates and export authorizations provided for in Article 31. This definition shall not apply to the term “territory” as used in Articles 42 and 46.

2. For the purposes of this Convention a drug shall be regarded as “consumed” when it has been supplied to any person or enterprise for retail distribution, medical use or scientific research; and “consumption” shall be construed accordingly.

Article 2

Substances under control

1. Except as to measures of control which are limited to specified drugs, the drugs in Schedule I are subject to all measures of control applicable to drugs under this Convention and in particular to those prescribed in Articles 4(c), 19, 20, 21, 29, 30, 31, 32, 33, 34 and 37.

2. The drugs in Schedule II are subject to the same measures of control as drugs in Schedule I with the exception of the measures prescribed in Article 30, paragraphs 2 and 5, in respect of the retail trade.

3. Preparations other than those in Schedule III are subject to the same measures of control as the drugs which they contain, but estimates (Article 19) and statistics (Article 20) distinct from those dealing with these drugs shall not be required in the case of such preparations, and Article 29, paragraph 2(c) and Article 30, paragraph 1(b)(ii) need not apply.

4. Preparations in Schedule III are subject to the same measures of control as preparations containing drugs in Schedule II except that article 31, paragraphs 1(b) and 3 to 15, and, as regards their acquisition and retail distribution, article 34, paragraph (b), need not apply, and that for the purpose of estimates (article 19) and statistics (article 20) the information required shall be restricted to the quantities of drugs used in the manufacture of such preparations.

5. The drugs in Schedule IV shall also be included in Schedule I and subject to all measures of control applicable to drugs in the latter schedule, and in addition thereto:

(a) A Party shall adopt any special measures of control which in its opinion are necessary having regard to the particularly dangerous properties of a drug so included; and

(b) A Party shall, if in its opinion the prevailing conditions in its country render it the most appropriate means of protecting the public health and welfare, prohibit the production, manufacture, export and import of, trade in, possession or use of any such drug except for amounts which may be necessary for medical and scientific research only, including clinical trials therewith to be conducted under or subject to the direct supervision and control of the Party.

6. In addition to the measures of control applicable to all drugs in Schedule I, opium is subject to the provisions of article 19, paragraph 1, sub-paragraph (f), and of articles 21*bis*, 23 and 24, the coca leaf to those of articles 26 and 27 and cannabis to those of article 28.

7. The opium poppy, the coca bush, the cannabis plant, poppy straw and cannabis leaves are subject to the control measures prescribed in article 19, paragraph 1, sub-paragraph (e), article 20, paragraph 1, sub-paragraph (g), article 21*bis* and in articles 22 to 24; 22, 26 and 27; 22 and 28; 25; and 28, respectively.

8. The Parties shall use their best endeavours to apply to substances which do not fall under this Convention, but which may be used in the illicit manufacture of drugs, such measures of supervision as may be practicable.

9. Parties are not required to apply the provisions of this Convention to drugs which are commonly used in industry for other than medical or scientific purposes, provided that:

(a) They ensure by appropriate methods of denaturing or by other means that the drugs so used are not liable to be abused or have ill effects (Article 3, paragraph 3) and that the harmful substances cannot in practice be recovered; and

(b) They include in the statistical information (Article 20) furnished by them the amount of each drug so used.

Article 3

Changes in the scope of control

1. Where a Party or the World Health Organization has information which in its opinion may require an amendment to any of the Schedules, it shall notify the Secretary-General and furnish him with the information in support of the notification.

2. The Secretary-General shall transmit such notification, and any information which he considers relevant, to the Parties, to the Commission, and, where the notification is made by a Party, to the World Health Organization.

3. Where a notification relates to a substance not already in Schedule I or in Schedule II,

(i) The Parties shall examine in the light of the available information the possibility of the provisional application to the substance of all measures of control applicable to drugs in Schedule I;

(ii) Pending its decision as provided in sub-paragraph (iii) of this paragraph, the Commission may decide that the Parties apply provisionally to that substance all measures of control applicable to drugs in Schedule I. The Parties shall apply such measures provisionally to the substance in question;

(iii) If the World Health Organization finds that the substance is liable to similar abuse and productive of similar ill effects as the drugs in Schedule I or Schedule II or is convertible into a drug, it shall communicate that finding to the Commission which may, in accordance with the recommendation of the World Health Organization, decide that the substance shall be added to Schedule I or Schedule II.

4. If the World Health Organization finds that a preparation because of the substances which it contains is not liable to abuse and cannot produce ill effects (paragraph 3) and that the drug therein is not readily recoverable, the Commission may, in accordance with the recommendation of the World Health Organization, add that preparation to Schedule III.

5. If the World Health Organization finds that a drug in Schedule I is particularly liable to abuse and to produce ill effects (paragraph 3) and that such liability is not offset by substantial therapeutic advantages not possessed by substances other than drugs in Schedule IV, the Commission may, in accordance with the recommendation of the World Health Organization, place that drug in Schedule IV.

6. Where a notification relates to a drug already in Schedule I or Schedule II or to a preparation in Schedule III, the Commission, apart from the measure provided for in paragraph 5, may, in accordance with the recommendation of the World Health Organization, amend any of the Schedules by:

(a) Transferring a drug from Schedule I to Schedule II or from Schedule II to Schedule I; or

(b) Deleting a drug or a preparation as the case may be, from a Schedule.

7. Any decision of the Commission taken pursuant to this Article shall be communicated by the Secretary-General to all States Members of the United Nations, to non-member States Parties to this Convention, to the World Health Organization and to the Board. Such decision shall become effective with respect to each Party on the date of its receipt of such communication, and the Parties shall thereupon take such action as may be required under this Convention.

8. (a) The decisions of the Commission amending any of the schedules shall be subject to review by the Council upon the request of any Party filed within ninety days from receipt of notification of the decision. The request for review

shall be sent to the Secretary-General together with all relevant information upon which the request for review is based;

(b) The Secretary-General shall transmit copies of the request for review and relevant information to the Commission, the World Health Organization and to all the Parties inviting them to submit comments within ninety days. All comments received shall be submitted to the Council for consideration;

(c) The Council may confirm, alter or reverse the decision of the Commission, and the decision of the Council shall be final. Notification of the Council's decision shall be transmitted to all States Members of the United Nations, to non-member States Parties to this Convention, to the Commission, to the World Health Organization, and to the Board.

(d) During pendency of the review the original decision of the Commission shall remain in effect.

9. Decisions of the Commission taken in accordance with this Article shall not be subject to the review procedure provided for in Article 7.

Article 4

General obligations

1. The Parties shall take such legislative and administrative measures as may be necessary:

(a) To give effect to and carry out the provisions of this Convention within their own territories;

(b) To cooperate with other States in the execution of the provisions of this Convention; and

(c) Subject to the provisions of this Convention, to limit exclusively to medical and scientific purposes the production, manufacture, export, import, distribution of, trade in, use and possession of drugs.

Article 5

The international control organs

The Parties, recognizing the competence of the United Nations with respect to the international control of drugs, agree to entrust to the Commission on Narcotic Drugs of the Economic and Social Council, and to the International Narcotics Control Board, the functions respectively assigned to them under this Convention.

Article 6

Expenses of the international control organs

The expenses of the Commission and the Board will be borne by the United Nations in such manner as shall be decided by the General Assembly. The Parties which are not members of the United Nations shall contribute to these expenses such amounts as the General Assembly finds equitable and assess from time to time after consultation with the Governments of these Parties.

Article 7

Review of decisions and recommendations of the Commission

Except for decisions under Article 3, each decision or recommendation adopted by the Commission pursuant to the provisions of this Convention shall be subject to approval or modification by the Council or the General Assembly in the same way as other decisions or recommendations of the Commission.

Article 8

Functions of the Commission

The Commission is authorized to consider all matters pertaining to the aims of this Convention, and in particular:

- (a) To amend the Schedules in accordance with Article 3;
- (b) To call the attention of the Board to any matters which may be relevant to the functions of the Board;
- (c) To make recommendations for the implementation of the aims and provisions of this Convention, including programs of scientific research and the exchange of information of a scientific or technical nature; and

(d) To draw the attention of non-parties to decisions and recommendations which it adopts under this Convention, with a view to their considering taking action in accordance therewith.

Article 9

Composition and functions of the Board

1. The Board shall consist of thirteen members to be elected by the Council as follows:

(a) Three members with medical, pharmacological or pharmaceutical experience from a list of at least five persons nominated by the World Health Organization; and

(b) Ten members from a list of persons nominated by the Members of the United Nations and by Parties which are not Members of the United Nations.

2. Members of the Board shall be persons who, by their competence, impartiality and disinterestedness, will command general confidence. During their term of office they shall not hold any position or engage in any activity which would be liable to impair their impartiality in the exercise of their functions. The Council shall, in consultation with the Board, make all arrangements necessary to ensure the full technical independence of the Board in carrying out its functions.

3. The Council, with due regard to the principle of equitable geographic representation, shall give consideration to the importance of including on the Board, in equitable proportion, persons possessing a knowledge of the drug situation in the producing, manufacturing, and consuming countries, and connected with such countries.

4. The Board, in co-operation with Governments, and subject to the terms of this Convention, shall endeavour to limit the cultivation, production, manufacture and use of drugs to an adequate amount required for medical and scientific purposes, to ensure their availability for such purposes and to prevent illicit cultivation, production and manufacture of, and illicit trafficking in and use of, drugs.

5. All measures taken by the Board under this Convention shall be those most consistent with the intent to further the co-operation of Governments with the

Board and to provide the mechanism for a continuing dialogue between Governments and the Board which will lend assistance to and facilitate effective national action to attain the aims of this Convention.

Article 10

Terms of office and remuneration of Members of the Board

1. The members of the Board shall serve for a period of five years, and may be re-elected.
2. The term of office of each member of the Board shall end on the eve of the first meeting of the Board which his successor shall be entitled to attend.
3. A member of the Board who has failed to attend three consecutive sessions shall be deemed to have resigned.
4. The Council, on the recommendation of the Board, may dismiss a member of the Board who has ceased to fulfil the conditions required for membership by paragraph 2 of article 9. Such recommendation shall be made by an affirmative vote of nine members of the Board.
5. Where a vacancy occurs on the Board during the term of office of a member, the Council shall fill such vacancy as soon as possible and in accordance with the applicable provisions of Article 9, by electing another member for the remainder of the term.
6. The members of the Board shall receive an adequate remuneration as determined by the General Assembly.

Article 11

Rules of procedure of the Board

1. The Board shall elect its own President and such other officers as it may consider necessary and shall adopt its rules of procedure.
 2. The Board shall meet as often as, in its opinion, may be necessary for the proper discharge of its functions, but shall hold at least two sessions in each calendar year.
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3. The quorum necessary at meetings of the Board shall consist of eight members.

Article 12

Administration of the estimate system

1. The Board shall fix the date or dates by which, and the manner in which, the estimates as provided in Article 19 shall be furnished and shall prescribe the forms therefor.

2. The Board shall, in respect of countries and territories to which this Convention does not apply, request the Governments concerned to furnish estimates in accordance with the provisions of this Convention.

3. If any State fails to furnish estimates in respect of any of its territories by the date specified, the Board shall, as far as possible, establish the estimates. The Board in establishing such estimates shall, to the extent practicable, do so in cooperation with the Government concerned.

4. The Board shall examine the estimates, including supplementary estimates, and, except as regards requirements for special purposes, may require such information as it considers necessary in respect of any country or territory on behalf of which an estimate has been furnished, in order to complete the estimate or to explain any statement contained therein.

5. The Board, with a view to limiting the use and distribution of drugs to an adequate amount required for medical and scientific purposes and to ensuring their availability for such purposes, shall as expeditiously as possible confirm the estimates, including supplementary estimates, or, with the consent of the Government concerned, may amend such estimates. In case of a disagreement between the Government and the Board, the latter shall have the right to establish, communicate and publish its own estimates, including supplementary estimates.

6. In addition to the reports mentioned in Article 15, the Board shall, at such times as it shall determine but at least annually, issue such information on the estimates as in its opinion will facilitate the carrying out of this Convention.

Article 13

Administration of the statistical returns system

1. The Board shall determine the manner and form in which statistical returns shall be furnished as provided in Article 20 and shall prescribe the forms therefor.
2. The Board shall examine the returns with a view to determining whether a Party or any other State has complied with the provisions of this Convention.
3. The Board may require such further information as it considers necessary to complete or explain the information contained in such statistical returns.
4. It shall not be within the competence of the Board to question or express an opinion on statistical information respecting drugs required for special purposes.

Article 14

Measures by the Board to ensure the execution of provisions of the Convention

1. (a) If on the basis of its examination of information submitted by Governments to the Board under the provisions of this Convention, or of information communicated by United Nations organs or by specialized agencies or, provided that they are approved by the Commission on the Board's recommendation, by either other intergovernmental organizations or international non-governmental organizations which have direct competence in the subject matter and which are in consultative status with the Economic and Social Council under Article 71 of the Charter of the United Nations or which enjoy a similar status by special agreement with the Council, the Board has objective reasons to believe that the aims of this Convention are being seriously endangered by reason of the failure of any Party, country or territory to carry out the provisions of this Convention, the Board shall have the right to propose to the Government concerned the opening of consultations or to request it to furnish explanations. If, without any failure in implementing the provisions of the Convention, a Party or a country or territory has become, or if there exists evidence of a serious risk that it may become, an important centre of illicit cultivation, production or manufacture of, or traffic in or consumption of drugs, the Board has the right to propose to the Government concerned the opening of consultations. Subject to the right of the Board to call the attention of the Parties, the Council and the Commission to the matter referred to in sub-paragraph (d) below, the Board shall treat as confidential a request for

information and an explanation by a Government or a proposal for consultations and the consultations held with a Government under this sub-paragraph.

(b) After taking action under sub-paragraph (a) above, the Board, if satisfied that it is necessary to do so, may call upon the Government concerned to adopt such remedial measures as shall seem under the circumstances to be necessary for the execution of the provisions of this Convention.

(c) The Board may, if it thinks such action necessary for the purpose of assessing a matter referred to in sub-paragraph (a) of this paragraph, propose to the Government concerned that a study of the matter be carried out in its territory by such means as the Government deems appropriate. If the Government concerned decides to undertake this study, it may request the Board to make available the expertise and the services of one or more persons with the requisite competence to assist the officials of the Government in the proposed study. The person or persons whom the Board intends to make available shall be subject to the approval of the Government. The modalities of this study and the time-limit within which the study has to be completed shall be determined by consultation between the Government and the Board. The Government shall communicate to the Board the results of the study and shall indicate the remedial measures that it considers necessary to take.

(d) If the Board finds that the Government concerned has failed to give satisfactory explanations when called upon to do so under sub-paragraph (a) above, or has failed to adopt any remedial measures which it has been called upon to take under sub-paragraph (b) above, or that there is a serious situation that needs co-operative action at the international level with a view to remedying it, it may call the attention of the Parties, the Council and the Commission to the matter. The Board shall so act if the aims of this Convention are being seriously endangered and it has not been possible to resolve the matter satisfactorily in any other way. It shall also so act if it finds that there is a serious situation that needs cooperative action at the international level with a view to remedying it and that bringing such a situation to the notice of the Parties, the Council and the Commission is the most appropriate method of facilitating such cooperative action; after considering the reports of the Board, and of the Commission if available on the matter, the Council may draw the attention of the General Assembly to the matter.

2. The Board, when calling the attention of the Parties, the Council and the Commission to a matter in accordance with paragraph 1(d) above, may, if it is satisfied that such a course is necessary, recommend to Parties that they stop the

import of drugs, the export of drugs, or both, from or to the country or territory concerned, either for a designated period or until the Board shall be satisfied as to the situation in that country or territory. The State concerned may bring the matter before the Council.

3. The Board shall have the right to publish a report on any matter dealt with under the provisions of this Article, and communicate it to the Council, which shall forward it to all Parties. If the Board publishes in this report a decision taken under this Article or any information relating thereto, it shall also publish therein the views of the Government concerned if the latter so requests.

4. If in any case a decision of the Board which is published under this Article is not unanimous, the views of the minority shall be stated.

5. Any State shall be invited to be represented at a meeting of the Board at which a question directly interesting it is considered under this Article.

6. Decisions of the Board under this Article shall be taken by a two-thirds majority of the whole number of the Board.

Article 14*bis*

Technical and financial assistance

In cases which it considers appropriate and either in addition or as an alternative to measures set forth in article 14, paragraphs 1 and 2, the Board, with the agreement of the Government concerned, may recommend to the competent United Nations organs and to the specialized agencies that technical or financial assistance, or both, be provided to the Government in support of its efforts to carry out its obligations under this Convention, including those set out or referred to in articles 2, 35, 38 and 38*bis*.

Article 15

Reports of the Board

1. The Board shall prepare an annual report on its work and such additional reports as it considers necessary containing also an analysis of the estimates and statistical information at its disposal, and, in appropriate cases, an account of the explanations, if any, given by or required of Governments, together with any

observations and recommendations which the Board desires to make. These reports shall be submitted to the Council through the Commission, which may make such comments as it sees fit.

2. The reports shall be communicated to the Parties and subsequently published by the Secretary-General. The Parties shall permit their unrestricted distribution.

Article 16

Secretariat

The secretariat services of the Commission and the Board shall be furnished by the Secretary-General. In particular, the Secretary of the Board shall be appointed by the Secretary-General in consultation with the Board.

Article 17

Special administration

The Parties shall maintain a special administration for the purpose of applying the provisions of this Convention.

Article 18

Information to be furnished by Parties to the Secretary-General

1. The Parties shall furnish to the Secretary-General such information as the Commission may request as being necessary for the performance of its functions, and in particular:

- (a) An annual report on the working of the Convention within each of their territories;
- (b) The text of all laws and regulations from time to time promulgated in order to give effect to this Convention;
- (c) Such particulars as the Commission shall determine concerning cases of illicit traffic, including particulars of each case of illicit traffic discovered which may be of importance, because of the light thrown on the source from which

drugs are obtained for the illicit traffic, or because of quantities involved or the method employed by illicit traffickers; and

(d) The names and addresses of the governmental authorities empowered to issue export and import authorizations or certificates.

2. Parties shall furnish the information referred to in the preceding paragraph in such manner and by such dates and use such forms as the Commission may request.

Article 19

Estimates of drug requirements

1. The Parties shall furnish to the Board each year for each of their territories, in the manner and form prescribed by the Board, estimates on forms supplied by it in respect of the following matters:

(a) Quantities of drugs to be consumed for medical and scientific purposes;

(b) Quantities of drugs to be utilized for the manufacture of other drugs, of preparations in Schedule III, and of substances not covered by this Convention;

(c) Stocks of drugs to be held as at 31 December of the year to which the estimates relate;

(d) Quantities of drugs necessary for addition to special stocks;

(e) The area (in hectares) and the geographical location of land to be used for the cultivation of the opium poppy;

(f) Approximate quantity of opium to be produced;

(g) The number of industrial establishments which will manufacture synthetic drugs; and

(h) The quantities of synthetic drugs to be manufactured by each of the establishments referred to in the preceding sub-paragraph.

2. (a) Subject to the deductions referred to in paragraph 3 of article 21, the total of the estimates for each territory and each drug except opium and synthetic drugs shall consist of the sum of the amounts specified under sub-paragraphs (a), (b) and (d) of paragraph 1 of this article, with the addition of any amount required to bring the actual stocks on hand at 31 December of the preceding year to the level estimated as provided in sub-paragraph (c) of paragraph 1.

(b) Subject to the deductions referred to in paragraph 3 of article 21 regarding imports and in paragraph 2 of article 21*bis*, the total of the estimates for opium for each territory shall consist either of the sum of the amounts specified under sub-paragraphs (a), (b) and (d) of paragraph 1 of this article, with the addition of any amount required to bring the actual stocks on hand at 31 December of the preceding year to the level estimated as provided in sub-paragraph (c) of paragraph 1, or of the amount specified under sub-paragraph (f) of paragraph 1 of this article, whichever is higher.

(c) Subject to the deductions referred to in paragraph 3 of article 21, the total of the estimates for each territory for each synthetic drug shall consist either of the sum of the amounts specified under sub-paragraphs (a), (b) and (d) of paragraph 1 of this article, with the addition of any amount required to bring the actual stocks on hand at 31 December of the preceding year to the level estimated as provided in sub-paragraph (c) of paragraph 1, or of the sum of the amounts specified under sub-paragraph (h) of paragraph 1 of this article, whichever is higher.

(d) The estimates furnished under the preceding sub-paragraphs of this paragraph shall be appropriately modified to take into account any quantity seized and thereafter released for licit use as well as any quantity taken from special stocks for the requirements of the civilian population.

3. Any State may during the year furnish supplementary estimates with an explanation of the circumstances necessitating such estimates.

4. The Parties shall inform the Board of the method used for determining quantities shown in the estimates and of any changes in the said method.

5. Subject to the deductions referred to in paragraph 3 of article 21, and account being taken where appropriate of the provisions of article 21*bis*, the estimates shall not be exceeded.

Article 20

Statistical returns to be furnished to the Board

1. The Parties shall furnish to the Board for each of their territories, in the manner and form prescribed by the Board, statistical returns on forms supplied by it in respect of the following matters:

- (a) Production or manufacture of drugs;
- (b) Utilization of drugs for the manufacture of other drugs, of preparations in Schedule III and of substances not covered by this Convention, and utilization of poppy straw for the manufacture of drugs;
- (c) Consumption of drugs;
- (d) Imports and exports of drugs and poppy straw;
- (e) Seizures of drugs and disposal thereof;
- (f) Stocks of drugs as at 31 December of the year to which the returns relate;
and
- (g) Ascertainable area of cultivation of the opium poppy.

2. (a) The statistical returns in respect of the matters referred to in paragraph 1, except sub-paragraph (d), shall be prepared annually and shall be furnished to the Board not later than 30 June following the year to which they relate.

(b) The statistical returns in respect to the matters referred to in sub-paragraph (d) of paragraph 1 shall be prepared quarterly and shall be furnished to the Board within one month after the end of the quarter to which they relate.

3. The Parties are not required to furnish statistical returns respecting special stocks, but shall furnish separately returns respecting drugs imported into or procured within the country or territory for special purposes, as well as quantities of drugs withdrawn from special stocks to meet the requirements of the civilian population.

Article 21

Limitation of manufacture and importation

1. The total of the quantities of each drug manufactured and imported by any country or territory in any one year shall not exceed the sum of the following:

(a) The quantity consumed, within the limit of the relevant estimate, for medical and scientific purposes;

(b) The quantity used, within the limit of the relevant estimate, for the manufacture of other drugs, of preparations in Schedule III, and of substances not covered by this Convention;

(c) The quantity exported;

(d) The quantity added to the stock for the purpose of bringing that stock up to the level specified in the relevant estimate; and

(e) The quantity acquired within the limit of the relevant estimate for special purposes.

2. From the sum of the quantities specified in paragraph 1 there shall be deducted any quantity that has been seized and released for licit use, as well as any quantity taken from special stocks for the requirements of the civilian population.

3. If the Board finds that the quantity manufactured and imported in any one year exceeds the sum of the quantities specified in paragraph 1, less any deductions required under paragraph 2 of this Article, any excess so established and remaining at the end of the year shall, in the following year, be deducted from the quantity to be manufactured or imported and from the total of the estimates as defined in paragraph 2 of Article 19.

4. (a) If it appears from the statistical returns on imports or exports (Article 20) that the quantity exported to any country or territory exceeds the total of the estimates for that country or territory, as defined in paragraph 2 of Article 19, with the addition of the amounts shown to have been exported, and after deduction of any excess as established in paragraph 3 of this Article, the Board

may notify this fact to the States which, in the opinion of the Board, should be so informed;

(b) On receipt of such a notification, Parties shall not during the year in question authorize any further exports of the drug concerned to that country or territory, except:

(i) In the event of a supplementary estimate being furnished for that country or territory in respect both of any quantity over-imported and of the additional quantity required, or

(ii) In exceptional cases where the export, in the opinion of the government of the exporting country, is essential for the treatment of the sick.

Article 21*bis*

Limitation of production of opium

1. The production of opium by any country or territory shall be organized and controlled in such manner as to ensure that, as far as possible, the quantity produced in any one year shall not exceed the estimate of opium to be produced as established under paragraph 1(f) of article 19.

2. If the Board finds on the basis of information at its disposal in accordance with the provisions of this Convention that a Party which has submitted an estimate under paragraph 1(f) of article 19 has not limited opium produced within its borders to licit purposes in accordance with relevant estimates and that a significant amount of opium produced, whether licitly or illicitly, within the borders of such a Party, has been introduced into the illicit traffic, it may, after studying the explanations of the Party concerned, which shall be submitted to it within one month after notification of the finding in question, decide to deduct all, or a portion, of such an amount from the quantity to be produced and from the total of the estimates as defined in paragraph 2(b) of article 19 for the next year in which such a deduction can be technically accomplished, taking into account the season of the year and contractual commitments to export opium. This decision shall take effect ninety days after the Party concerned is notified thereof

3. After notifying the Party concerned of the decision it has taken under paragraph 2 above with regard to a deduction, the Board shall consult with that Party in order to resolve the situation satisfactorily.

4. If the situation is not satisfactorily resolved, the Board may utilize the provisions of article 14 where appropriate.

5. In taking its decision with regard to a deduction under paragraph 2 above, the Board shall take into account not only all relevant circumstances including those giving rise to the illicit traffic problem referred to in paragraph 2 above, but also any relevant new control measures which may have been adopted by the Party.

Article 22

Special provision applicable to cultivation

1. Whenever the prevailing conditions in the country or a territory of a Party render the prohibition of the cultivation of the opium poppy, the coca bush or the cannabis plant the most suitable measure, in its opinion, for protecting the public health and welfare and preventing the diversion of drugs into the illicit traffic, the Party concerned shall prohibit cultivation.

2. A Party prohibiting cultivation of the opium poppy or the cannabis plant shall take appropriate measures to seize any plants illicitly cultivated and to destroy them, except for small quantities required by the Party for scientific or research purposes.

Article 23

National opium agencies

1. A Party that permits the cultivation of the opium poppy for the production of opium shall establish, if it has not already done so, and maintain, one or more government agencies (hereafter in this Article referred to as the Agency) to carry out the functions required under this Article.

2. Each such Party shall apply the following provisions to the cultivation of the opium poppy for the production of opium and to opium:

(a) The Agency shall designate the areas in which, and the plots of land on which, cultivation of the opium poppy for the purpose of producing opium shall be permitted.

(b) Only cultivators licensed by the Agency shall be authorized to engage in such cultivation.

(c) Each licence shall specify the extent of the land on which the cultivation is permitted.

(d) All cultivators of the opium poppy shall be required to deliver their total crops of opium to the Agency. The Agency shall purchase and take physical possession of such crops as soon as possible, but not later than four months after the end of the harvest.

(e) The Agency shall, in respect of opium, have the exclusive right of importing, exporting, wholesale trading and maintaining stocks other than those held by manufacturers of opium alkaloids, medicinal opium or opium preparations. Parties need not extend this exclusive right to medicinal opium and opium preparations.

3. The governmental functions referred to in paragraph 2 shall be discharged by a single government agency if the constitution of the Party concerned permits it.

Article 24

Limitation on production of opium for international trade

1. (a) If any Party intends to initiate the production of opium or to increase existing production, it shall take account of the prevailing world need for opium in accordance with the estimates thereof published by the Board so that the production of opium by such Party does not result in over-production of opium in the world.

(b) A Party shall not permit the production of opium or increase the existing production thereof if in its opinion such production or increased production in its territory may result in illicit traffic in opium.

2. (a) Subject to paragraph 1, where a Party which as of 1 January 1961 was not producing opium for export desires to export opium which it produces, in amounts not exceeding five tons annually, it shall notify the Board, furnishing with such notification information regarding:

(i) The controls in force as required by this Convention respecting the opium to be produced and exported; and

(ii) The name of the country or countries to which it expects to export such opium;

and the Board may either approve such notification or may recommend to the Party that it not engage in the production of opium for export.

(b) Where a Party other than a Party referred to in paragraph 3 desires to produce opium for export in amounts exceeding five tons annually, it shall notify the Council, furnishing with such notification relevant information including:

(i) The estimated amounts to be produced for export;

(ii) The controls existing or proposed respecting the opium to be produced;

(iii) The name of the country or countries to which it expects to export such opium;

and the Council shall either approve the notification or may recommend to the Party that it not engage in the production of opium for export.

3. Notwithstanding the provisions of sub-paragraphs (a) and (b) of paragraph 2, a Party that during ten years immediately prior to 1 January 1961 exported opium which such country produced may continue to export opium which it produces.

4. (a) A Party shall not import opium from any country or territory except opium produced in the territory of:

(i) A Party referred to in paragraph 3;

(ii) A Party that has notified the Board as provided in sub-paragraph (a) of paragraph 2; or

(iii) A Party that has received the approval of the Council as provided in sub-paragraph (b) of paragraph 2.

(b) Notwithstanding sub-paragraph (a) of this paragraph, a Party may import opium produced by any country which produced and exported opium during the ten years prior to 1 January 1961 if such country has established and maintains a national control organ or agency for the purposes set out in Article 23 and has in force an effective means of ensuring that the opium it produces is not diverted into the illicit traffic.

5. The provisions of this Article do not prevent a Party:

(a) From producing opium sufficient for its own requirements; or

(b) From exporting opium seized in the illicit traffic, to another Party in accordance with the requirements of this Convention.

Article 25

Control of poppy straw

1. A Party that permits the cultivation of the opium poppy for purposes other than the production of opium shall take all measures necessary to ensure:

(a) That opium is not produced from such opium poppies; and

(b) That the manufacture of drugs from poppy straw is adequately controlled.

2. The Parties shall apply to poppy straw the system of import certificates and export authorizations as provided in Article 31, paragraphs 4 to 15.

3. The Parties shall furnish statistical information on the import and export of poppy straw as required for drugs under Article 20, paragraphs 1(d) and 2(b).

Article 26

The coca bush and coca leaves

1. If a Party permits the cultivation of the coca bush, it shall apply thereto and to coca leaves the system of controls as provided in Article 23 respecting the control of the opium poppy, but as regards paragraph 2(d) of that Article, the requirements imposed on the Agency therein referred to shall be only to take physical possession of the crops as soon as possible after the end of the harvest.

2. The Parties shall so far as possible enforce the uprooting of all coca bushes which grow wild. They shall destroy the coca bushes if illegally cultivated.

Article 27

Additional provisions relating to coca leaves

1. The Parties may permit the use of coca leaves for the preparation of a flavouring agent, which shall not contain any alkaloids, and, to the extent necessary for such use, may permit the production, import, export, trade in and possession of such leaves.

2. The Parties shall furnish separately estimates (Article 19) and statistical information (Article 20) in respect of coca leaves for preparation of the flavouring agent, except to the extent that the same coca leaves are used for the extraction of alkaloids and the flavouring agent, and so explained in the estimates and statistical information.

Article 28

Control of cannabis

1. If a Party permits the cultivation of the cannabis plant for the production of cannabis or cannabis resin, it shall apply thereto the system of controls as provided in Article 23 respecting the control of the opium poppy.

2. This Convention shall not apply to the cultivation of the cannabis plant exclusively for industrial purposes (fibre and seed) or horticultural purposes.

3. The Parties shall adopt such measures as may be necessary to prevent the misuse of, and illicit traffic in, the leaves of the cannabis plant.

Article 29

Manufacture

1. The Parties shall require that the manufacture of drugs be under licence except where such manufacture is carried out by a State enterprise or State enterprises.

2. The Parties shall:

(a) Control all persons and enterprises carrying on or engaged in the manufacture of drugs;

(b) Control under licence the establishments and premises in which such manufacture may take place; and

(c) Require that licensed manufacturers of drugs obtain periodical permits specifying the kinds and amounts of drugs which they shall be entitled to manufacture. A periodical permit, however, need not be required for preparations.

3. The Parties shall prevent the accumulation, in the possession of drug manufacturers, of quantities of drugs and poppy straw in excess of those required for the normal conduct of business, having regard to the prevailing market conditions.

Article 30

Trade and distribution

1. (a) The Parties shall require that the trade in and distribution of drugs be under licence except where such trade or distribution is carried out by a State enterprise or State enterprises.

(b) The Parties shall:

(i) Control all persons and enterprises carrying on or engaged in the trade in or distribution of drugs;

(ii) Control under licence the establishments and premises in which such trade or distribution may take place. The requirement of licensing need not apply to preparations.

(c) The provisions of sub-paragraphs (a) and (b) relating to licensing need not apply to persons duly authorized to perform and while performing therapeutic or scientific functions.

2. The Parties shall also:

(a) Prevent the accumulation in the possession of traders, distributors, State enterprises or duly authorized persons referred to above, of quantities of drugs and poppy straw in excess of those required for the normal conduct of business, having regard to the prevailing market conditions; and

(b) (i) Require medical prescriptions for the supply or dispensation of drugs to individuals. This requirement need not apply to such drugs as individuals may lawfully obtain, use, dispense or administer in connexion with their duly authorized therapeutic functions; and

(ii) If the Parties deem these measures necessary or desirable, require that prescriptions for drugs in Schedule I should be written on official forms to be issued in the form of counterfoil books by the competent governmental authorities or by authorized professional associations.

3. It is desirable that Parties require that written or printed offers of drugs, advertisements of every kind or descriptive literature relating to drugs and used for commercial purposes, interior wrappings of packages containing drugs, and labels under which drugs are offered for sale indicate the international non-proprietary name communicated by the World Health Organization.

4. If a Party considers such measures necessary or desirable, it shall require that the inner package containing a drug or wrapping thereof shall bear a clearly visible double red band. The exterior wrapping of the package in which such drug is contained shall not bear a double red band.

5. A Party shall require that the label under which a drug is offered for sale show the exact drug content by weight or percentage. This requirement of label information need not apply to a drug dispensed to an individual on medical prescription.

6. The provisions of paragraphs 2 and 5 need not apply to the retail trade in or retail distribution of drugs in Schedule II.

Article 31

Special provisions relating to international trade

1. The Parties shall not knowingly permit the export of drugs to any country or territory except:

(a) In accordance with the laws and regulations of that country or territory; and

(b) Within the limits of the total of the estimates for that country or territory, as defined in paragraph 2 of Article 19, with the addition of the amounts intended to be re-exported.

2. The Parties shall exercise in free ports and zones the same supervision and control as in other parts of their territories, provided, however, that they may apply more drastic measures.

3. The Parties shall:

(a) Control under licence the import and export of drugs except where such import or export is carried out by a State enterprise or enterprises;

(b) Control all persons and enterprises carrying on or engaged in such import or export.

4. (a) Every Party permitting the import or export of drugs shall require a separate import or export authorization to be obtained for each such import or export whether it consists of one or more drugs.

(b) Such authorization shall state the name of the drug, the international non-proprietary name if any, the quantity to be imported or exported, and the name and address of the importer and exporter, and shall specify the period within which the importation or exportation must be effected.

(c) The export authorization shall also state the number and date of the import certificate (paragraph 5) and the authority by whom it has been issued.

(d) The import authorization may allow an importation in more than one consignment.

5. Before issuing an export authorization the Parties shall require an import certificate, issued by the competent authorities of the importing country or territory and certifying that the importation of the drug or drugs referred to therein, is approved and such certificate shall be produced by the person or establishment applying for the export authorization. The Parties shall follow as closely as may be practicable the form of import certificate approved by the Commission.

6. A copy of the export authorization shall accompany each consignment, and the Government issuing the export authorization shall send a copy to the Government of the importing country or territory.

7. (a) The Government of the importing country or territory, when the importation has been effected or when the period fixed for the importation has expired, shall return the export authorization with an endorsement to that effect, to the Government of the exporting country or territory.

(b) The endorsement shall specify the amount actually imported.

(c) If a lesser quantity than that specified in the export authorization is actually exported, the quantity actually exported shall be stated by the competent authorities on the export authorization and on any official copy thereof.

8. Exports of consignments to a post office box, or to a bank to the account of a party other than the party named in the export authorization, shall be prohibited.

9. Exports of consignments to a bonded warehouse are prohibited unless the government of the importing country certifies on the import certificate, produced by the person or establishment applying for the export authorization, that it has approved the importation for the purpose of being placed in a bonded warehouse. In such case the export authorization shall specify that the consignment is exported for such purpose. Each withdrawal from the bonded warehouse shall require a permit from the authorities having jurisdiction over the warehouse and, in the case of a foreign destination shall be treated as if it were a new export within the meaning of this Convention.

10. Consignments of drugs entering or leaving the territory of a Party not accompanied by an export authorization shall be detained by the competent authorities.

11. A Party shall not permit any drugs consigned to another country to pass through its territory, whether or not the consignment is removed from the conveyance in which it is carried, unless a copy of the export authorization for such consignment is produced to the competent authorities of such Party.

12. The competent authorities of any country or territory through which a consignment of drugs is permitted to pass shall take all due measures to prevent the diversion of the consignment to a destination other than that named in the accompanying copy of the export authorization unless the Government of that

country or territory through which the consignment is passing authorizes the diversion. The Government of the country or territory of transit shall treat any requested diversion as if the diversion were an export from the country or territory of transit to the country or territory of new destination. If the diversion is authorized, then provisions of paragraph 7(a) and (b) shall also apply between the country or territory of transit and the country or territory which originally exported the consignment.

13. No consignment of drugs while in transit, or whilst being stored in a bonded warehouse, may be subjected to any process which would change the nature of the drugs in question. The packing may not be altered without the permission of the competent authorities.

14. The provisions of paragraphs 11 to 13 relating to the passage of drugs through the territory of a Party do not apply where the consignment in question is transported by aircraft which does not land in the country or territory of transit. If the aircraft lands in any such country or territory, those provisions shall be applied so far as circumstances require.

15. The provisions of this Article are without prejudice to the provisions of any international agreements which limit the control which may be exercised by any of the Parties over drugs in transit.

16. Nothing in this Article other than paragraphs 1(a) and 2 need apply in the case of preparations in Schedule III.

Article 32

Special provisions concerning the carriage of drugs in first-aid kits of ships or aircraft engaged in international traffic

1. The international carriage by ships or aircraft of such limited amounts of drugs as may be needed during their journey or voyage for first-aid purposes or emergency cases shall not be considered to be import, export or passage through a country within the meaning of this Convention.

2. Appropriate safeguards shall be taken by the country of registry to prevent the improper use of drugs referred to in paragraph 1 or their diversion for illicit purposes. The Commission, in consultation with the appropriate international organizations, shall recommend such safeguards.

3. Drugs carried by ships or aircraft in accordance with paragraph 1 shall be subject to the laws, regulations, permits and licences of the country of registry, without prejudice to any rights of the competent local authorities to carry out checks, inspections and other control measures on board ships or aircraft. The administration of such drugs in the case of emergency shall not be considered a violation of the requirements of Article 30, paragraph 2(b).

Article 33

Possession of drugs

The Parties shall not permit the possession of drugs except under legal authority.

Article 34

Measures of supervision and inspection

The Parties shall require:

(a) That all persons who obtain licences as provided in accordance with this Convention, or who have managerial or supervisory positions in a State enterprise established in accordance with this Convention, shall have adequate qualifications for the effective and faithful execution of the provisions of such laws and regulations as are enacted in pursuance thereof; and

(b) That governmental authorities, manufacturers, traders, scientists, scientific institutions and hospitals keep such records as will show the quantities of each drug manufactured and of each individual acquisition and disposal of drugs. Such records shall respectively be preserved for a period of not less than two years. Where counterfoil books (Article 30, paragraph 2(b)) of official prescriptions are used, such books including the counterfoils shall also be kept for a period of not less than two years.

Article 35

Action against the illicit traffic

Having due regard to their constitutional, legal and administrative systems, the Parties shall:

- (a) Make arrangements at the national level for co-ordination of preventive and repressive action against the illicit traffic; to this end they may usefully designate an appropriate agency responsible for such co-ordination;
- (b) Assist each other in the campaign against the illicit traffic in narcotic drugs;
- (c) Co-operate closely with each other and with the competent international organizations of which they are members with a view to maintaining a coordinated campaign against the illicit traffic;
- (d) Ensure that international co-operation between the appropriate agencies be conducted in an expeditious manner;
- (e) Ensure that where legal papers are transmitted internationally for the purposes of a prosecution, the transmittal be effected in an expeditious manner to the bodies designated by the Parties; this requirement shall be without prejudice to the right of a Party to require that legal papers be sent to it through the diplomatic channel;
- (f) Furnish, if they deem it appropriate, to the Board and the Commission through the Secretary-General, in addition to information required by article 18, information relating to illicit drug activity within their borders, including information on illicit cultivation, production, manufacture and use of, and on illicit trafficking in, drugs; and
- (g) Furnish the information referred to in the preceding paragraph as far as possible in such manner and by such dates as the Board may request; if requested by a Party, the Board may offer its advice to it in furnishing the information and in endeavouring to reduce the illicit drug activity within the borders of that Party.

Article 36

Penal provisions

1. (a) Subject to its constitutional limitations, each Party shall adopt such measures as will ensure that cultivation, production, manufacture, extraction, preparation, possession, offering, offering for sale, distribution, purchase, sale, delivery on any terms whatsoever, brokerage, dispatch, dispatch in transit, transport, importation and exportation of drugs contrary to the provisions of this Convention, and any other action which in the opinion of such Party may be
-

contrary to the provisions of this Convention, shall be punishable offences when committed intentionally, and that serious offences shall be liable to adequate punishment particularly by imprisonment or other penalties of deprivation of liberty.

(b) Notwithstanding the preceding sub-paragraph, when abusers of drugs have committed such offences, the Parties may provide, either as an alternative to conviction or punishment or in addition to conviction or punishment, that such abusers shall undergo measures of treatment, education, after-care, rehabilitation and social reintegration in conformity with paragraph 1 of article 38.

2. Subject to the constitutional limitations of a Party, its legal system and domestic law:

(a) (i) Each of the offences enumerated in paragraph 1, if committed in different countries, shall be considered as a distinct offence;

(ii) Intentional participation in, conspiracy to commit and attempts to commit, any of such offences, and preparatory acts and financial operations in connexion with the offences referred to in this article, shall be punishable offences as provided in paragraph 1;

(iii) Foreign convictions for such offences shall be taken into account for the purpose of establishing recidivism; and

(iv) Serious offences heretofore referred to committed either by nationals or by foreigners shall be prosecuted by the Party in whose territory the offence was committed, or by the Party in whose territory the offender is found if extradition is not acceptable in conformity with the law of the Party to which application is made, and if such offender has not already been prosecuted and judgement given.

(b) (i) Each of the offences enumerated in paragraphs 1 and 2(a)(ii) of this article shall be deemed to be included as an extraditable offence in any extradition treaty existing between Parties. Parties undertake to include such offences as extraditable offences in every extradition treaty to be concluded between them.

(ii) If a Party which makes extradition conditional on the existence of a treaty receives a request for extradition from another Party with which it has no

extradition treaty, it may at its option consider this Convention as the legal basis for extradition in respect of the offences enumerated in paragraphs 1 and 2(a)(ii) of this article. Extradition shall be subject to the other conditions provided by the law of the requested Party.

(iii) Parties which do not make extradition conditional on the existence of a treaty shall recognize the offences enumerated in paragraphs 1 and 2(a)(ii) of this article as extraditable offences between themselves, subject to the conditions provided by the law of the requested Party.

(iv) Extradition shall be granted in conformity with the law of the Party to which application is made, and, notwithstanding sub-paragraphs (b)(i), (ii) and (iii) of this paragraph, the Party shall have the right to refuse to grant the extradition in cases where the competent authorities consider that the offence is not sufficiently serious.

3. The provisions of this Article shall be subject to the provisions of the criminal law of the Party concerned on questions of jurisdiction.

4. Nothing contained in this Article shall affect the principle that the offences to which it refers shall be defined, prosecuted and punished in conformity with the domestic law of a Party.

Article 37

Seizure and confiscation

Any drugs, substances and equipment used in or intended for the commission of any of the offences, referred to in Article 36, shall be liable to seizure and confiscation.

Article 38

Measures against the abuse of drugs

1. The Parties shall give special attention to and take all practicable measures for the prevention of abuse of drugs and for the early identification, treatment, education, after-care, rehabilitation and social reintegration of the persons involved and shall coordinate their efforts to these ends.

2. The Parties shall as far as possible promote the training of personnel in the treatment, after-care, rehabilitation and social reintegration of abusers of drugs.

3. The Parties shall take all practicable measures to assist persons whose work so requires to gain an understanding of the problems of abuse of drugs and of its prevention, and shall also promote such understanding among the general public if there is a risk that abuse of drugs will become widespread.

Article 38*bis*

Agreement on regional centres

If a Party considers it desirable as part of its action against the illicit traffic in drugs, having due regard to its constitutional, legal and administrative systems, and, if it so desires, with the technical advice of the Board or the specialized agencies, it shall promote the establishment, in consultation with other interested Parties in the region, of agreements which contemplate the development of regional centres for scientific research and education to combat the problems resulting from the illicit use of and traffic in drugs.

Article 39

Application of stricter national control measures than those required by this Convention

Notwithstanding anything contained in this Convention, a Party shall not be, or be deemed to be, precluded from adopting measures of control more strict or severe than those provided by this Convention and in particular from requiring that preparations in Schedule III or drugs in Schedule II be subject to all or such of the measures of control applicable to drugs in Schedule I as in its opinion is necessary or desirable for the protection of the public health or welfare.

Article 40

Languages of the Convention and procedure for signature, ratification and accession

1. This Convention, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be open for signature until 1 August 1961 on behalf of any Member of the United Nations, of any non-member State

which is a Party to the Statute of the International Court of Justice or member of a specialized agency of the United Nations, and also of any other State which the Council may invite to become a Party.

2. This Convention is subject to ratification. The instruments of ratification shall be deposited with the Secretary-General.

3. This Convention shall be open after 1 August 1961 for accession by the States referred to in paragraph 1. The instruments of accession shall be deposited with the Secretary-General.

Article 41

Entry into force

1. This Convention shall come into force on the thirtieth day following the date on which the fortieth instrument of ratification or accession is deposited in accordance with Article 40.

2. In respect of any other State depositing an instrument of ratification or accession after the date of deposit of the said fortieth instrument, this Convention shall come into force on the thirtieth day after the deposit by that State of its instrument of ratification or accession.

Article 42

Territorial application

This Convention shall apply to all non-metropolitan territories for the international relations of which any Party is responsible, except where the previous consent of such a territory is required by the Constitution of the Party or of the territory concerned, or required by custom. In such case the Party shall endeavour to secure the needed consent of the territory within the shortest period possible, and when that consent is obtained the Party shall notify the Secretary-General. This Convention shall apply to the territory or territories named in such notification from the date of its receipt by the Secretary-General. In those cases where the previous consent of the non-metropolitan territory is not required, the Party concerned shall, at the time of signature, ratification or accession, declare the non-metropolitan territory or territories to which this Convention applies.

Article 43

Territories for the purposes of Articles 19, 20, 21 and 31

1. Any Party may notify the Secretary-General that, for the purposes of Articles 19, 20, 21 and 31, one of its territories is divided into two or more territories, or that two or more of its territories are consolidated into a single territory.
2. Two or more Parties may notify the Secretary-General that, as the result of the establishment of a customs union between them, those Parties constitute a single territory for the purposes of Articles 19, 20, 21 and 31.
3. Any notification under paragraph 1 or 2 above shall take effect on 1 January of the year following the year in which the notification was made.

Article 44

Termination of previous international treaties

1. The provisions of this Convention, upon its coming into force, shall, as between Parties hereto, terminate and replace the provisions of the following treaties:
 - (a) International Opium Convention, signed at The Hague on 23 January 1912;
 - (b) Agreement concerning the Manufacture of, Internal Trade in and Use of Prepared Opium, signed at Geneva on 11 February 1925;
 - (c) International Opium Convention, signed at Geneva on 19 February 1925;
 - (d) Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, signed at Geneva on 13 July 1931;
 - (e) Agreement for the Control of Opium Smoking in the Far East, signed at Bangkok on 27 November 1931;
 - (f) Protocol signed at Lake Success on 11 December 1946, amending the Agreements, Conventions and Protocols on Narcotic Drugs concluded at The Hague on 23 January 1912, at Geneva on 11 February 1925 and 19 February

1925 and 13 July 1931, at Bangkok on 27 November 1931 and at Geneva on 26 June 1936, except as it affects the last-named Convention;

(g) The Conventions and Agreements referred to in sub-paragraphs (a) to (e) as amended by the Protocol of 1946 referred to in sub-paragraph (f);

(h) Protocol signed at Paris on 19 November 1948 bringing under International Control Drugs outside the Scope of the Convention of 13 July 1931 for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, as amended by the Protocol signed at Lake Success on 11 December 1946;

(i) Protocol for Limiting and Regulating the Cultivation of the Poppy Plant, the Production of, International and Wholesale Trade in, and Use of Opium, signed at New York on 23 June 1953, should that Protocol have come into force.

2. Upon the coming into force of this Convention, Article 9 of the Convention for the Suppression of the Illicit Traffic in Dangerous Drugs, signed at Geneva on 26 June 1936, shall, between the Parties thereto which are also Parties to this Convention, be terminated, and shall be replaced by paragraph 2(b) of Article 36 of this Convention; provided that such a Party may by notification to the Secretary-General continue in force the said Article 9.

Article 45

Transitional provisions

1. The functions of the Board provided for in Article 9 shall, as from the date of the coming into force of this Convention (Article 41, paragraph 1), be provisionally carried out by the Permanent Central Board constituted under Chapter VI of the Convention referred to in Article 44(c) as amended, and by the Supervisory Body constituted under Chapter II of the Convention referred to in Article 44(d) as amended, as such functions may respectively require.

2. The Council shall fix the date on which the new Board referred to in Article 9 shall enter upon its duties. As from that date that Board shall, with respect to the States Parties to the treaties enumerated in Article 44 which are not Parties to this Convention, undertake the functions of the Permanent Central Board and of the Supervisory Body referred to in paragraph 1.

Article 46

Denunciation

1. After the expiry of two years from the date of the coming into force of this Convention (Article 41, paragraph 1) any Party may, on its own behalf or on behalf of a territory for which it has international responsibility, and which has withdrawn its consent given in accordance with Article 42, denounce this Convention by an instrument in writing deposited with the Secretary-General.
2. The denunciation, if received by the Secretary-General on or before the first day of July in any year, shall take effect on the first day of January in the succeeding year, and if received after the first day of July, shall take effect as if it had been received on or before the first day of July in the succeeding year.
3. This Convention shall be terminated if, as a result of denunciations made in accordance with paragraph 1, the conditions for its coming into force as laid down in Article 41, paragraph 1, cease to exist.

Article 47

Amendments

1. Any Party may propose an amendment to this Convention. The text of any such amendment and the reasons therefor shall be communicated to the Secretary-General who shall communicate them to the Parties and to the Council. The Council may decide either:
 - (a) That a conference shall be called in accordance with Article 62, paragraph 4, of the Charter of the United Nations to consider the proposed amendment; or
 - (b) That the Parties shall be asked whether they accept the proposed amendment and also asked to submit to the Council any comments on the proposal.
2. If a proposed amendment circulated under paragraph 1(b) of this Article has not been rejected by any Party within eighteen months after it has been circulated, it shall thereupon enter into force. If however a proposed amendment is rejected by any Party, the Council may decide, in the light of comments received from Parties, whether a conference shall be called to consider such amendment.

Article 48

Disputes

1. If there should arise between two or more Parties a dispute relating to the interpretation or application of this Convention, the said Parties shall consult together with a view to the settlement of the dispute by negotiation, investigation, mediation, conciliation, arbitration, recourse to regional bodies, judicial process or other peaceful means of their own choice.
2. Any such dispute which cannot be settled in the manner prescribed shall be referred to the International Court of Justice for decision.

Article 49

Transitional reservations

1. A Party may at the time of signature, ratification or accession reserve the right to permit temporarily in any one of its territories:

- (a) The quasi-medical use of opium;
- (b) Opium smoking;
- (c) Coca leaf chewing;
- (d) The use of cannabis, cannabis resin, extracts and tinctures of cannabis for non-medical purposes; and
- (e) The production and manufacture of and trade in the drugs referred to under (a) to (d) for the purposes mentioned therein.

2. The reservations under paragraph 1 shall be subject to the following restrictions:

- (a) The activities mentioned in paragraph 1 may be authorized only to the extent that they were traditional in the territories in respect of which the reservation is made, and were there permitted on 1 January 1961.
- (b) No export of the drugs referred to in paragraph 1 for the purposes mentioned therein may be permitted to a non-party or to a territory to which this Convention does not apply under Article 42.

(c) Only such persons may be permitted to smoke opium as were registered by the competent authorities to this effect on 1 January 1964.

(d) The quasi-medical use of opium must be abolished within fifteen years from the coming into force of this Convention as provided in paragraph 1 of Article 41.

(e) Coca leaf chewing must be abolished within twenty-five years from the coming into force of this Convention as provided in paragraph 1 of Article 41.

(f) The use of cannabis for other than medical and scientific purposes must be discontinued as soon as possible but in any case within twenty-five years from the coming into force of this Convention as provided in paragraph 1 of Article 41.

(g) The production and manufacture of and trade in the drugs referred to in paragraph 1 for any of the uses mentioned therein must be reduced and finally abolished simultaneously with the reduction and abolition of such uses.

3. A Party making a reservation under paragraph 1 shall:

(a) Include in the annual report to be furnished to the Secretary-General, in accordance with Article 18, paragraph 1(a), an account of the progress made in the preceding year towards the abolition of the use, production, manufacture or trade referred to under paragraph 1; and

(b) Furnish to the Board separate estimates (Article 19) and statistical returns (Article 20) in respect of the reserved activities in the manner and form prescribed by the Board.

4. (a) If a Party which makes a reservation under paragraph 1 fails to furnish:

(i) The report referred to in paragraph 3(a) within six months after the end of the year to which the information relates;

(ii) The estimates referred to in paragraph 3(b) within three months after the date fixed for that purpose by the Board in accordance with Article 12, paragraph 1;

(iii) The statistics referred to in paragraph 3(b) within three months after the date on which they are due in accordance with Article 20, paragraph 2,

the Board or the Secretary-General, as the case may be, shall send to the Party concerned a notification of the delay, and shall request such information within a period of three months after the receipt of that notification.

(b) If the Party fails to comply within this period with the request of the Board or the Secretary-General, the reservation in question made under paragraph 1 shall cease to be effective.

5. A State which has made reservations may at any time by notification in writing withdraw all or part of its reservations.

Article 50

Other reservations

1. No reservations other than those made in accordance with Article 49 or with the following paragraphs shall be permitted.

2. Any State may at the time of signature, ratification or accession make reservations in respect of the following provisions of this Convention: Article 12, paragraphs 2 and 3; Article 13, paragraph 2; Article 14, paragraphs 1 and 2; Article 31, paragraph 1(b), and Article 48.

3. A State which desires to become a Party but wishes to be authorized to make reservations other than those made in accordance with paragraph 2 of this Article or with Article 49 may inform the Secretary-General of such intention. Unless by the end of twelve months after the date of the Secretary-General's communication of the reservation concerned, this reservation has been objected to by one third of the States that have ratified or acceded to this Convention before the end of that period, it shall be deemed to be permitted, it being understood however that States which have objected to the reservation need not assume towards the reserving State any legal obligation under this Convention which is affected by the reservation.

4. A State which has made reservations may at any time by notification in writing withdraw all or part of its reservations.

Article 51

Notifications

The Secretary-General shall notify to all the States referred to in paragraph 1 of Article 40:

- (a) Signatures, ratifications and accessions in accordance with article 40;
- (b) The date upon which this Convention enters into force in accordance with Article 41;
- (c) Denunciations in accordance with Article 46; and
- (d) Declarations and notifications under Articles 42, 43, 47, 49 and 50.

SCHEDULES

LIST OF DRUGS INCLUDED IN SCHEDULE I

ACETYLMETHADOL (3-acetoxy-6-dimethylamino-4,4-diphenylheptane)

ALLYLPRODINE (3-allyl-1-methyl-4-phenyl-4-propionoxypiperidine)

ALPHACETYLMETHADOL
(alpha-3-acetoxy-6-dimethylamino-4,4-diphenylheptane)

ALPHAMEPRODINE
(alpha-3-ethyl-1-methyl-4-phenyl-4-propionoxypiperidine)

ALPHAMETHADOL (alpha-6-dimethylamino-4,4-diphenyl-3-heptanol)

ALPHAPRODINE (alpha-1,3-dimethyl-4-phenyl-4-propionoxypiperidine)

ANILERIDINE (1-*para*-aminophenethyl-4-phenylpiperidine-4-carboxylic acid ethyl ester)

BENZETHIDINE (1-(2-benzyloxyethyl)-4-phenylpiperidine-4-carboxylic acid ethyl ester)

BENZYLMORPHINE (3-benzylmorphine)

BETACETYLMETHADOL
(beta-3-acetoxy-6-dimethylamino-4,4-diphenylheptane)

BETAMEPRODINE
(beta-3-ethyl-1-methyl-4-phenyl-4-propionoxypiperidine)

BETAMETHADOL (beta-6-dimethylamino-4,4-diphenyl-3-heptanol)

BETAPRODINE (beta-1,3-dimethyl-4-phenyl-4-propionoxypiperidine)

CANNABIS and CANNABIS RESIN and EXTRACTS and TINCTURES of CANNABIS

CLONITAZENE

(2-*para*-chlorbenzyl-1-diethylaminoethyl-5-nitrobenzimidazole)

COCA LEAF

COCAINE (methyl ester of benzoylecgonine)

CONCENTRATE OF POPPY STRAW (the material arising when poppy straw has entered into a process for the concentration of its alkaloids, when such material is made available in trade)

DESOMORPHINE (dihydrodeoxymorphine)

DEXTROMORAMIDE ((+)-4-[2-methyl-4-oxo-3,3-diphenyl-4-(1-pyrrolidinyl) butyl] morpholine)

DIAMPROMIDE (N-[2-methylphenethylamino) propyl] propionanilide)

DIETHYLTHIAMBUTENE (3-diethylamino-1,1-di-(2'-thienyl)-1-butene)

DIHYDROMORPHINE

DIMENOXADOL (2-dimethylaminoethyl-1-ethoxy-1,1-diphenylacetate)

DIMEPHEPTANOL (6-dimethylamino-4,4-diphenyl-3-heptanol)

DIMETHYLTHIAMBUTENE (3-dimethylamino-1,1-di-(2'-thienyl)-1-butene)

DIOXAPHETYL BUTYRATE (ethyl 4-morpholino-2,2-diphenylbutyrate)

DIPHENOXYLATE

(1-(3-cyano-3,3-diphenylpropyl)-4-phenylpiperidine-4-carboxylic acid ethyl ester)

DIPIPANONE (4,4-diphenyl-6-piperidine-3-heptanone)

ECGONINE, its esters and derivatives which are convertible to ecgonine and cocaine

ETHYLMETHYLTHIAMBUTENE
(3-ethylmethylamino-1,1-di-(2'-thienyl)-1-butene)

ETONITAZENE
(1-diethylaminoethyl-2-*para*-ethoxybenzyl-5-nitrobenzimidazole)

ETOXERIDINE (1-[2-(2-hydroxyethoxy)
ethyl]-4-phenylpiperidine-4-carboxylic acid ethyl ester)

FURETHIDINE
(1-(2-tetrahydrofurfuryloxyethyl)-4-phenylpiperidine-4-carboxylic acid ethyl
ester)

HEROIN (diacetylmorphine)

HYDROCODONE (dihydrocodeinone)

HYDROMORPHINOL (14-hydroxydihydromorphine)

HYDROMORPHONE (dihydromorphinone)

HYDROXYPETHIDINE
(4-*meta*-hydroxyphenyl-1-methylpiperidine-4-carboxylic acid ethyl ester)

ISOMETHADONE (6-dimethylamino-5-methyl-4,4-diphenyl-3-hexanone)

KETOBEMIDONE (4-*meta*-hydroxyphenyl-1-methyl-4-propionylpiperidine)

LEVOMETHORPHAN* ((-)-3-methoxy-N-methylmorphinan)

LEVOMORAMIDE ((-)-4-[2-methyl-4-oxo-3,3-diphenyl-4-(1-pyrrolidinyl)
butyl] morpholine)

LEVOPHENACYLMORPHAN ((-)-3-hydroxy-N-phenacetylmorphinan)

LEVORPHANOL* ((-)-3-hydroxy-N-methylmorphinan)

METAZOCINE (2'-hydroxy-2,5,9-trimethyl-6,7-benzomorphan)

METHADONE (6-dimethylamino-4,4-diphenyl-3-heptanone)

METHYLDESORPHINE (6-methyl-delta 6-deoxymorphine)

METHYLDIHYDROMORPHINE (6-methyldihydromorphine)

1-Methyl-4-phenylpiperidine-4-carboxylic acid

METOPON (5-methyldihydromorphinone)

MORPHERIDINE (1-(2-morpholinoethyl)-4-phenylpiperidine-4-carboxylic acid ethyl ester)

MORPHINE

MORPHINE METHOBROMIDE and other pentavalent nitrogen morphine derivatives

MORPHINE-N-OXIDE

MYROPHINE (myristylbenzylmorphine)

NICOMORPHINE (3,6-dinicotinylmorphine)

NORLEVORPHANOL ((-)-3-hydroxymorphinan)

NORMETHADONE (6-dimethylamino-4,4-diphenyl-3-hexanone)

NORMORPHINE (demethylmorphine)

OPIUM

OXYCODONE (14-hydroxydihydrocodeinone)

OXYMORPHONE (14-hydroxydihydromorphinone)

PETHIDINE (1-methyl-4-phenylpiperidine-4-carboxylic acid ethyl ester)

PHENADOXONE (6-morpholino-4,4-diphenyl-3-heptanone)

PHENAMPROMIDE (N-(1-methyl-2-piperidinoethyl) propionanilide)

PHENAZOCINE (2'-hydroxy-5,9-dimethyl-2-phenethyl-6,7-benzomorphan)

PHENOMORPHAN (3-hydroxy-N-phenethylmorphinan)

PHENOPERIDINE

(1-(3-hydroxy-3-phenylpropyl)-4-phenylpiperidine-4-carboxylic acid ethyl ester)

PIMINODINE (4-phenyl-1-(3-phenylaminopropyl) piperidine-4-carboxylic acid ethyl ester)

PROHEPTAZINE (1,3-dimethyl-4-phenyl-4-propionoxyazacycloheptane)

PROPERIDINE (1-methyl-4-phenylpiperidine-4-carboxylic acid isopropyl ester)

RACEMETHORPHAN ((+/-)-3-methoxy-N-methylmorphinan)

RACEMORAMIDE ((+/-)-4-[2-methyl-4-oxo-3,3-diphenyl-4-(1-pyrrolidinyl) butyl] morpholine)

RACEMORPHAN ((+/-)-3-hydroxy-N-methylmorphinan)

THEBACON (acetyldihydrocodeinone)

THEBAINE

TRIMEPERIDINE (1,2,5-trimethyl-4-phenyl-4-propionoxypiperidine); and

The isomers, unless specifically excepted, of the drugs in this Schedule whenever the existence of such isomers is possible within the specific chemical designation;

The esters and ethers, unless appearing in another Schedule, of the drugs in this Schedule whenever the existence of such esters or ethers is possible;

The salts of the drugs listed in this Schedule, including the salts of esters, ethers and isomers as provided above whenever the existence of such salts is possible.

* Dextromethorphan ((+)-3-methoxy-N-methylmorphinan) and dextrorphan ((+)-3-Hydroxy-N-methylmorphinan) are specifically excluded from this Schedule. [Footnote appeared in original text.]

LIST OF DRUGS INCLUDED IN SCHEDULE II

ACETYLDIHYDROCODEINE

CODEINE (3-methylmorphine)

DEXTROPROPOXYPHENE

((+)-4-dimethylamino-3-methyl-1,2-diphenyl-2-propionoxybutane)

DIHYDROCODEINE

ETHYLMORPHINE (3-ethylmorphine)

NORCODEINE (N-demethylcodeine)

PHOLCODINE (morpholinylethylmorphine); and

The isomers, unless specifically excepted, of the drugs in this Schedule whenever the existence of such isomers is possible within the specific chemical designation;

The salts of the drugs listed in this Schedule, including the salts of the isomers as provided above whenever the existence of such salts is possible.

LIST OF PREPARATIONS INCLUDED IN SCHEDULE III

1. Preparations of:

Acetyldihydrocodeine,

Codeine,

Dextropropoxyphene,

Dihydrocodeine,

Ethylmorphine,

Norcodeine, and

Pholcodine

when

(a) Compounded with one or more other ingredients in such a way that the preparation has no, or a negligible, risk of abuse, and in such a way that the drug cannot be recovered by readily applicable means or in a yield which would constitute a risk to public health; and

(b) Containing not more than 100 milligrammes of the drug per dosage unit and with a concentration of not more than 2.5 per cent in undivided preparations.

2. Preparations of cocaine containing not more than 0.1 per cent of cocaine calculated as cocaine base and preparations of opium or morphine containing not more than 0.2 per cent of morphine calculated as anhydrous morphine base and compounded with one or more other ingredients in such a way that the preparation has no, or a negligible, risk of abuse, and in such a way that the drug cannot be recovered by readily applicable means or in a yield which would constitute a risk to public health.

3. Solid dose preparations of diphenoxylate containing not more than 2.5 milligrammes of diphenoxylate calculated as base and not less than 25 microgrammes of atropine sulphate per dosage unit.

4. *Pulvis ipecacuanhae et opii compositus*

10 per cent opium in powder

10 per cent ipecacuanha root, in powder well mixed with

80 per cent of any other powdered ingredient containing no drug.

5. Preparations conforming to any of the formulae listed in this Schedule and mixtures of such preparations with any material which contains no drug.

LIST OF DRUGS INCLUDED IN SCHEDULE IV

CANNABIS and CANNABIS RESIN

DESOMORPHINE (dihydrodeoxymorphine)

HEROIN (diacetylmorphine)

KETOBEMIDONE (4-*meta*-hydroxyphenyl-1-methyl-4-propionylpiperidine);
and

The salts of the drugs listed in this Schedule whenever the formation of such salts is possible.

Schedule 5—Consequential amendments

Therapeutic Goods Act 1989

1 After subsection 19(7)

Insert:

- (8) The regulations may prescribe the circumstances in which an approval under paragraph (1)(b) must not be given, including but not limited to circumstances relating to:
 - (a) a particular class of therapeutic goods;
 - (b) a particular class of persons to whom therapeutic goods are to be supplied.
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*[Minister's second reading speech made in—
House of Representatives on 10 February 2016
Senate on 24 February 2016]*

(7/16)
