

Briefing for decision

Controlled drugs stocktake requirement in Misuse of Drugs Regulations

Date due to MO:	18 February 2026	Action required by:	N/A
Security level:	IN CONFIDENCE	Reference:	H2026078166
To:	Hon Simeon Brown, Minister of Health		
Copy to:	Hon Casey Costello, Associate Minister of Health		
Consulted:	Health New Zealand: ☐		
Proactive release:	This title is proposed by the Ministry of Health for proactive release: ☒		

Contact for telephone discussion

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Minister's office to complete:

- | | |
|---|--|
| ☐ Noted | ☐ Seen |
| ☐ Needs change | ☐ Withdrawn |
| ☐ See Minister's Notes | ☐ Overtaken by events |

Comment:

Briefing for decision

Controlled drugs stocktake requirement in Misuse of Drugs Regulations

Security level: IN CONFIDENCE **Date:** 18 February 2026

To: Hon Simeon Brown, Minister of Health

Purpose of report

1. This briefing provides advice about the controlled drugs stocktaking requirement in the Misuse of Drugs Regulations 1977.

Summary

2. Under the Misuse of Drugs Regulations 1977, pharmacists are required to conduct physical stocktakes of controlled drugs on specified dates, 30 June and 31 December, each year. Controlled drugs, including medicines such as opioids and sedatives, are subject to greater oversight due to the risks they pose if misused. Regular stocktakes are intended to ensure that controlled drugs are stored correctly and accounted for.
3. An Auckland Hospital pharmacist has written to you to highlight that this requirement imposes operational strain, especially in December when there is reduced staffing and high demand for pharmacy services.
4. The Ministry agrees the concern is valid. While the intent of the requirement remains sound, the current rule is overly prescriptive and does not reflect modern practice, including the widespread use of electronic controlled drug registers.
5. This could be addressed by one-off amendment to Regulation 43 of the Misuse of Drugs Regulations to either change the specified dates or allow pharmacists the flexibility to set their own six-monthly timetables. However, there are other provisions in these regulations that are outdated, paper-based and burdensome. We are scoping wider changes focused on addressing similarly problematic regulations.
6. We can provide a briefing on options to address this issue, and a process to amend the Misuse of Drugs Regulations. Or alternatively, we will consider these regulations as part of the Ministry's work on reviewing regulatory settings for efficiency and obsolescence. This advice will propose priority changes to regulation later this year.

Recommendations

We recommend you:

a) **Note** our advice that the stocktaking requirements in the Misuse of Drugs Regulations are overly prescriptive and change would be beneficial. **Noted**

b) **Note** there are other outdated requirements, and we can provide further advice on broader change options by 6 March 2026. **Noted**

c) **EITHER:**

Agree to amend regulation 43 of Misuse of Drugs regulations to address issues with controlled drug stocktaking requirements **Yes / No**

OR

Agree to seek advice on a range of outdated regulations that could be amended. **Yes / No**

d) **Note** that the Ministry will be reviewing regulatory settings for improvements and obsolesce this year. **Noted**



Allison Bennett
Group Manager, Health System Settings
Strategy & Policy
Date: 18/02/26

Hon Simeon Brown
Minister of Health
Date:

Controlled drugs stocktake requirement in Misuse of Drugs Regulations

Background

7. On 30 January 2026, s 9(2)(a) emailed you about stocktaking requirements under the Misuse of Drugs Regulations 1977. These regulations require that anyone holding controlled drugs, and a register must conduct stocktakes at the close of business on 30 June and 31 December each year.
8. Controlled drugs are used in medicine and research but carry risks if misused. The Misuse of Drugs Regulations require secure handling and allow exemptions for legitimate purposes.

Suggestion to amend stocktaking requirement is valid

9. s 9(2)(a) agrees with the intent of the requirement but highlights that "the fixed end-of-month schedule causes considerable operational difficulties in hospitals, especially during the end-of-year when staffing is lower and clinical needs are greater." She proposes changing the dates to 1 June and 1 December instead.
10. We agree with s 9(2)(a) that the required stocktaking timeframes can be demanding. Conducting physical stocktakes of controlled drugs on 30 June and 31 December creates extra pressure for those managing controlled drug registers, especially community and hospital pharmacies during busy periods.

The intent of the requirement is right but it is overly prescriptive

11. The requirement ensures that controlled drug registers are accurate and match physical stock, with any discrepancies explained within 14 days of stocktake. Medsafe audits licensed operators for compliance with the regulation as part of broader checks on oversight and stocktaking systems for controlled drugs.
12. While there is an ongoing need for a stocktaking requirement, in its current form the requirement is overly prescriptive and does not take into account modern electronic controlled drugs registers nor modern regulatory practices.

There are other outdated provisions in the regulations

13. There are other provisions in these regulations that are outdated, paper-based and burdensome. For example, aged care residential facilities have to manage controlled drugs differently for hospital-level care beds than with other beds. This creates confusion, especially as some beds will be hospital-level one day and not the next. These could also be updated through an amendment to the regulations.
14. We can provide you with some advice in two weeks on wider changes to the regulations to address identified issues. In any event, the Ministry will consider these issues as part of its broader review of outdated and inefficient regulation.

Options for progressing an amendment

15. Although the stocktaking requirement is a known challenge, it does not require immediate action. To address the stocktake concerns, a one-off amendment to regulation 43 of the Misuse of Drugs Regulations would be required.
16. If we were to make an amendment it provides an opportunity to include wider changes to the regulations focused on addressing similarly problematic regulations, for instance improving the labelling requirements for controlled drugs so they are easier for suppliers to comply with.

Next steps

17. Should you decide to proceed with amending the Misuse of Drugs Regulations we can provide advice on the process and timeframes.

ENDS.

PROACTIVELY RELEASED