The Hon Rebecca White MP
Assistant Minister for Health and Aged Care
Assistant Minister for Indigenous Health
Assistant Minister for Women

Ref No: MS25-001486

Mr Blair Comley PSM
Secretary
Department of Health, Disability and Ageing
GPO Box 9848
CANBERRA ACT 2601
Blair.Comley@health.gov.au

Dear Mr Comley

I am writing to set out my expectations for how the Office of Drug Control will achieve its regulatory objectives, carry out its regulatory functions and exercise its powers in line with the Australian Government's current policy objectives and directions.

This Statement of Expectations will assist with the Government's commitment to effective governance, performance and best practice regulation guided by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It also supports initiatives to reduce unnecessary regulatory burden on business and the community, and to deliver productivity-enhancing reforms.

As the responsible Commonwealth Minister this Statement of Expectations sets out my expectations of the following regulatory functions undertaken within the Department of Health, Disability and Ageing.

The Office of Drug Control exercises powers under domestic legislation in support of Australia's obligations under international drug conventions. This is achieved through administering the Customs (Prohibited Imports) Regulations 1956, Customs (Prohibited Exports) Regulations 1958, *Narcotic Drugs Act 1967*, Narcotic Drugs Regulation 2016, *Narcotic Drugs (Licence Charges) Act 2016*, Narcotic Drugs (Licence Charges) Regulation 2016 and the *Psychotropic Substances Act 1976*. Under this legislation, the Office of Drug Control has responsibility for:

- the import, export and manufacture of controlled drugs and other controlled substances and products, such as vaping goods and kava
- the cultivation, manufacture and production of cannabis for medicinal or scientific purposes to support Australia's international obligations.

The Government recognises and respects the independence of the Secretary as the Accountable Authority, under the PGPA Act for the Office of Drug Control's regulatory functions. However, I expect the Office of Drug Control to adopt the best practice principles of the Resource Management Guide 128 – Regulator Performance (RMG 128) and Regulatory Policy, Practice & Performance Framework and follow good corporate governance guided by the PGPA Act. RMG 128 can be viewed at www.finance.gov.au using the search term 'Regulator Performance (RMG 128)'.

The Government expects that regulators should have a risk-based approach to compliance obligations, and engagement and enforcement that allows for proportionate responses appropriate to the nature and seriousness of identified risks. This allows regulators to achieve objectives more effectively while recognising that it is not possible to eliminate all risks.

THE GOVERNMENT'S POLICY PRIORITIES AND OBJECTIVES

Regulatory reform agenda

The Regulatory Reform Agenda at www.finance.gov.au/government/regulatory-reform, seeks to improve Australia's productivity and reduce living costs by streamlining regulations. The Government aims for Commonwealth regulators to balance risk mitigation with efficiency, growth and dynamism. Regulators are expected to use risk-based, proportionate, data-driven methods to achieve these priorities.

I expect the Office of Drug Control to contribute to the regulatory reform process by:

- seeking to reduce duplication and streamline processes to boost efficiency and productivity, including identifying and engaging with international regulatory bodies relevant to the Regulator, to explore harmonisation opportunities without compromising core regulatory protections
- acting in accordance with regulator best practice in its decision-making, policies, processes and communications practices to maximise transparency and minimise compliance costs
- applying the RMG 128 to its regulatory functions to assess its performance and engagement with stakeholders
- incorporating regulator performance reporting into entity reporting processes, as guided by RMG 128 under the PGPA Act and Public Governance and Performance and Accountability Rule 2014, to enhance transparency and accountability
- where appropriate, considering cost recovery arrangements.

Principles of regulator best practice

In exercising its functions and powers in accordance with these principles, I expect the Office of Drug Control to display the following principles of regulator best practice by:

1. **Regulatory stewardship**

In exercising its functions and powers in accordance with best practice principles set out under RMG 128, I expect the Office of Drug Control to foster continuous improvement and build trust by using data and analysis to assess and improve performance and proactively manage risks without creating unnecessary burden. I expect you to engage openly with stakeholders, seek feedback, increase transparency and provide clear and accessible guidance to ensure compliance.

I also expect the Office of Drug Control to develop strong digital and data capabilities, with an agile and forward-looking approach to technology. This will enable you to respond to risk and continuously maintain regulatory systems throughout the regulatory life cycle. To achieve this, the Office of Drug Control should apply the six Regulatory Policy, Practice and Performance principles, found at www.finance.gov.au/government/regulatory-reform, to drive fit-for-purpose regulation in a digital era, protect against regulatory failures, and enhance productivity.

2. Risk-based and data-driven

I expect the Office of Drug Control to proactively identify and minimise risks to manage regulatory functions efficiently without imposing unnecessary burdens on regulated entities. Additionally, the Office of Drug Control should build organisational data capability and digital literacy to support secure and effective use of data and improve risk management.

3. Collaboration and engagement

I expect the Office of Drug Control to ensure there is open, transparent and consistent engagement with stakeholders, including industry, other regulators, and the community. Collaboration is critical to the co-design of solutions where possible and the implementation of innovative regulatory practices.

Consequently, I expect the Regulator to:

- engage regularly and genuinely with stakeholders including regulated entities, other regulators and the community
- seek stakeholder feedback to inform regulatory decisions
- be transparent in decision-making and where possible provide reasons for regulatory decisions
- provide guidance and information that is clear, relevant and accessible to help regulated entities understand their obligations and responsibilities to encourage voluntary compliance
- maintain productive working relationships with other relevant jurisdictional and Commonwealth regulators and relevant international bodies.

Innovation and regulatory change

I expect the Office of Drug Control to continually monitor and adapt to its operational environment and ensure regulatory approaches keep pace with changes in technology, industry practices, international regulation, and community expectations. Policies, protocols and operational procedures, should be regularly reviewed and adjusted as needed to respond to the changing social, technological and international regulatory environment and commercial context in which it operates.

Relationship with Minister and portfolio

The Office of Drug Control plays an essential role in ensuring that the Government is well placed to respond promptly to any policy challenges and opportunities arising from the administration of these regulatory functions. Accordingly, the Office of Drug Control should provide accurate and timely policy advice on significant issues relating to these regulatory functions in accordance with the Government's policy priorities and objectives.

As the responsible Minister, I will provide an enabling environment for the Office of Drug Control to consistently implement best practice by ensuring you are well informed of the Government's policy direction, as specific initiatives and strategies are being considered.

Statement of Intent

I look forward to your reply to this Statement of Expectations with a Statement of Intent outlining how it will implement my expectations. I ask that both the Statement of Expectations and the Statement of Intent be made publicly available on the Office of Drug Control's website and incorporated within your corporate documents.

I request that this statement also address how ideas proposed in the Secretary's response, dated 1 August 2025, to the joint letter from the Treasurer and the Minister for Finance sent on 4 July 2025, relating to the reform of your regulatory functions and the National Gene Technology Scheme.

Yours sincerely

Rebecca White

19 / 01 / 2026

cc: The Hon Mark Butler MP, Minister for Disability and the National Disability Insurance Scheme, Minister for Health and Ageing