



Australian Government

Department of Health

Office of Drug Control

Guidance Note 1

Testing of cannabis, cannabis resin and products manufactured from cannabis and cannabis resin

Date of Issue: 14 August 2021

1. Purpose

This document has been developed to provide guidance on testing of medicinal cannabis in Australia by licence holders and service providers in relation to the *Narcotic Drugs Act 1967* (Narcotic Drugs Act).

2. Testing Activities

2.1 What is testing

When cultivating or producing cannabis, the testing of the materials for research or against a quality specification or compliance standard (such as the testing of cannabinoid levels), is often required in order to support product development and quality assurance activities. While these activities are essential, not all Narcotic Drugs Act licence holders (licence holders) will have the expertise and/or resources to develop all testing capabilities 'in-house' and may need to use services provided by other organisations, and in some cases organisations located overseas.

Organisations which provide testing services (service providers) are licenced under state/territory laws for the handling of controlled and prohibited drugs. The type of licence held will depend on the cannabis material as scheduled in the Standard for the Uniform Scheduling of Medicines and Poisons (SUSMP). In some cases, where the service provider is supplying cannabis reference materials to other parties, the service provider may also hold a licence under the Narcotic Drugs Act in their own right.

2.2 Use of third party service providers by licence holders testing services

Subject to the conditions of the Narcotic Drugs Act licence, a licence holder may provide medicinal cannabis to a service provider for testing services.

When using a service provider, licence holders must ensure:

1. The service provider has the appropriate licence from the State or Territory Health Department to handle cannabis classified in Schedule 4, 8 or 9 of the SUSMP to perform the service.
2. Any unused medicinal cannabis (including extracts made from cannabis) must either be
 - a. returned to the licence holder;
 - b. retained for internal method development and use by the service provider for reference or retention purposes; or
 - c. destroyed as per state territory requirements for scheduled drugs.
3. The licence holder must keep records of the provision of medicinal cannabis to the service provider and any returned material.

4. The licence holder must hold a copy of a contract, service agreement or receipt of service for the services being undertaken by the service provider, which specifies the amount of cannabis, cannabis resin and/or extract of cannabis used and the services being provided.

2.3 Research

Licence holders who are performing research on medicinal cannabis under a Narcotic Drugs Act licence may use service providers in a similar manner to using a service provider for testing services, e.g. perform tests that the licence holder is unable to conduct itself. However, in the case of research, the licence holder cannot outsource the entire research to the service provider.

For example if a licence holder 'contracts' a service provider to develop and manufacture a small scale pilot of a medical cannabis product, the service provider will also require a licence under the Narcotic Drugs Act since the service provider is performing all the manufacturing activities.

If a service provider is performing some testing activities for a licence holder, who is conducting research on a medicinal cannabis product, the service provider will not need a Narcotic Drugs Act licence since the service provider is only providing testing capabilities.

2.4 Do service providers need a Narcotic Drugs Act Licence?

A service provider is not required to hold a Narcotic Drugs Act licence to perform a service on behalf of a licence holder if:

1. Any service being conducted on the medicinal cannabis is only for the licence holder who provided the medicinal cannabis.
2. The licence holder retains ownership of the medicinal cannabis. It must not be sold, or ownership transferred, to the service provider. The service provider can only use the sample(s) for the purposes for which it is provided and as permitted under their relevant State or Territory licence.
3. The service provider does not supply the cannabis it to any other person.
4. The service provider is not performing research (see 2.3) on behalf of a licence holder.

Any service provider that **does not** meet the above criteria and intend to extract material from cannabis plant material, or cannabis oils/resin, must first contact the Office of Drug Control about applying for a licence under the Narcotic Drugs Act.

3. Further information

Further information can be found by following the below links:

- Office of Drug Control
<https://www.odc.gov.au/>