



PENINGTON  
INSTITUTE

# Medicinal cannabis sales and regulatory enforcement

April 2026



# Drugs and the community

Like it or not, drugs are a part of every society.

It would be naive to think otherwise. And cruel to ignore it.

And, while we don't encourage drug use, there are other things that we will always encourage.

Understanding. Openness. Empathy. Communication.

Our default, as a society, has been to pour scorn on those who "use drugs" and judge them harshly by seeing their problems as self-inflicted.

Human beings are complex, and so is this issue. The reasons people use drugs, including alcohol and pharmaceuticals, are countless.

Risky behaviours are part of being human. We need to understand that, not condemn it.

Judging is easy. Helping is a bit more of a challenge. So, how do we rise to that challenge?

At Penington Institute, we believe in approaching drug use in a safe, considerate and practical way. We seek solutions, not scapegoats. We strive for positive outcomes, not negative stereotypes. We follow evidence and data, but we temper it with compassion and empathy, to create change for the better.

Our focus is on making individuals and families safer and healthier.

Our goal is simple: to help communities and frontline services reduce harm and to make public policy work for the people, not against them.

We won't ever give up on that goal, or the people it exists to serve. It is too easy to judge people who use drugs.

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## Executive Summary

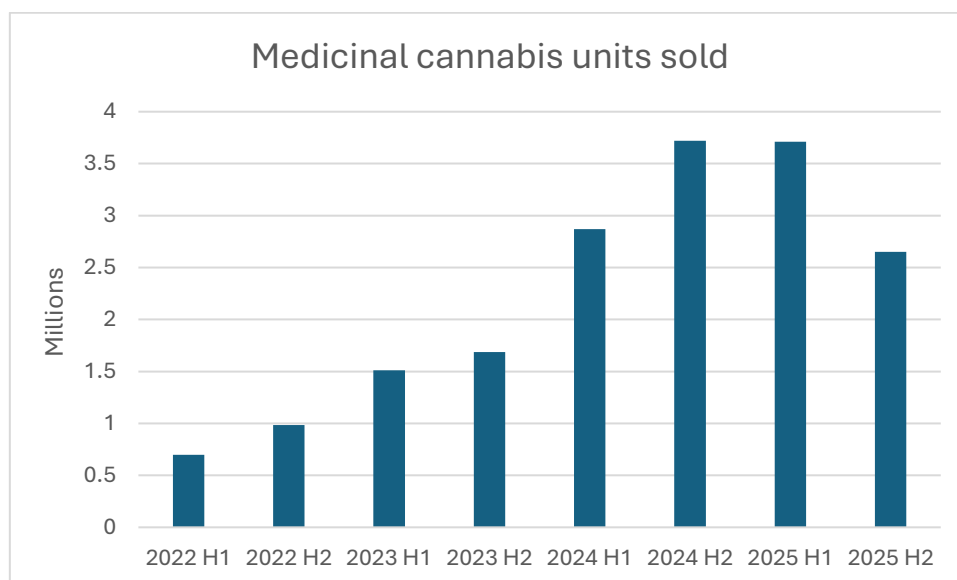
- Medicinal cannabis sales have dropped by nearly 30% in the past 6 months
- This decline is likely due to increased regulatory enforcement targeting high volume clinics and prescribers
- Regulators must protect patients from unscrupulous operators whilst also ensuring access to medicinal cannabis for people who benefit from this medicine.
- The new data suggests that governments should continue to focus on enforcement while avoiding regulations that could benefit illicit market suppliers.

## Medicinal cannabis sales trends

Medicinal cannabis was first regulated in Australia in 2016. The first decade of the medicinal cannabis regime has been marked by a consistently rising market, with a particularly sharp spike in sales volume in late 2023 and 2024.

However, Department of Health, Disability and Ageing data accessed by Penington Institute via a freedom of information request show that medicinal cannabis sales declined by 28.5% in the second half of 2025 compared to the first half of the year. This is the first significant decline in medicinal cannabis sales recorded in Australia under the existing framework.

**Figure 1:**



As Figure 1 indicates, medicinal cannabis sales peaked in the second half of 2024 at 3.72 million units<sup>1</sup> and plateaued at 3.70 million in the first half of 2025 before dropping to 2.65 million units in the second half of 2025.

## Policy context

There is important policy context underpinning this sharp shift in trend. Following the rapid acceleration in sales from 2023, Australia’s medicinal cannabis framework came under increasing scrutiny as evidence emerged that the rapid growth in patient access was driven by high-volume clinics focused solely on medicinal cannabis.

Some of these clinics have become notorious for prioritising profit over patient care. Companies have been found providing extremely brief clinical consultations, unlawfully advertising medicinal cannabis to the public, failing to take proper clinical histories or check real-time prescription monitoring systems, and structuring ‘closed loop’ business models where companies that own medicinal cannabis brands also operate clinics that prescribe their products.<sup>2</sup>

In 2025, in response to concerns raised by community members, regulatory agencies and some medical peak bodies about potential risks to patient health and safety, the Therapeutic Goods Administration (TGA) commenced a review of Australia’s medicinal cannabis patient access framework.

Penington Institute has repeatedly documented patient care issues linked to inadequate monitoring of compliance with regulations<sup>3</sup> and has highlighted the need for stronger and more coordinated enforcement to address unsafe practices.<sup>4</sup> In this context, the TGA review was welcomed as a means to “support confidence in medicinal cannabis products and the access pathways for patients”.<sup>5</sup> However, Penington Institute also cautioned against imposing overly restrictive limits on patient access, pointing to several considerations:

- the potential therapeutic benefits of medicinal cannabis for a substantial number of Australian patients
- the lack of clear evidence linking medicinal cannabis use to significant public health harms

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<sup>1</sup> A ‘unit’ is single container of a medicinal cannabis product, e.g. a single bottle of cannabis oil, or a single jar of cannabis flower.

<sup>2</sup> Penington Institute. 2024. [Cannabis in Australia 2024](#). Melbourne: Penington Institute; Penington Institute. 2025. [Cannabis in Australia 2025](#). Melbourne: Penington Institute.

<sup>3</sup> Ibid.

<sup>4</sup> Penington Institute. 2025. [TGA consultation: Reviewing the safety and regulatory oversight of unapproved medicinal cannabis products](#). Melbourne: Penington Institute.

<sup>5</sup> Ibid.

- the continued presence of a robust illicit cannabis market, which would likely act as a substitute for patients unable to access legal pathways

The TGA review remains ongoing, and as of early April 2026, no reform recommendations have been announced. In the absence of major policy changes to restrict access, the recent sharp decline in sales suggests that increased enforcement of existing regulations may already be addressing concerns around patient health and safety. Regulatory enforcement has strengthened in recent years, with examples including:

- the designation of medicinal cannabis importation, advertising and supply as a TGA compliance priority area in 2023,<sup>6</sup> followed by millions of dollars in fines issued to dozens of companies for non-compliance<sup>7</sup>
- the publication of new clinical guidance for healthcare practitioners involved in prescribing medicinal cannabis by the Australian Health Practitioner Regulation Agency (Ahpra) in July 2025<sup>8</sup>
- explicit warnings from Ahpra that healthcare practitioners were “on notice”, alongside reminders to prioritise patient wellbeing over profit<sup>9</sup>
- enforcement action by Ahpra against more than 50 medical practitioners, with many more under investigation as of mid-2025<sup>10</sup>

The speed of the late 2025 decline in sales indicates that recent enforcement actions are having an effect. It also suggests that policies directly targeting the most problematic aspects of the cannabis regime – namely, commercially driven high-volume prescribing – are the most effective means of protecting patients. Additional reforms currently being considered by the TGA, such as broad restrictions on patient access, should be approached cautiously, and the TGA must incorporate evidence on changing care practices into its review.

Regulators should also maximise opportunities to safeguard patients by enforcing existing rules more rigorously. A clear example is product compliance testing. Australian quality standards apply to all medicinal cannabis products, yet the TGA does not verify compliance before products reach patients. Only limited, risk-based testing is conducted on a post-market basis,<sup>11</sup> and the TGA does not publish data on these activities. Inconsistent application of standards exposes patients to the risk of low-quality products, particularly given Australia’s growing reliance on imported cannabis,

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<sup>6</sup> TGA. 2025. [Import, Advertising and Supply Compliance Priorities 2023-25](#).

<sup>7</sup> Penington Institute. 2025. [Cannabis in Australia 2025](#). Melbourne: Penington Institute.

<sup>8</sup> Ahpra. 2025. [Medicinal cannabis prescribing](#).

<sup>9</sup> Ahpra. 2025. [Guidance on medicinal cannabis prescribing targets unsafe practice](#).

<sup>10</sup> Elise Worthington and Celia Edmonds. 2025. [“AHPRA takes action against more than 50 practitioners in medicinal cannabis crackdown” ABC News](#) 9 July 2025.

<sup>11</sup> Penington Institute. 2025. [Cannabis in Australia 2025](#). Melbourne: Penington Institute.

which accounted for nearly two-thirds of flower volume in 2024.<sup>12</sup> Some countries of origin maintain lower regulatory standards than Australia, and in April 2024 the TGA confirmed that no tests had been conducted on imported products in the previous 12 months.<sup>13</sup>

## Conclusion

Protecting Australian medicinal patients requires regulators to enforce appropriate rules effectively. Evidence indicates that, amid the rapid growth of the sector, commercially driven structures and associated high-volume prescribing have been the weakest points in safeguarding patient wellbeing. The recent increase in regulatory compliance and enforcement represents a positive development and is likely a key factor in the observed decline in medicinal cannabis sales in late 2025. Penington Institute urges regulators to protect patients by maintaining rigorous enforcement of existing regulations.

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<sup>12</sup> Penington Institute. 2025. [Cannabis in Australia 2025](#). Melbourne: Penington Institute.

<sup>13</sup> Tyrone Dalton and Else Kennedy. 2024. "[Imported medicinal cannabis sold without testing for Australian standards, industry warns](#)" ABC News 9 April 2024.