EXPLANATORY STATEMENT

Narcotic Drugs Act 1967

Narcotic Drugs Amendment (Fees) Regulations 2026

The *Narcotic Drugs Amendment (Fees) Regulations 2026* (the Amendment Regulations) increase application fees for licences and permits for activities related to medicinal cannabis, and fees for related inspections, in accordance with the annual indexation of fees to support recovery of the cost of administering the medicinal cannabis regulatory scheme.

The *Narcotic Drugs Act 1967* (the Act) gives effect to certain of Australia's obligations under the *Single Convention on Narcotic Drugs*, 1961, as in force from time to time. Among other things, the Act establishes a licensing and permit scheme for the cultivation and production of cannabis plants, cannabis and cannabis resin, and the manufacture of cannabis drugs, for medicinal and scientific purposes (the Scheme). The Office of Drug Control (the ODC), which is part of the Department of Health, Disability and Ageing, is responsible for administering the Scheme and the Act generally.

Section 27 of the Act provides for the Governor-General to make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed, for carrying out or giving effect to the Act. Amongst other matters, the regulations may prescribe fees in respect of matters under the Act or the regulations made under the Act.

The *Narcotic Drugs Regulation 2016* (the Principal Regulation) is made under section 27 of the Act. Relevantly, it prescribes fees in respect of:

- applications for medicinal cannabis licences or medicinal cannabis permits, and related inspections; and
- applications for variations of a medicinal cannabis licence or medicinal cannabis permit, and related inspections.

The purpose of the Amendment Regulations is, principally, to amend the Principal Regulation to increase the prescribed fees by applying annual indexation for the 2026-27 financial year. The application of annual indexation is intended to ensure appropriate cost recovery of the costs associated with administering the Scheme.

Specifically, the Amendment Regulations update and increase the fees that are currently prescribed in the Principal Regulation in relation to:

- inspections of premises conducted in relation to an application; and
- applications for:
    - a medicinal cannabis licence; and
    - a medicinal cannabis permit; and
- applications for a variation of:
    - an existing medicinal cannabis licence; and
    - an existing medicinal cannabis permit.

Under the Amendment Regulations, fees for inspections carried out in connection with an application for a licence or permit under the Act, or with an application for a variation to a licence or permit increase by 3.2%. Licence and permit application fees increase on average by 3.3%. The increase to fees has been determined using an indexation formula based on the

Authorised Version Explanatory Statement registered 17/06/2026 to F2026L00751

relevant work effort to administer the Scheme, and average salary rates for the Department of Health, Disability and Ageing as provided by the Department of Finance.

The Amendment Regulations complement the *Narcotic Drugs (Licence Charges) Amendment (Charge Amounts) Regulations 2026*, which update the regulatory licence charges for licences relating to medicinal cannabis, commercial cannabis research and non-commercial cannabis research to reflect annual indexation for 2026-27.

Details of the Amendment Regulations are set out in Attachment A.

The Act specifies no conditions that need to be satisfied before the power to make the Amendment Regulations may be exercised.

The Amendment Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*. The instrument is compatible with human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011.* A full statement of compatibility is set out in Attachment B.

The Amendment Regulations commence on 1 July 2026.

Consultation

In February 2026, the ODC undertook targeted consultation to inform, and invite comment from, the medicinal cannabis industry of the proposed 2026-27 indexation-related increase in fees and charges. This consultation was via a direct mail out to medicinal cannabis licence holders and industry peak bodies. A small number of written responses were received from these stakeholders. Feedback generally acknowledged that the proposed increases reflect routine annual indexation, and no stakeholders objected to the application of indexation in principle.

Authority: Subsection 27(1) of the *Narcotic Drugs Act 1967*

Authorised Version Explanatory Statement registered 17/06/2026 to F2026L00751

ATTACHMENT A

Details of the *Narcotic Drugs Amendment (Fees) Regulations 2025*

Section 1 – Name

This section provides that the title of the Amendment Regulations is the *Narcotic Drugs Amendment (Fees) Regulations 2026.*

Section 2 – Commencement

This section provides for the commencement of the Amendment Regulations on 1 July 2026.

Section 3 – Authority

This section provides that the Amendment Regulations are made under the *Narcotic Drugs Act 1967*.

Section 4 – Schedules

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

Authorised Version Explanatory Statement registered 17/06/2026 to F2026L00751

Schedule 1 – Amendments

Part 1—Amendments

Narcotic Drugs Regulation 2016

The Principal Regulation is made under subsection 27(1) of the Act. It imposes fees for the regulatory activities carried out by the ODC, a part of the Department of Health, Disability and Ageing, in administering the Scheme.

Specifically, the Principal Regulation imposes fees in respect of applications for:

- a medicinal cannabis licence;
- a medicinal cannabis permit; and
- a variation of a medicinal cannabis licence or medicinal cannabis permit.

The Principal Regulation also imposes a fee for inspections of premises that are conducted by the ODC in relation to applications for:

- any licence granted under the Act (including a medicinal cannabis licence);
- any permit granted under the Act (including a medicinal cannabis permit); or
- a variation of such a licence or permit.

The Principal Regulation complements the *Narcotic Drugs (Licence Charges) Regulation 2016*, which is made under the *Narcotic Drugs (Licence Charges) Act 2016* and imposes charges on medicinal cannabis licences.

The Amendment Regulations amend application fees relating to licences and permits for activities relating to medicinal cannabis, and fees for related inspections, to apply indexation for the 2026-27 financial year to support recovery of the cost of administering the Scheme. The new fees better reflect the minimum efficient costs of performing the regulatory activities to which they relate.

Item [1] – Subsection 24(4) (example 1)
This item amends Example 1 in subsection 24(4) so that the total fee mentioned reflects the sum of the updated fees prescribed in the table in clause 1 in Schedule 1 to the Principal Regulation.

Item [2] – Subsection 24(4) (example 2)
This item amends Example 2 in subsection 24(4) so that the total fee mentioned reflects the sum of the updated fees prescribed in the table in clause 1 in Schedule 1 to the Principal Regulation.

Item [3] – Subsection 54(1)
This item amends the fee that is prescribed in subsection 54(1) of the Principal Regulation for inspections carried out in connection with an application for a licence or permit under the Act, or with an application for a variation to a licence or permit. The new fee is $9,870, which incorporates an increase to the current fee in accordance with annual indexation to support cost recovery of the Scheme.

Authorised Version Explanatory Statement registered 17/06/2026 to F2026L00751

Item [4] – In the appropriate position in Part 6
This item introduces new section 66 to the Principal Regulation. New section 66 provides that:

- the amendments of subsection 24(4) and clause 1 of Schedule 1 made by the Amendment Regulations applies in relation to inspections that are commenced on or after 1 July 2026; and
- the amendment of subsection 54(1) made by the Amendment Regulations, applies to applications made on or after 1 July 2026.

Items [5] to [16] – Clause 1 of Schedule 1
These items replace existing fees that are prescribed in column 2 of the table in clause 1 of Schedule 1 to the Principal Regulation with an increased fee in accordance with annual indexation.

Table item 1 prescribes the new fee for an initial application for a medicinal cannabis licence under section 8E of the Act, which is $14,290.

Table items 2 to 5 (inclusive) prescribe fees associated with medicinal cannabis permit applications. The new fees for a medicinal cannabis permit are:

- $12,800 — for an *initial* application for a medicinal cannabis permit to authorise either or both the cultivation of cannabis plants, or the production of cannabis or cannabis resin, at a particular licensed premises;
- $8,460 — for an *initial* application for a medicinal cannabis permit to authorise the manufacture of a cannabis drug at a particular licensed premises;
- $9,790 — for a *subsequent* application for a medicinal cannabis permit to authorise either or both of the cultivation of cannabis plants, or the production of cannabis or cannabis resin, at a particular licensed premises;
- $6,460 — for a *subsequent* application for a medicinal cannabis permit to authorise the manufacture of a cannabis drug at a particular licensed premises.

Table items 6 to 9 (inclusive) prescribe fees for medicinal cannabis licence variation applications. The new fees for a medicinal cannabis licence variation are:

- $630 — for each licence variation specified as being a licence variation type 1;
- $1,600— for each licence variation specified as being a licence variation type 2;
- $2,340 — for each licence variation specified as being a licence variation type 3;
- $13,030 — for each licence variation specified as being a licence variation type 4.

Table items 10 to 12 (inclusive) prescribe fees for medicinal cannabis permit variation applications. The new fees for a medicinal cannabis permit variation are:

- $670 — for each permit variation specified as being a permit variation type 1;
- $1,790 — for each permit variation specified as being a permit variation type 2;
- $5,540 — for each permit variation specified as being a permit variation type 3.

Authorised Version Explanatory Statement registered 17/06/2026 to F2026L00751

ATTACHMENT B

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

Narcotic Drugs Amendment (Fees) Regulations 2026

The *Narcotic Drugs Amendment (Fees) Regulations 2026* (the Amendment Regulations) are compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

Section 27 of the *Narcotic Drugs Act 1967* (the Act) provides for the Governor-General to make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act. Amongst other matters, the regulations may prescribe fees in respect of matters under the Act or the regulations made under the Act.

The *Narcotic Drugs Regulation 2016* (the Principal Regulation) is made under section 27 of the Act. Relevantly, it prescribes fees in respect of:

- applications for medicinal cannabis licences or medicinal cannabis permits, and related inspections; and
- applications for variations of a medicinal cannabis licence or medicinal cannabis permit, and related inspections.

The purpose of the Amendment Regulations is, principally, to amend the *Narcotic Drugs Regulation 2016* (the Principal Regulation) to increase the prescribed fees by applying annual indexation for the 2026-27 financial year. The application of annual indexation is intended to ensure appropriate cost recovery of the costs associated with administering the Scheme.

Specifically, the Amendment Regulations update and increase the fees that are currently prescribed in the Principal Regulation in relation to:

- inspections of premises conducted in relation to an application; and
- applications for:
    - a medicinal cannabis licence; and
    - a medicinal cannabis permit; and
- applications for a variation of:
    - an existing medicinal cannabis licence; and
    - an existing medicinal cannabis permit.

Under the Amendment Regulations, fees for inspections carried out in connection with an application for a licence or permit under the Act, or with an application for a variation to a licence or permit increase by 3.2%. Licence and permit application fees increase on average by 3.3%. The increase to fees has been determined using an indexation formula based on the relevant work effort to administer the Scheme, and average salary rates for the Department of Health, Disability and Ageing as provided by the Department of Finance.

Authorised Version Explanatory Statement registered 17/06/2026 to F2026L00751

The Amendment Regulations complement the *Narcotic Drugs (Licence Charges) Amendment Regulations 2026*, which update the regulatory licence charges for licences relating to medicinal cannabis, commercial cannabis research and non-commercial cannabis research to reflect annual indexation for 2026-27.

Human rights implications

As the Amendment Regulations do not introduce any changes to the Principal Regulation other than to implement the changes outlined above, they do not engage any of the applicable rights or freedoms.

Conclusion

The Amendment Regulations are compatible with human rights as they do not raise any human rights issues.

Rebecca White, Assistant Minister for Health and Aged Care

Authorised Version Explanatory Statement registered 17/06/2026 to F2026L00751