In Confidence

Office of the Associate Minister of Health

Cabinet Social Policy Committee

REGULATION OF PSYCHOACTIVE SUBSTANCES

Proposal

I am asking Cabinet to agree to policy proposals for a new regulatory regime to control
psychoactive substances such as party pills and legal cannabis-like products. Currently
distributors of psychoactive substances are not required to establish the safety of their
products before they may be legally sold. The new regime would reverse this and
require pre-market safety testing before any substance could be imported or sold.

Executive Summary

- 2. On 29 August 2011, Cabinet Business Committee agreed in principle to the development of separate legislation for low-risk psychoactive substances (CBC (11)8/19 refers). I was invited to report back with policy proposals for this new regime by 30 June 2012. These proposals, if agreed to by Cabinet, will form the policy basis for new legislation for low-risk psychoactive substances and allow officials to work with the Parliamentary Counsel Office on the details of the new regime. I intend for the Bill to proceed to Select Committee in 2012.
- 3. Cabinet's decision formed part of the Government Response to the Law Commission report *Controlling and Regulating Drugs: A review of the Misuse of Drugs Act 1975.* The Law Commission conducted a first principles review of the Misuse of Drugs Act 1975 (MoDA) in response to concerns that sponsors of new psychoactive substances were not required to establish the safety of their products before they could be legally sold. The Law Commission recommended that "there should be a new regime with its own criteria and approval process for regulating new psychoactive substances". Cabinet considered the Law Commission's report and recommendations in August 2011 (CBC (11)8/19).
- 4. Drug legislation in New Zealand, and in other countries such as the UK, Australia and the USA, has proven to be ineffective in dealing with the rapid growth in synthetic psychoactive substances. Party pills and cannabis-like substances such as "Kronic" can be synthesised to be one step ahead of legislative controls. Each time the Government restricts one or more of these products, several more become available.
- 5. New Zealand and other jurisdictions have looked for a solution to this problem and found that bans, even the temporary class drug notices that provide for emergency restrictions, cannot keep up with the emergence of new psychoactive substances. Temporary class drug notices have given New Zealand a useful mechanism to deal with emerging substances, but the Government is still required to react to substances being marketed rather than stopping them being marketed in the first place.
- 6. I propose to address the problem by introducing new legislation to remove all psychoactive substances from the legal market and only allow the sale of those that have met testing requirements broadly similar to those required for new medicines. The sponsor of a psychoactive product would need to apply to a new regulator for approval

with credible scientific data showing that their product meets criteria of "low risk" before they may legally sell it. The sale of approved products would be subject to restrictions on matters such as purchase age, place of sale, advertising, labelling and packaging.

- 7. I am asking Cabinet to authorise drafting to begin for new legislation for a new regime including:
 - a. the purpose and definition of the new regime
 - b. the establishment of a new regulator within the Ministry of Health with provisions for cost recovery
 - c. retail restrictions on approved products
 - d. that pre-market safety testing be required for all psychoactive products
 - e. importation, exportation and trade implications
 - f. offences and penalties
 - g. consequential amendments to the Misuse of Drugs Act
 - h. transitional arrangements

Background

- 8. Currently, there is no mechanism to stop new psychoactive substances coming to market unless they are already scheduled in the MoDA as controlled drugs, or have a substantially similar chemical structure to a controlled drug. This problem first came to public attention with party pills containing benzylpiperazine (BZP) in the early 2000s. A 2007/8 survey found that 13.5% of New Zealanders aged 16 to 64 had tried BZP at least once whilst it was legally available. This compares to 46.4% and 6.2% for the illegal substances cannabis and ecstasy respectively. BZP was scheduled in the MoDA in 2008 but was immediately replaced by another unregulated substance.
- 9. These substances pose a risk to consumers because they have unknown short or longer term harms to health. The substances are marketed without any control over their ingredients, potency, or quality, and without a minimum purchase age.
- 10. There is demand for psychoactive substances. The annual turnover of the industry is estimated to be NZ \$25 NZ \$35 million, depending on the type of products legally available at a given time.
- 11. The Government introduced temporary class drug notices in 2011 in response to legal cannabis-like products such as "Kronic" that were being widely sold in New Zealand. This provided a temporary emergency power to restrict psychoactive substances of concern. Twenty-four substances have been controlled by this power since August 2011. This approach still requires the Government to continually react to a fast changing market. Moreover, there is still a window of around two months when potentially harmful substances can be legally sold to the public while they are tested, and then potentially restricted. These bans were introduced as a temporary measure and the first notices will only be in effect until August 2013, at the latest.
- 12. To permanently schedule a drug in the MoDA, evidence of harm must be assessed by the Expert Advisory Committee on Drugs (EACD). However, most new substances do not have this evidence which means that research often needs to be commissioned before an accurate level of harm can be determined. In the case of BZP, this took six years.
- 13. These problems are not unique to New Zealand. Other countries such as the UK and Australia are looking for solutions to the same issues. No jurisdiction has found an

- effective long-term solution and many are looking to New Zealand for a model for future legislation.
- 14. The Law Commission published an issues paper in February 2010 on options to address these problems and other issues arising from its review of the MoDA. The Law Commission consulted widely and received 3,800 submissions. Submitters were strongly in favour of a scheme that required those wishing to distribute psychoactive products to prove they were safe before they could be legally sold. In its final report, the Law Commission made 45 recommendations in relation to this new regulatory regime. I have taken these recommendations into account in the development of this paper.

Comment

15. A detailed problem definition and option analysis for the new legislation is considered in the attached Regulatory Impact Statement (RIS).

Purpose and definition

- 16. I propose new legislation to address the rapidly evolving market for legal psychoactive substances. The purpose of the legislation is to reduce risks to consumers by removing untested and potentially harmful products from legal sale. The legislation will introduce a pre-market approval scheme with testing requirements and retail restrictions for low risk psychoactive products.
- 17. Low risk will be determined through an assessment of toxicological and behavioural data by an expert technical committee. The assessment will take into account matters such as the likely harms to physical and mental health, the potential for dependence and withdrawal and societal implications, whether using the product might cause aggression.
- 18. This regime is does not consider or change the illegal status of controlled drugs under MoDA. Products which do not meet the low risk criteria will continue to be assessed by the EACD and scheduled in the MoDA as controlled drugs.
- 19. I propose that the definition of a psychoactive substance should be a substance which has the primary purpose of being administered or taken in order to induce a psychoactive effect. This would include all party pills and other legal highs. Psychoactive substances already controlled by existing legislation, such as alcohol and tobacco, would not be covered by this regime. The Ministry of Health will continue to work with other agencies to manage the interface between the new regime and other regulatory regimes around products containing substances such as caffeine and kava.
- 20. This definition should be broad enough to cover any substance imported, manufactured, or supplied for psychoactive effect, both natural and synthetic. However, it will be important to ensure that those substances which have psychoactive properties but are not generally used to induce a psychoactive effect are not captured by this legislation. Examples include some garden plants and industrial chemicals. The new regulator established by this regime should have the power to declare a substance to be a psychoactive substance for the purposes of the legislation in the event of a dispute about regulatory boundary issues. This is consistent with the approach taken in the Medicines Amendment Bill and the Natural Health Products Bill, and would prevent attempts to market a product in a way that avoids control. For example, psychoactive products have previously been marketed as incense and plant food.
- 21. I propose that each finished product will need an approval under the new regime, rather than the constituent active ingredients. This ensures that each combination of

ingredients and dose is assessed and allows for consideration of harms from the manner in which the product is taken, for example, harms associated with smoking plant material. This is in accordance with the Law Commission's recommendations.

The regulator

- 22. I propose that a regulator is established within the Ministry of Health as the Law Commission recommended. On balance I consider that the Ministry of Health is the most appropriate agency given the proposed purpose of the legislation is to minimise harms to health. In the RIS, the Ministry of Health considered other options for the regulator, including the Ministry for Primary Industries and the Environmental Protection Authority. I consider that a regulator in the Ministry of Health is the most cost-effective and practical option.
- 23. The regulator would be responsible for managing the assessment process for new psychoactive products, issuing licences to import and manufacture, surveillance, auditing, and enforcement. There is opportunity for cost saving by sharing back office functions, such as administration and IT support, with the new natural health products regulator, while maintaining separate front office objectives and functions.
- 24. The Ministry, on current information, estimates that the regulator would cost a minimum of \$1 million per annum. This is based on a staff of three full time equivalent employees (FTE), and overheads including a dedicated database. I propose that this be met through cost recovery. Fees need to cover the cost of all aspects of the regulatory process necessary to assess safety and quality before the product enters the market and safety monitoring after it is on the market. There are two options for cost recovery:
 - a. Option 1: Full cost recovery (including set-up costs, which may need to be met up front by the Crown and recouped through fees), including enforcement activities.
 - b. Option 2: Partial cost recovery (including set-up costs) but not charging industry for enforcement activity. Post-market safety activities including compliance, audit, and monitoring should be recovered, which is consistent with medicines regulation.
- 25. The Ministry recommends Option 1. Given the current tight fiscal constraints along with the fact that there is little public good, I agree that full cost recovery is the most appropriate approach. There are other areas of Government that are already fully cost recovered, particularly in the Ministry of Economic Development. These include the Companies Office, the Patents Office, and it is proposed Financial Markets Authority will be fully cost recovered. I propose that the Ministry of Health report to me and the Minister of Finance by 1 October 2012 with detailed proposals for costs and fee-setting.
- 26. It is proposed that the new legislation provides for the establishment of an expert technical committee to assist the regulator in decisions regarding approvals. The cost of this technical committee would be met through fees.

Approval of psychoactive products

27. I propose that a standardised process involving toxicological and behavioural data be required for all applications for approval of a product. My preference is not to have detailed requirements in primary legislation as it is important to have flexibility to update the required tests in response to scientific developments in this area. I propose that officials work with the Parliamentary Counsel Office to identify the best mechanism to establish these requirements.

- 28. Diagrams of the key elements of the approval process, and indicative timeframes for industry, are attached as appendices one and two.
- 29. It is my view that the minimum pre-clinical data required is acute toxicity, repeat dose toxicity, pharmacokinetics and genotoxicity. Where applicable, this data should be obtained using the route of administration that is intended for each product. This will account for the damage caused by more harmful routes of administration such as smoking. These tests are undertaken on small animals, such as rats and will take between 6 12 months to complete and report.
- 30. An expert technical committee would then assess the pre-clinical data to determine whether the product is of low enough risk for human clinical trials. These trials would look for harms to physical and mental health and signs of dependence, withdrawal or aggression in users. These trials would take around six months to complete and report.
- 31. The regulator would then be able to make a decision about a product based on data that documents its common short and longer term reactions. It will not be possible to screen for all adverse reactions to a product. This is because different people have different reactions to pharmacologically active substances. Individuals will therefore continue to assume some level of risk from the use of these products, but it will be a significant improvement on the status quo whereby products can be sold with no consideration of their potential harms.
- 32. The Ministry of Health consulted with experts in the field of pharmacology, toxicology, psychiatry, and emergency medicine on the proposed testing regime. The Ministry also consulted with members of industry. Feedback has been positive and both technical experts and industry representatives support this approach. Based on initial proposals, the Ministry estimates that the cost of this testing to the sponsor will be in the range of NZ \$1 to \$2 million per product and will take between one two years.
- 33. It is difficult to predict the future size of this industry. However, I expect the initial number of applications for approval to be very low. Applications that contain a complete data package will likely take between one to two months to process.

Import

- 34. I propose that the requirements for the importation of active ingredients and finished products be consistent with the requirements for importing medicines. The importation of pharmaceutical active ingredients and bulk medicines is managed under the provisions of the Hazardous Substances and New Organisms Act 1996 (HSNO). There is an exemption under the Medicines Act 1981 for products in dose form. This means that medicines are controlled by the Medicines Act once they are in their finished form allowing for targeted provisions around retail and use.
- 35. I propose that the risks posed by bulk psychoactive products and their active ingredients used in the domestic manufacture of psychoactive products will continue to be managed under the provisions of the HSNO. This avoids the need for additional regulations and HSNO is fit for purpose to manage the risks associated with the importation, storage, and transportation of bulk hazardous substances. Unapproved active ingredients would continue to be prohibited imports under HSNO and the Customs and Excise Act 1966. They may be seized at the border by New Zealand Customs Service. To prevent the misuse of active ingredients, importers will also be required to be licensed under the new legislation.

- 36. As with medicines, the importation of products in finished dose form would be regulated by dedicated legislation and exempted in the new legislation from the HSNO. Any risks associated with the finished products would be managed by the new regime. As with medicines, the HSNO life-cycle will end when the active ingredient is manufactured into a finished dose product, at which point the new regime will commence. In general, a finished product would only be cleared for import once it had successfully completed the assessment process and the new legislation would be the appropriate mechanism to manage this.
- 37. I propose that a licence be required to import small quantities of an unapproved finished product. These licenses should be issued for authorised testing purposes only. This requirement will prevent individuals from importing small quantities of psychoactive products for personal use. Individuals will not be able to circumvent the proposed safety tests by importing products from other jurisdictions they have purchased on the internet.
- 38. I propose that all unapproved substances be prohibited imports under the new legislation and the Customs and Excise Act. This gives Customs the power to seize any product which does not have evidence of approval under the new regime.

Trade issues

- 39. The Ministry is working through trade issues and implications for New Zealand, for instance export requirements and implications under the Trans-Tasman Mutual Recognition Act 1997 (TTMRA). The TTMRA establishes the obligation that a product that can legally be sold in one Australian State or Territory can be sold in New Zealand and vice versa, without requirements to meet any further standards or testing. This has implications in relation to New Zealand's proposal to regulate and approve psychoactive substances which are not currently regulated in either jurisdiction. There is provision under the TTMRA to prohibit imports under the Customs and Excise Act. If Cabinet agrees that unapproved substances should be prohibited imports under the Act, then no Australian products could be imported or sold unless approved by the New Zealand regulator. New Zealand approved products, however, could enter Australia under the TTMRA provisions. Australia may, in due course, establish similar regulatory scheme at which point it may be possible to apply trans-Tasman mutual recognition again.
- 40. The Ministry of Health has initiated discussions with officials in Australia to inform them of the New Zealand Government's proposals. The Ministry will continue to work through these issues with Australian officials.
- 41. The World Trade Organization Agreement on Technical Barriers to Trade (TBT) aims to ensure that regulations do not create unnecessary obstacles whilst providing members with the right to implement measures to protect human health. In accordance with New Zealand's obligations under the TBT, the Ministry of Health will notify the World Trade Organization of the pending regulations should Cabinet agreed to the proposals in this paper.

Retail restrictions including price controls

- 42. The Law Commission recommended regulation-making provisions for retail restrictions consistent with existing restrictions made by the Misuse of Drugs (Restricted Substances) Regulations 2008. These include:
 - a. minimum purchase age
 - b. advertising restrictions
 - c. restrictions on the type of outlets that are not permitted to sell approved products

- d. display restrictions
- e. labelling restriction such as requirements to list ingredients, health warnings, and the poison centre contact number
- f. packaging, such as tamper-proof and child-proof packaging.
- 43. The Law Commission also proposed the investigation of price controls, including a possible excise, to regulate the retail price. This is consistent with New Zealand's approach to the sale of tobacco and alcohol. The Ministry of Health is working with Customs, the Ministry of Economic Development, and Treasury on options for control, including a possible excise or a minimum price.
- 44. I propose that an analysis of options and recommendations for all retail restrictions, including price control measures, be reported back to SOC by 1 October 2012.

Offences and penalties

- 45. It is important to ensure that Police and Customs have adequate powers to address the illegal import, manufacturing, dealing, supply of, and intention to supply, unapproved substances, and any offending related to approved products. My intention is that offences and penalties are designed to prevent legislative loopholes and ensure a sufficient level of deterrence against offending. It will also be necessary to ensure compatibility with the powers under the Search and Surveillance Act 2012.
- 46. Agencies will continue to work together to develop an appropriate offence and penalty framework, and consider any consequential amendments required to provisions in other legislation such as the MoDA. The full details of all the necessary offences, penalties and enforcement powers for criminal offences and for regulatory non-compliance will be reported back to SOC by 1 October 2012. These will also be assessed for consistency with the New Zealand Bill of Rights Act 1990.

Transitional periods

- 47. I propose a transition period, including an amnesty, following enactment of the new legislation. During the transition period, a sponsor could only sell those products with an application pending approval by the regulator. This would only apply to those substances that had been legally sold six months prior to enactment provided there were no health concerns associated with these products. The regulator would have the power to recall any product of concern during the transition period. This arrangement would allow continuing but restricted access to some products, which I believe would be fair to legitimate industry.
- 48. The amnesty period would prevent industry and retailers being prosecuted whilst they adapted to the new regime. Following the transition period, only products which have been approved by the Regulator could be legally marketed and sold.

Consultation

- 49. The proposals in this paper have been developed in collaboration with the Ministry of Justice, the New Zealand Customs Service, and New Zealand Police and reflects their comments.
- 50. The Ministry for the Environment and the Environmental Protection Authority, the Ministry for Primary Industries, the Ministry of Consumer Affairs, the Treasury, and the Ministry of Economic Development have been consulted at different stages of policy development. This Cabinet paper incorporates their feedback.

51. The Department for Prime Minister and Cabinet has been informed.

Financial Implications

- 52. As noted above, the Ministry of Health estimates that the new regulator could cost a minimum of \$1 million per annum. If you agree to full cost recovery there will be no implications for Vote: Health. If the preference is for partial cost recovery the difference will be met from within existing Health baselines. Any costs that are incurred in Health above the cost recovery will be met within the Departmental Output Class Regulatory and Enforcement Services (M36).
- 53. It is anticipated that three FTE and a support IT system will be required. Health will meet the capital costs of the system and the operating costs will be recovered through the assessment applications and licences fees. The operating of the regime will be integrated with other like services where possible. It is likely that the number of applications will not be large, the Ministry will consider establishing a memorandum account to manage costs over time, and this will be addressed in the report back.
- 54. The Government will meet the costs of strategic policy development including the development of regulations. All other costs, including post market activities and enforcement will be met by way of fees imposed on industry. This will include set-up costs to be covered over time through a memorandum account.
- 55. At the time of this paper, detailed costs of both the establishment of the regulator and the required resources, and subsequent fee levels on industry are still to be determined. The Ministry will report back on these details to joint Ministers of Health and Finance by 1 October 2012, and this report back will be included in the paper due with SOC by the same date.
- 56. A number of affected industry members have been consulted on these proposals. In general, industry has signalled its support for this new regime as it will mandate all industry to meet consistent quality requirements and will provide a degree of market certainty. Most industry submitters are willing to pay the fees charged by the regulator and to fund the estimated \$1 to \$2 million of testing that will be required to establish the risk for each product. Some industry members caution that if the barriers to bringing a product to market are set too high, some producers may choose to distribute products outside of the proposed regime. If this happened it would be an offence and we could expect enforcement agencies to take action.
- 57. The final proposals are likely to result in costs and savings across the criminal justice sector. The magnitude of any impacts cannot be assessed until the proposals relating to offences, penalties and enforcement powers have been determined. This information will be provided in the report back to SOC by 1 October 2012. Other impacts, including to the court system, legal aid, and the Department for Corrections will also be determined once the offences, penalties, and enforcement powers have been finalised.
- 58. For Customs, there may be some savings as the new regime will ensure that all imports of psychoactive substances are accurately labelled and have the appropriate certification for legal entry into New Zealand. However, Customs considers that these are likely to be marginal. The potential scale and volume of illegal and legal imports is currently unknown. Customs would continue to investigate and act upon suspicious activity as part of their core business under the Customs and Excise Act. Customs will continue to enforce the controls on the importation of active ingredients under HSNO within its

- baseline. There may be future financial implications for Customs in the enforcement of import and export of finished manufactured products. Customs will monitor the costs of these activities and apply for additional funding to enforce these controls if necessary.
- 59. Police will be in a position to estimate the likely financial impact of enforcing the new regime once the details of the offences, penalties, and enforcement powers are finalised.
- 60. For the EPA, there will be minimal additional work over the long term. The EPA will be required to approve the activities and there may also be a need to ensure consistent toxicological data requirements and scientific assessment between HSNO and the new regime.

Human Rights

- 61. The proposals in this paper, which relate to the psychoactive substances approval regime (and not the offences and penalties framework), appear to be consistent with the New Zealand Bill of Rights Act 1990 (NZBORA) and the Human Rights Act 1993. The regime will not be retrospective.
- 62. Whether proposals relating to offences, penalties, and enforcement powers are consistent with the NZBORA will be assessed during the development stage and will be provided in the report back to SOC by 1 October 2012.

Legislative Implications

- 63. It is proposed that new legislation is drafted to give effect to the policy proposals in this paper. As part of the 2012 Legislation Programme, this Bill has been given a category four priority. This means it would be referred to Select Committee during 2012.
- 64. Twenty-four substances are currently controlled by temporary class drug notices. These last for 12 months and may only be renewed once. Some will need to be renewed in August 2012 and will then permanently expire in August 2013. New legislation will therefore need to be enacted prior to August 2013 to prevent these substances returning to the legal market.
- 65. If Cabinet agrees to the proposals, drafting will begin immediately on those recommendations agreed to. Once Cabinet has considered recommendations in the separate report back papers due by 1 October 2012, drafting will commence on these matters. I expect a Bill to be introduced by the end of 2012.

Regulatory Impact Analysis

Regulatory impact analysis requirements

66. The Regulatory Impact Analysis (RIA) requirements apply to the proposals in this paper and a Regulatory Impact Statement (RIS) has been prepared and is attached.

Quality of impact analysis

67. The Regulatory Impact Analysis Team at the Treasury has reviewed the RIS prepared by the Ministry of Health and considers that the information and analysis summarised in the RIS meets the quality assurance criteria.

Consistency with Government Statement on Regulation

- 68. I have considered the analysis and advice of my officials, as summarised in the attached RIS and I am satisfied that, aside from the risks, uncertainties, and caveats already noted in this Cabinet Paper, the regulatory proposals recommended in this paper:
 - a. are required in the public interest,
 - b. will deliver the highest net benefits of the practical options available, and
 - c. are consistent with our commitments in the Government statement "Better Regulation, Less Regulation".

Gender Implications

69. The proposals for a new regime have no specific gender implications.

Disability Perspective

70. The proposals have no implications for the New Zealand disability sector.

Publicity

71. This issue is likely to generate some media attention, although the public has been made aware of the need for this legislation. The Ministry of Health has developed a communication plan with my office to respond to any media queries or other publicity.

Recommendations

72. I recommend that the Committee:

- Note: that on 29 August 2011, the Cabinet Business Committee agreed to consider the development of new legislation for low-risk psychoactive substances that would require approval by a regulator before any substance could be legally sold (CBC Min(11)8/19)
- Note: that this legislation is required to address the problem of potentially harmful untested psychoactive substances being sold without controls over ingredients, purchase age, or place of sale

Policy recommendations

- 3. **Agree:** to establish a pre-market approval regulatory regime for new psychoactive substances, which are substances with the primary purpose of being administered or taken to induce a psychoactive effect
- 4. **Agree**: that approval will be considered for manufactured products rather than individual active ingredients and that approval of products will be informed by consistent toxicological and behavioural data
- 5. **Agree**: to the development of transition provisions following enactment to allow the sale of some psychoactive products whilst they undergo assessment by the regulator

Regulator

- 6. **Agree**: to establish a new regulator within the Ministry of Health to manage the assessments, approvals, licensing, and post-market surveillance of low-risk psychoactive products
- 7. **Agree**: that the regulator is funded through full cost recovery
- 8. **Note**: that the regime is expected to cost operating expenses of \$1 million per annum, in Departmental Output class- Regulatory and Enforcement Services, which will be fully or partially met through an increase in third part revenue, and that the Ministry will report back on actual costs and recoveries to the Ministers of Health and Finance by 1 October 2012
- 9. **Delegate:** to joint Ministers of Health and Finance, to approve changes to Output classes bases based on the final decisions on recovery and licences/ application fees.

Importation and trade

- 10. Agree: that the importation of active ingredients and finished products should be consistent with the requirements for medicines and pharmaceutical active ingredients: active ingredients will be imported under the Hazardous Substances and New Organisms Act 1996, and finished products will be regulated under the new legislation
- 11. **Agree:** that the importation of unapproved ingredients and finished products will be prohibited without a licence issued by the new regulator and that all unapproved substances should be prohibited imports under the Customs and Excise Act 1996
- 12. **Note**: that the Ministry of Health is considering trade and export issues and has initiated discussion with Australian officials and will continue to work with them regarding Trans-Tasman Mutual Recognition Act implications and the intention to make unapproved substances prohibited imports under the Customs and Excise Act

Report backs

- 13. **Agree**: that the Ministry will report back to the Ministers of Health and Finance on detailed costs and fee-setting by 1 October 2012, and I will report back to SOC by this date
- 14. **Agree**: that I will report back to SOC with the offences, penalties, enforcement powers, and any required consequential amendments by 1 October 2012.
- 15. **Agree**: that I will report back to SOC by 1 October 2012 with options and recommendations for retail restrictions including price control measures

Legislative implementation

- 16. **Agree**: that, as part of good regulatory practice, there will be a policy review of the regulatory scheme five years after commencement
- 17. **Note**: that, as part of the 2012 Legislation Programme, Cabinet has previously agreed to a Misuse of Drugs Amendment Bill to implement the new psychoactive substances regime, with a priority four (to be referred to Select Committee in 2012)

18. Authorise: the Associate Minister of Health to issue drafting instructions to the Parliamentary Counsel Office to give effect to the recommendations
Hon Peter Dunne Associate Minister of Health
Date: