

Impact Analysis Statement

Summary IAS

Details

Lead department	Department of Justice
Name of the proposal	Proposed Regulation to prescribe 26 chemical substances as controlled substances in schedule 6, with respective gross weights prescribed in schedule 8A of the Drugs Misuse Regulation 1987.
Submission type	Summary Impact Analysis Statement
Title of related legislative or regulatory instrument	<i>Drugs Misuse Regulation 1987</i>
Date of issue	April 2026

The proposal has been split into two parts.

Prescription of 26 chemical substances as controlled substance

Proposal type	Details
Regulatory proposals where no RIA is required	<p>The production of amphetamine-type stimulants involves unique manufacturing processes that rely on the supply of precursor chemicals and equipment, with these frequently changing due to supply and production methods. The <i>Drugs Misuse Regulation 1987</i> (DM Regulation) operates to prescribe controlled substances, with the view to incorporate amendments when new chemicals are identified as relating to illicit substance manufacturing. Schedule 6 of the DM Regulation lists precursor chemicals, and certain other substances chemically related, that are regulated as controlled substances, with corresponding gross weights prescribed in schedule 8A.</p> <p>It is proposed that an additional 26 substances be included in schedule 6, with corresponding weights in schedule 8A of the DM Regulation to address the diversion from legitimate industry trade to illicit manufacturing purposes. Those who illegally obtain substances listed in schedule 6 will be liable to a range of criminal offences stipulated in the <i>Drugs Misuse Act 1986</i> including unlawful possession, unlawful supply, unlawful production, or unlawful trafficking under sections 9A-9D, with these offences carrying maximum terms of 15 years to 20 years imprisonment.</p> <p>The objective of including the proposed 26 substances is to ensure continued community protection against dangerous drugs. Illicit drugs manufactured with precursor chemicals have economy-wide costs associated with crime, health care and accidents, and productivity. Through the provision of criminal offences and a regulatory scheme, Queensland has mechanisms to restrict the possession, use and sale of precursor chemicals commonly used in illicit dangerous drug manufacturing.</p> <p>This aspect of the proposal relates to general criminal laws. As a result, no regulatory impact analysis is required under the Better Regulation Policy.</p>

Associated compliance elements of the proposal

What is the nature, size and scope of the problem? What are the objectives of government action?

Several of the 26 substances identified may have legitimate industry use and trade would be able to continue. However, those trading schedule 6 substances are required to comply with the established End User Declaration scheme (EUD scheme) managed by the Chemical Diversion Desk, Queensland Police Service (QPS). This may result in increased costs for suppliers not yet using the EUD scheme for other scheduled chemical trade.

The Chemical Diversion Desk maintains contact with 37 legitimate industry suppliers, who were consulted on the scheduling of the proposed substances. The Chemical Diversion Desk notify these suppliers via email when there are changes to legislative obligations. Chemistry Australia is also included in this communication. This provides Chemistry Australia the opportunity to inform their members of changes, which ensures those not currently connected with the Chemical Diversion Desk are made aware of the changes.

Substances listed in schedule 6 are only captured by the EUD scheme if they are in pure form or mixed with another schedule 6 substance. As such, schedule 6 chemicals when mixed with other non-schedule substances are not subject to the EUD scheme.

What options were considered?

Prescribing substances in schedule 6 of the DM Regulation provide law enforcement with avenues to address illicit drug manufacturing while allowing continued legitimate trade. Scheduling these substances will require legitimate suppliers to comply with the EUD scheme and therefore reduce accessibility to substances for illicit drug diversion. This option utilises the frameworks in place to address chemical diversion, while accommodating industry needs. Though there may be costs for suppliers who trade in a proposed substance that are not yet engaged with the Chemical Diversion Desk, these are expected to be low.

If the proposed precursors are not included in schedule 6, there would be no implementation costs for industry suppliers who are not currently participating in the EUD scheme. There is, however, no other avenue to address the diversion of precursor chemicals for illicit drug manufacturing, therefore the current risk of diversion to illicit use, as well as associated costs, would remain unchanged. Law enforcement would continue to have no ability to monitor or address the diversion of substances to illicit trade and drug manufacturing.

What are the impacts?

Impacts on industry will be low considering the EUD scheme is an established scheme, with many stakeholders that trade in chemicals already submitting EUDs and the number of stakeholders engaging in trade of the proposed 26 substances reported to be low. Of 37 stakeholders consulted, one supplier confirmed the infrequent trade of a chemical proposed to be scheduled. This supplier advised that the requirement to complete an EUD was not of concern given they already undertake this task for other chemicals.

If there are stakeholders trading in a proposed substance not currently engaged with the EUD scheme, they may incur some costs associated with establishing systems to record and report necessary information, and ongoing administrative costs of maintaining such system.

An EUD requires all transactions of relevant substances (that is, the supply of a controlled substance or thing to another person in the ordinary course of legitimate business) to be recorded. Although some of the information being obtained is detailed, many are duplicative and standard invoicing information.

The EUD scheme requires the supplier of a substance to provide, obtain or retain the below:

End User Declaration:

- The recipient's name and address, and if the recipient purports to obtain the substance for another person, the other person's name and address;
- details of photographic identification as evidence of the recipient's identity;
- the date and number of the written order for the supply of the substance;
- the name and quantity of the substance to be supplied;
- the date on which the substance is to be supplied;
- the purpose for which the substance is to be supplied.

Invoice (immediately upon supply):

- the recipient's name and address;
- the recipient's order number for the supply of the substance;
- the date the substance was supplied
- the name and quantity of the substance supplied.

Register of Transaction:

- the name and address of the recipient and, what the recipient purports to obtain the substance for;
- the recipient's order number for the supply of the substance;
- the invoice number for the supply of the substance;
- if the recipient is –
 - a company – its Australian Company Number; or
 - an individual – the type of photographic identity produced and the following details about the identity document –
 - who issued it;
 - its serial number or other identifying number or mark;
- the name and quantity of the substance supplied;
- the date the substance was supplied;
- the purpose for which the substance was supplied.

The supplier is also required to report loss or theft of a relevant substance to the Chemical Diversion Desk.

Any impacts would be significantly outweighed by the benefit of continued community protection from dangerous drugs.

Who was consulted?

The potential impact on industry was considered when proposing the 26 substances for scheduling, with industry consultation being undertaken by QPS. QPS consulted with the 37 Queensland based chemical suppliers to seek their feedback on the proposed 26 chemicals. These chemical suppliers currently trade in other scheduled substances and are therefore undertaking EUD scheme requirements.

There were 10 responses received, with only one respondent confirming their trade in a substance proposed to be scheduled. This respondent confirmed the use/trade was infrequent and the requirement to complete an EUD was not a significant imposition.

Given the current use of the EUD scheme across chemical supply stakeholders, and the number of substances that require compliance with this scheme, the addition of further substances does not deviate from current policy or practice.

What is the recommended option and why?

It is recommended that schedule 6 and 8A of the DM Regulation be amended to include the proposed 26 substances and corresponding weights as the DM Regulation is the legislative framework to regulate substances of concern.


The impact on industry stakeholders is anticipated to be minimal given the reported low trade of the substances and the established EUD scheme. The requirement to comply with the EUD scheme is expected to assist law enforcement in identifying diversion of these chemicals and providing necessary avenues for prosecution. Together, this is anticipated to reduce to availability and accessibility of these substances to be diverted for dangerous drug manufacturing purposes.

Impact assessment

All proposals

	First full year	First 10 years
Direct costs – Compliance costs	Not assessed	Not assessed
Direct costs – Government costs	Not assessed	Not assessed

Signed


Sarah Cruickshank
Director-General
Department of Justice

Date: 8/4/26


Deb Frecklington MP
Attorney-General and Minister for Justice
and Minister for Integrity

Date: 15/4/26.