

## **DRAFT SECOND READING SPEECH**

**HON. JEREMY ROCKLIFF MP**

### ***Industrial Hemp Bill 2015***

*\*check Hansard for delivery\**

Madam Speaker, I move that the Bill now be read a second time.

The *Industrial Hemp Bill 2015* delivers simple, common-sense regulation to Tasmania's industrial hemp industry.

The expansion of our fledgling industries is critical to growing agriculture in Tasmania. As highlighted in our plan *Cultivating Prosperity in Agriculture*, we are cutting red tape so that our farmers can capitalise on Tasmania's natural advantages.

Industrial hemp has the potential to be an important crop for the State. Fibre can be extracted from the stem, and oil from the seeds, for a variety of purposes, including textiles, paper, fuel and stock feed.

The production of industrial hemp is not new to Tasmania. Industrial hemp crops have been grown here since 1991. However, the industry has been stifled by over-regulation.

Industrial hemp is currently regulated under poisons legislation, even though it has no value as either a medicinal or recreational drug. Growers are required to comply with stringent licensing conditions that are disproportionate to the risk that industrial hemp crops pose to the Tasmanian community.

As long as industrial hemp is regulated under poisons legislation, its value as an agricultural crop will not be fulfilled. The current regulation is a barrier to growth of the industry.

In 2013, the House of Assembly Standing Committee on Environment, Resources and Development, of which I was a member, conducted an inquiry into the industrial hemp industry.

*The House of Assembly Inquiry into the Tasmanian Industrial Hemp Industry (Report No. 1 of 2013)* made findings that the industrial hemp industry was burdened by over-regulation.

The Inquiry identified the need for special purpose legislation to remove regulatory impediments to growth, and recognise industrial hemp as an agricultural crop.

The Government has heard these concerns. This Bill establishes a simple licensing scheme for the cultivation of industrial hemp in Tasmania. It will:

1. Cut red tape to support industry growth;
2. Recognise industrial hemp as an agricultural crop; and
3. Not compromise enforcement of illicit cannabis.

Before discussing the detail of the Bill, there are two matters on which I would like to reassure the House.

First, I wish to emphasise very strongly that this Bill in no way condones the use of illicit cannabis. Supporting commercial production of industrial hemp has no bearing on the argument to legalise cannabis for medicinal purposes, or any other purpose.

Yes, the Government supports the medicinal cannabis clinical trials being led by NSW, but this matter is outside the scope of this legislation.

Second, the Government recognises that there are legal concerns associated with growing industrial hemp that must be addressed.

While industrial hemp approved for growing under the provisions of this Act has no value as a drug, it is visually indistinguishable from illicit varieties of cannabis. Appropriate regulatory

controls must be in place to ensure that the expansion of the industrial hemp industry does not compromise Tasmania Police's ability to enforce illicit cannabis use.

The Bill, which has been developed in consultation with Tasmania Police, establishes a strong regulatory framework that will support expansion of the industrial hemp industry without compromising or hindering drug law enforcement.

This leads me to the detail of the Bill.

Industrial hemp is defined in the Bill as cannabis that has a concentration of delta-9-tetrahydrocannabinol of no more than 1%.

Delta-9-tetrahydrocannabinol, commonly referred to as THC, is the psycho-active component of cannabis. A plant with a THC content of 1% has no psychoactive effects and could not be used as a recreational drug.

The 1% threshold proposed in the Bill is consistent with other jurisdictions, which will facilitate transfer of plant material.

The Bill will enable research in, cultivation and supply of industrial hemp in accordance with a licensing scheme to be administered by the Secretary of the Department of Primary Industries, Parks, Water and Environment.

The purpose of the licensing regime is not to restrict the number of participants in the industry. Rather, it is to enable industrial hemp crops to be easily differentiated from illicit cannabis varieties. This will enable effective and efficient law enforcement.

Cannabis varieties which exceed the maximum allowable threshold will continue to be administered under poisons legislation - either the *Poisons Act 1971* or the *Misuse of Drugs Act 2001*.

All jurisdictions that allow for the growing of industrial hemp do so under a licensing model.

The Tasmanian Government has looked at how these models operate in other jurisdictions to refine our own system.

An industrial hemp licence can be granted for a variety of purposes, including commercial production, food production, manufacturing and scientific research.

Identifying food production has Tasmania best placed to take advantage of the potentially lucrative new market for hemp as food, should the Federal Government lift its current ban. The Hodgman Liberal Government is a long-time advocate for the use of industrial hemp in food products, as it presents a huge opportunity for our farmers.

The introduction of a research licence is also widely supported by industry, as a means of enabling industry growth.

Further, the Bill introduces a special licence for research into varieties of cannabis that exceed the 1% THC threshold. This will allow broader research into the use of industrial hemp as a commercial fibre and seed crop. It also supports the development of new or improved strains of industrial hemp.

The Secretary is required to consult with the Minister administering the Poisons Act before issuing a special licence.

The reason for requiring consultation is a safeguard. Research licences for cannabis can currently be issued under poisons legislation. The requirement for consultation ensures that any research licence will be issued under the correct legislation, and mitigates any risks to drug law enforcement.

Having outlined the licences, I will now focus on the detail of the licensing scheme.

The core licensing and regulatory requirements under the Poisons Act will be retained in the Bill, albeit simplified, to ensure the continued effectiveness of enforcement activity. The Bill also clarifies some existing policy measures in statute around licence terms and conditions to give industry the certainty to grow.

I will deal with these matters in turn.

The licensing and regulatory requirements carried over under the new legislation include:

- the requirement to hold a licence to cultivate or supply industrial hemp;
- police checks;
- annual reporting of crop details; and
- crop testing to verify THC levels.

These requirements are standard across all jurisdictions to mitigate the risk of industrial hemp being used as a cover for illicit cannabis production.

The Bill also retains provision to charge a fee for industrial hemp licences. At present, licence fees are not charged. It is not intended to immediately introduce a licence fee with this legislation. A separate consultation process will be undertaken prior to the introduction of any licence fees.

Further, the Bill provides for the continued sharing of compliance activities between the Poppy Advisory and Control Board and Tasmania Police through the establishment of an inspectorate.

The Board's role in undertaking compliance is based on reducing licensing costs for industry as the Board already undertakes crop testing for the poppy industry. Association with the Board will not undermine industrial hemp's status as an industrial crop - it is about cost-saving. The Board has the expertise, facilities, and officers to undertake testing and compliance activities.

Now to policy.

The Bill clarifies measures to streamline licensing that were implemented prior to and independent of the development of the Bill. These include extending the licence period from one to five years, and increasing the THC threshold from 0.35% to 1%.

These changes have reduced the regulatory burden on industry. Setting these requirements out in the legislation provides certainty for industry that changes to licensing obligations will only be possible through legislative amendment, not ministerial discretion

Specific detail regarding the operation of the licensing regime will be contained in supporting instruments, namely regulations and guidelines. These instruments will be developed in consultation with the key stakeholders.

The Bill, itself, is the result of extensive consultation with the Industrial Hemp Association of Tasmania, the Tasmanian Farmers and Graziers Association and, as previously mentioned, Tasmania Police.

The Industrial Hemp Association of Tasmania has been instrumental in getting this Bill off the ground.

This Bill provides the correct regulatory environment for the industrial hemp industry to fulfil its potential.

Madam Speaker, the Government fully supports the introduction of this Bill.

I commend this Bill to the House.