

**Submission
No 360**

**INQUIRY INTO IMPACT OF THE REGULATORY
FRAMEWORK FOR CANNABIS IN NEW SOUTH WALES**

Organisation: KAYF Industries Pty Ltd

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NSW Parliament Portfolio Committee No. 1
Impact of the regulatory framework for
cannabis in New South Wales
Submission by KAYF Industries Pty Ltd



Introduction

KAYF Industries welcomes the opportunity to present a submission to the Portfolio Committee No. 1 – Premier and Finance for the opportunity to provide input to the Inquiry into the impact of the regulatory framework for cannabis in New South Wales.

Kayf Industries is a subsidiary of Saleh Cannabis Industries Pty Ltd, which focuses on providing high quality medicinal cannabis as a wholesaler to pharmacists.

With growing demands for medicinal cannabis usage across Australia, KAYF has set up its operations in New South Wales, Victoria and Queensland.

We are a growing company that currently supplies over 100 pharmacists across these states, and are continuing to do so.

The medicinal cannabis industry is growing in demand, so it is essential that the regulatory framework of cannabis and its usage has both a practical and fair approach.

We thank the Honourable members for conducting this inquiry to find a suitable regulatory framework.



Background

Medicinal Cannabis was first legalised in New South Wales in 2016, with strict requirements on prescribing the product, as well as testing faculties.

Currently it can take up to 6 weeks for testing, which is an important part of any medicinal product - to ensure consumers are using the highest quality products.

This is an important first step towards establishing the usage of any kind of medicine.

We welcome this and are satisfied with that part of the framework.



Current Process Part 1

Currently in New South Wales, the process is quite convoluted for Medicinal Cannabis.

From us as the wholesaler to the consumer (patient), the product has to go through a rigorous means test.

Testing for products must comply with TGO 93 and TGO 100, a set of guidelines set by the Therapeutic Goods Administration [TGA].

These guidelines are important as stated earlier for quality control amongst Medicinal Cannabis, since most Cannabis is still imported from overseas.

Testing and manufacturing then takes place at a Good Manufacturing Practice (GMP) facility that regularly gets audited by the TGA.

After the GMP approves the batch of medicinal cannabis, companies can then start wholesaling, but only if another set of criteria are met.

This set of criteria regulates how Doctors and Pharmacists can prescribe and dispense medicinal cannabis.

But this is where it can get tricky for logistics and can overly burden the consumer that has been prescribed Medicinal Cannabis.

Starting with doctors that are TGA approved to prescribe medicinal cannabis, the doctors prescribe a brand of cannabis they find fits the patient's treatment plan.



Current Process Part 2

This is very different to current regulations for other schedule 8 drugs.

With treatment plans, consumers that take a doctors prescription to the pharamacy may be given a substitute brand if the Doctors prescribed brand is unavailable.

In the case of medicinal cannabis, if the brand in stock at the pharmacy, the consumer will need to either go to another pharmacy, or ask the Doctor to rescript for the brands that are available, which incurs an additional cost to the patient.

If the patient chooses to stay with the pharmacy they are familiar with, the product will then be ordered and can take up to 2 - 3 days to arrive for the patient, as medicinal cannabis cannot be stored on site in advance until a script is provided by the patient.

This means that unlike opioids and other schedule 8 medications, medicinal cannabis is not allowed to be stored in a pharmacy and has to be ordered as you go.

This means that the patient at times will have to wait 2-3 business days to receive their prescribed medication.

This is the current process that medicinal cannabis companies, pharmacists and patients have to work with.



Pharmacists

Currently, in New South Wales Pharmacists are steadily increasing their capacity to dispense medicinal cannabis, but it can come at a steep cost to their business.

In New South Wales, the average hourly rate for a pharmacist is around \$53.06.

Factoring in the wholesale purchase price for medicinal cannabis at around \$110.00, and the average time spent on inputting the correct data with the Medicare systems, including ordering products as per the current framework - product is then sold for an average rate of \$125.00.

This time versus cost rate is below average for any business management decision, identifying the current framework makes it difficult for pharmacists to be profitable.

This means that the principal pharmacist, who is running the business, has essentially lost time and money simply by following the process to dispense medicinal cannabis lawfully.



Objectives

1. We would like a simple change to the process, and allow for Pharmacists to be allowed under the current framework to pre--order product, and allow it for storage just like opioids and some other schedule 8 medications for them not be at a time loss when legally dispensing the medications.
2. We would also welcome regulation changes to allow for TGA approved Doctors to prescribe using the terms “or substitute” in order for the pharmacist to be able to substitute the brand for a different brand with the same THC/CBD level, in order to make this a less convoluted process for the patients and to put medicinal cannabis in line with other schedule 8 drugs.

Conclusion

We welcome any feedback, and appreciate the opportunity to provide input into the regulatory framework.



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