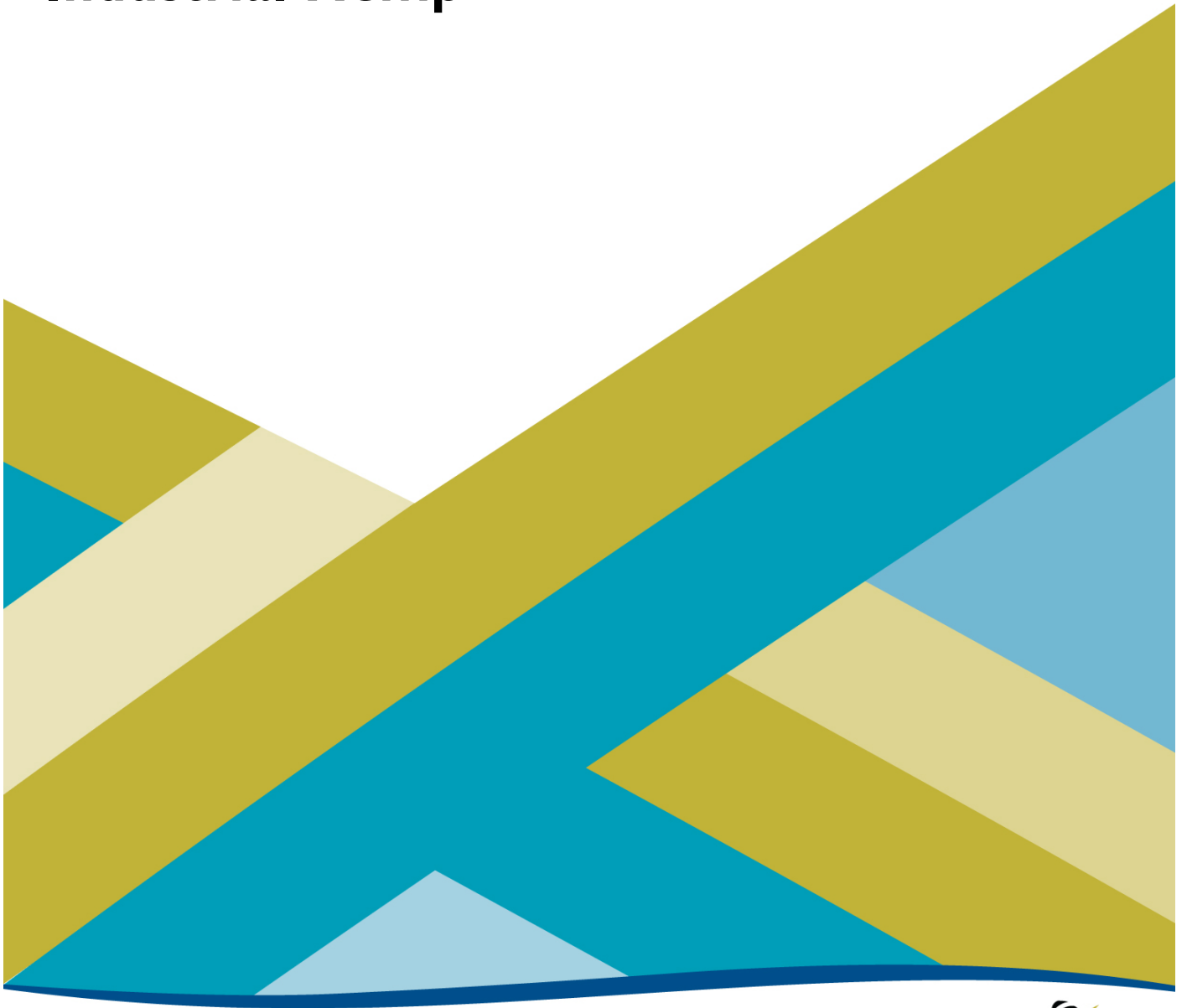


# Report to the Minister on the Options for Future Management of Industrial Hemp



AgriGrowth Tasmania  
Department of Primary Industries, Parks, Water and  
Environment  
Version: October 2014 - Report

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## 1. Overview

On 25 July 2014 the Minister for Primary Industries and Water requested that AgriGrowth Tasmania report on ways to reduce red tape and simplify the regulation of the industrial hemp industry in Tasmania, as a means of supporting expansion of the industry.

This request included the development of a response to the recommendations of the 2012-13 House of Assembly *Inquiry into the Industrial Hemp Industry in Tasmania*. This Report has been compiled by AgriGrowth Tasmania in collaboration with an inter-departmental committee comprising staff from the Departments of Health and Human Services, Police and Emergency Management, Justice and State Growth – and with input from key industry stakeholders including the Industrial Hemp Association of Tasmania (IHAT), Tasmanian Farmers and Graziers Association (TFGA) and Poppy Growers Tasmania.

This Report responds to the Minister's direction and details the current regulatory environment and potential future regulatory options to reduce barriers to industry participation.

## 2. Background

### 2.1 Industrial Hemp Industry

*Cannabis* plants vary in the level of delta-9-tetrahydrocannabinol or THC (a psychoactive substance) they contain. Varieties grown for illicit drug use have been cultivated to maximise THC levels. *Cannabis* plants grown for oil and fibre usually contain low levels of THC. For the purposes of this document low THC *Cannabis sativa* will be referred to as industrial hemp. In Tasmania, the commercial production of industrial hemp is presently controlled under the *Poisons Act 1971*.

### 2.2 International Obligations / Treaties

Australia is a party to the following three United Nations treaties which directly refer to international drug controls:

- Single Convention on Narcotic Drugs, 1961
- Convention on Psychotropic Substances, 1971
- United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988

### 2.3 Commonwealth Legislation

The Australian Government undertakes import controls of industrial hemp under the *Customs Act 1901*. The National Standard for the Uniform Scheduling of Medicines and Poisons (SUSMP) includes the genus *Cannabis* as a 'Prohibited Substance', except as processed hemp fibre containing 0.1 per cent or less of THC and products manufactured from such fibre. All Australian jurisdictions adopt the SUSMP into their relevant legislation.

Hemp seed oil may be used in Australia for topical applications but is currently prohibited for human consumption by Food Standards Australia and New Zealand (FSANZ), under the Food Safety Code Standard 1.4.4. This is therefore a requirement under a Commonwealth regulatory framework. FSANZ is currently reviewing this prohibition (see FSANZ website). The Tasmanian Government supports the use of industrial hemp products in food.

All States, with the exception of South Australia, allow the cultivation and or processing of industrial hemp under a licensing and/or authorisation process.

## 2.4 Tasmanian Legislation

In Tasmania, there are two key Acts relating to the production of industrial hemp: (i) the *Poisons Act*, which regulates the production and processing of industrial hemp; and (ii) the *Misuse of Drugs Act 2001*, which gives police the ability to prosecute those cultivating *Cannabis* without the appropriate licences.

### *The Poisons Act 1971 (Tas)*

The *Poisons Act 1971* defines 'Indian Hemp' (described as including any plant or part of a plant of the genus *Cannabis*) as a "prohibited" plant. The growing of a prohibited plant is not permitted except in accordance with a licence granted by the Minister responsible for the Act.

Section 52 of the *Poisons Act* allows the Minister to grant a licence to grow or cultivate a prohibited plant.

Indian hemp seed is listed in Schedule 8 of the Tasmanian *Poisons List*. This listing allows licences to be issued to obtain seed, to grow crops and for the harvested seed to be held by licensed manufacturers or wholesalers. The licensee can then grow and trade industrial hemp seed and products as permitted by legislation and licence conditions. Tasmania allows the growing of leaf and plant material containing up to 0.35 per cent THC (dry weight), under its licensing conditions.

The seed is no longer restricted under the *Poisons Act* and Regulations once it is subjected to a process that causes its denaturation e.g. dehulling, and is below the specified level of THC (50mg/kg), although it cannot be used for human consumption. Similarly, once the oil is below the required 50 mg/kg THC content it is also exempt.

The remaining product (fibre) of a low THC crop is not subject to any restrictions or scheduling once the seed is removed, and can be used for any products that the grower wishes.

There is no guarantee that certified seed planted for industrial hemp will, on every occasion, grow a 100 per cent low THC crop (below 0.35 per cent), therefore the level of THC must be determined through appropriate testing.

### *Misuse of Drugs Act 2001*

The *Misuse of Drugs Act* provides for the control of substances and plants identified in the Act and imposes significant penalties for the trafficking of Controlled Plants. *Cannabis sativa* is listed as a Controlled Plant, and criminal penalties apply under the Act. *Cannabis* comprises both high and low THC varieties.

The *Misuse of Drugs Act* does not affect any provisions made by or under the *Poisons Act* or render unlawful anything done in accordance with any such provision (section 4). Thus if a person is licensed to grow industrial hemp, the *Misuse of Drugs Act* does not apply to the approved crop.

### 3. Inquiry into the Tasmanian Industrial Hemp Industry

On Wednesday 14 March 2012 it was resolved that the House of Assembly Standing Committee on Environment, Resources and Development would conduct an inquiry into the Tasmanian Industrial Hemp Industry.

A whole-of-government submission was prepared in response to the Terms of Reference for the Inquiry, with each Agency addressing issues pertinent to its area of responsibility in relation to industrial hemp.

The *Inquiry into the Tasmanian Industrial Hemp Industry Report No.1 of 2013* was tabled in the House of Assembly on 17 October 2013.

#### 3.1 Recommendations

The Report contained nine recommendations as listed below. A summary table of the findings and recommendations is included in Chapter 5 of the Report.

- 1. The Committee recommends that the State Government lobby the Legislative and Governance Forum on Food Regulation for the removal of the ban on the use of low THC hemp in food.*
- 2. The Committee recommends that a simpler regulatory regime be introduced, for example, one that is a notification/registration system, where a grower simply registers on a database where and when the grower intends to grow a low THC industrial hemp crop, and pays a levy to cover the costs of random testing of industrial hemp crops for THC levels.*
- 3. The Committee recommends, as part of a new, streamlined notification/registration system, that restrictions on where industrial hemp crops can be grown be removed.*
- 4. The Committee recommends that the Department of Primary Industries, Parks, Water and Environment be given responsibility for regulating the industry.*
- 5. The Committee recommends that the allowable THC content in grown material in Tasmania should be 1%, from hemp seed certified to produce plants with no more than 0.5% THC.*
- 6. The Committee recommends that there should be a consistent THC threshold for low THC industrial hemp across all Australian jurisdictions, that being the upper limit of 1% in grown plant material, grown from seed stock certified to produce plants containing no more than 0.5% THC content.*

7. The Committee recommends that low THC industrial hemp (that is industrial hemp containing not more than 1% THC) should be removed from regulation under the Poisons Act 1971 and should not be subject to the Misuse of Drugs Act 2001.

8. The Committee recommends that low THC industrial hemp that meets or is below the allowable THC threshold should not be regulated under the Poisons Act 1971 and should not be subject to the Misuse of Drugs Act 2001.

9. The Committee recommends that the State Government investigate (as part of the simplified grower notification/registration system recommended above) the potential of a simpler testing regime, whereby growers pay a small levy to fund the random testing of a percentage of the total Tasmanian industrial hemp crop.

## 4. Present Situation

### 4.1 Industry Profile

The restriction on the consumption of hemp seed and hemp seed oil presents a major barrier to further development of the industrial hemp industry in Tasmania.

A sustainable and viable industrial hemp industry would most likely need to focus on the delivery of premium grade hemp seed and hemp seed oil products for human consumption in Australia. At present the market is limited to supplying products for topical use only, and is competing against low quality, low cost imported products.

In 2012-13 approximately 60 ha of industrial hemp was grown by four licensed growers. In 2013-14 there were 11 licensed growers who harvested approximately 100 ha. The yield of clean and dried seed harvested in 2013-14 varied from a low of 600 kg / ha to a high of 1,300 kg/ha.

Industry sources are anticipating that the crop area will double to around 200 ha for the 2014-15 season.

### 4.2 The Need for a Regulatory System

All Australian States and Territories manage the industrial hemp industry via a licensing system.

Currently all growers and processors of industrial hemp in Tasmania need to be licensed, and all crops must be tested to ensure they conform to the THC threshold of 0.35 per cent. This threshold provides a clear boundary between what is legal and what is not. The *Poisons Act* and the *Misuse of Drugs Act* enable these limits to be enforced.

*Cannabis sativa* comprises both the high and low THC varieties. Many of the *Cannabis* varieties are visually indistinguishable from each other, meaning that laboratory testing is required to determine the level of THC.

Advice from the Department of Police and Emergency Management (DPEM) is that if licensing (or some other alternate regulatory regime) of industrial hemp crops were no longer required, all *Cannabis* material, irrespective of the quantity, would need to be laboratory tested to determine its legality, resulting in both a significant cost to the grower, and an onerous burden on the justice

system. It is also the view of the DPEM that the licensing and regulatory requirements of the industrial hemp industry should not compromise the implementation of an effective public safety program addressing the illegal use of high (i.e. >0.35 per cent) THC hemp products.

IHAT is supportive of the State retaining a licensing system for growers, wholesalers and manufacturers of industrial hemp (albeit streamlined), as is required in other jurisdictions. This will ensure industry compliance and allow product provenance to be determined, which is especially relevant if the industrial hemp industry is to focus on the higher value markets for seed and seed oil for human consumption.

In addition IHAT recommends the inclusion of a further licence which allows for authorised scientific research to be undertaken using *Cannabis* seed and plant material that may not conform to the industrial hemp THC maximum thresholds.

There thus appears to be a strong case for maintaining a regulatory regime to ensure the continued effectiveness of the policing of the illicit drug *Cannabis*. There is, however, scope to consider alternative regulatory regimes that can support the continued development of the industrial hemp industry in Tasmania.

#### **4.3 The Current Licensing and Regulatory Regime**

The industrial hemp licensing and regulatory regime in Tasmania is managed under the *Poisons Act* by the Department of Health and Human Services (DHHS), as outlined in section 2.4 above.

A licence to cultivate low THC hemp requires the completion of a one page application form and police clearance (See APPENDIX 3 and 4). Currently DHHS does not charge for the issuing of growers' licences under Section 52 of the *Poisons Act*. A licence to wholesale, or to manufacture a narcotic (Schedule 8) substance, attracts a fee of \$88.80 and \$518 respectively.

The *Misuse of Drugs Act* gives police the ability to prosecute those cultivating, in possession of, or using *Cannabis* without the appropriate licence. As noted, the Act does not apply to industrial hemp licensed under the *Poisons Act*.

#### **4.4 Recent Initiatives - Guidelines for the production of industrial hemp in Tasmania**

AgriGrowth Tasmania, in collaboration with DHHS and DPEM and industry stakeholders including IHAT, has reviewed and revised the *Guidelines for the Production of Industrial Hemp in Tasmania*.

The Minister for Primary Industries and Water launched the new Guidelines on 25 July 2014 with IHAT's president, Phil Reader.

See: [Guidelines for the production of Industrial Hemp in Tasmania](#)

#### **4.5 Industrial Hemp / Medicinal Cannabis**

Whilst industrial hemp and medicinal *Cannabis* are both sourced from the same plant *Cannabis sativa*, there are vast differences in the specific plant varieties that are grown to provide the raw materials for these two distinct end uses.

*Cannabis sativa* contains around 80 unique compounds called cannabinoids, the most commonly recognised being the psychoactive compound THC. The THC levels of *Cannabis sativa* can range from zero to more than 25 per cent depending on the species being grown.

In Tasmania industrial hemp refers to those species of *Cannabis sativa* that contain less than 0.35 per cent THC. Medicinal *Cannabis* is usually cultivated in environmentally controlled indoor environments so as to produce very specific cannabinoid profiles that often contain extremely high levels (25 per cent or more) of THC.

It is conceivable that specific medicinal properties may be found in the low THC varieties of industrial hemp, due to the effects of non-THC cannabinoids. In that event, if such varieties are then grown for medicinal or pharmaceutical purposes, the *Poisons Act* and the legislative regulations covering the manufacturing of pharmaceutical products would still apply.

It is vitally important that a clear distinction is maintained between these two industry sectors in the design of any proposed licensing and regulatory mechanisms.

## 5. Regulatory Options

The Department considers that there are four options for delivering a simplified and sensible regulatory regime that meets legislative requirements, is practical, and importantly continues to enable the effective policing of the illicit *Cannabis* drug.

### 5.1 Regulation under the *Poisons Act* with simplified licence conditions and processes

The current licensing regime as outlined above could be continued, albeit with modifications to simplify and streamline both the licensing requirements and licence terms and conditions.

Industrial hemp growers are required to meet 23 licence terms and conditions; a corresponding licence to grow poppies contains 25 terms and conditions. The poppy processing companies take responsibility for compliance with many of these requirements - including provision of seed, sowing, harvesting, transport and storage and the perception is that individual industrial hemp growers are being far more regulated than poppy growers.

In other words, whereas in the poppy industry the processing companies take responsibility for many of the regulatory and licensing requirements, in the absence of a mature industrial hemp industry the growers have to meet these obligations themselves.

**Proposal:** Amendments to simplify and streamline the licence requirements and terms and conditions could be undertaken by the DHHS as the responsible authority for administering the *Poisons Act* and could include the immediate introduction of a three year licence for growers. Other jurisdictions (Victoria, Western Australia and the Australian Capital Territory) have a three year grower's licence whilst New South Wales allows for a five year licence period. A three year licence would align with the proposal in the Ramsay review to introduce three year licences for the cultivation of poppies.



The following arrangements would apply:

- An initial inspection of the property by Tasmania Police (at its discretion) to assess any particular risks;
- A simple notification of planting each year; and
- A condition that states that the licence may be revoked if there is non-compliance with its conditions during the term of the licence.

Licences could initially be issued under the *Poisons Act* and administered by DHHS. AgriGrowth Tasmania and the DHHS would also work with the IHAT to determine whether any further reforms to the current licence conditions need to be incorporated into the new regulatory regime.

Issues to Consider:

- Industrial hemp carries a low public health risk as long as a thorough licensing regime is applied.
- The regulatory environment for industrial hemp can be quickly improved with no need for a change to existing legislation.
- Revision of the maximum allowable THC threshold in line with recommendation No 5 of the *Inquiry into the Tasmanian Industrial Hemp Industry* report. *The Committee recommends that the allowable THC content in grown material in Tasmania should be 1%, from hemp seed certified to produce plants with no more than 0.5% THC.* It is noted, however, that IHAT consider that a change in the maximum THC threshold from 0.35 per cent to 1.0 per cent is not imperative to the success of the Industrial Hemp industry.
- The continuation of the current regulatory regime will not reduce the number of Government departments involved in the regulation of the industrial hemp industry and will not meet recommendation No 4 of the *Inquiry into the Tasmanian Industrial Hemp Industry* report. *The Committee recommends that the Department of Primary Industries, Parks, Water and Environment be given responsibility for regulating the industry* (refer to section 3.1).

## 5.2 Minister for Health – Delegation of Responsibility to DPIPWE

The Minister for Health and Human Services is responsible for all matters relating to the *Poisons Act*, with the exception of the Poppy Advisory and Control Board (PACB) which is the responsibility of the Attorney-General/Minister for Justice.

The on-ground regulation of the industrial hemp industry involves cooperation between a number of State Departments. DHHS provides licences to import, grow, manufacture and process industrial hemp; Tasmania Police undertakes police checks and a grower site security inspection; and the Department of Justice, via the PACB, undertakes the testing of all crops prior to harvesting and additional random sampling.

**Proposal:** The Minister for Health and Human Services could delegate relevant responsibilities under the *Poisons Act* to the appropriate office or position in DPIPWE. The *Primary Produce Safety Act 2011* creates the position of Chief Inspector of Primary Produce Safety who is responsible for administering the Act's producer accreditation, auditing and certification system. This would appear to be the most appropriate framework within DPIPWE for the issue of licences for the growing of industrial hemp.

DPIPWE could work with industry on reducing the administrative requirements in licence conditions, as identified in 5.1.

Issues to consider:

- For the Minister for Health to delegate responsibilities to an agency outside the Department of Health and Human Services would require an amendment to section 24 of the *Poisons Act*. It is noted that amendment of the Act for this purpose will anyway be necessary if delegations for the approval of growing of poppies are transferred to the PACB as recommended by the Ramsay Review.
- DPIPWE does not have experience in the licensing of materials such as industrial hemp, and would need to develop a knowledge base. The Minister for Health may have concerns about a delegation to a person without experience in licensing of poisons.
- This option would partially meet recommendation No 4 of the *Inquiry into the Tasmanian Industrial Hemp Industry* report. *The Committee recommends that the Department of Primary Industries, Parks, Water and Environment be given responsibility for regulating the industry.*
- Stakeholder concerns that low THC Hemp is managed and licensed under the *Poisons Act* would not be allayed under this model.

### 5.3 Specific Purpose Legislation

The West Australian (WA), New South Wales (NSW) and Australian Capital Territory (ACT) Governments have specific purpose legislation for regulating the industrial hemp industry. The Victorian (VIC), Queensland (QLD) and Northern Territory (NT) Governments have provision within their respective Drugs, Poisons and Controlled Substances Acts that allow the cultivation of industrial hemp under licence. The South Australian Government does not allow the commercial cultivation of industrial hemp.

All jurisdictions that permit the cultivation or processing of industrial hemp have a licensing requirement which is primarily administered by the following departments: WA – Department of Agriculture and Food; NSW – Department of Primary Industries; ACT – Director General; VIC – Department of Human Services; Qld – Department of Agriculture Fisheries and Forestry; and NT – Department of Attorney General and Justice.

**Proposal:** Develop specific purpose legislation - with provisions linking it to the *Poisons Act* and the *Misuse of Drugs Act* - administered by DPIPWE.

*Cannabis* would need to remain controlled under both the *Poisons Act* and the *Misuse of Drugs Act*. An appropriate mechanism for proving that industrial hemp is not subject to these Acts would need to be determined.

Issues to consider:

- New legislation would still require a licensing regime.
- Stakeholder concerns that industrial hemp is managed and licensed under the *Poisons Act* would be allayed. This option would meet the recommendation No 4 of the *Inquiry into the Tasmanian Industrial Hemp Industry* report: *The Committee recommends that the Department of Primary Industries, Parks, Water and Environment be given responsibility for regulating the industry.*

- The scope of the legislation would need to be clearly defined and relate specifically to the cultivation, wholesaling and processing of industrial hemp for fibre, food and cosmetics.
- Legislation would also need to accommodate a research licence to allow for approved research to be undertaken on *Cannabis sativa* varieties which contain THC levels above the maximum allowable cultivation and manufacturing threshold.
- While specific purpose legislation could enable the streamlining of regulatory requirements, any regulatory regime still comes at a cost to industry. Other jurisdictions with specific purpose legislation have higher costs to administer their Acts than Tasmania. For example, the WA licensing requirements are more onerous than Tasmania's, and grower costs are high – the application for a licence is \$650, renewal of a licence is \$260, and inspection and sampling costs are \$137 per hour plus on-costs (see APPENDIX 3). There is currently no charge for obtaining a growers licence in Tasmania. Thus how the new legislation would be developed and implemented in Tasmania will determine the reduction or otherwise of the regulatory and cost burden. Cooperation with other Agencies would be critical to enable cost effective implementation.
- There is currently no fee charged for administering and issuing of licences to grow industrial hemp. Whilst the cost burden is manageable with the very limited number of licences currently being written (11 were issued in 2013), consideration of some form of user pays fee system will be required should the industry expand.
- To reduce the costs to industry of introducing a new regulatory regime, an agreement to retain crop sampling by PACB field staff would be required. If crop sampling was to be transferred to DPIPW then there would be a requirement for staffing and training, and an associated budget component or the introduction of a cost recovery fee-for-service.
- In addition to the development and parliamentary approval of any new legislation there would also need to be amendments to the *Poisons Act* and the *Misuse of Drugs Act*.

#### 5.4 Regulation by the PACB

The *Review of the Tasmanian Poppy Industry Regulation* report (the Ramsay Review) recommends that the *Poisons Act* be amended to accommodate the changing roles and functions of the PACB. The adoption of this recommendation would provide an opportunity to include the industrial hemp industry under the responsibilities of the PACB.

**Proposal:** The regulation of the industrial hemp industry could be placed within the remit of the PACB as an outcome of the implementation of the review into the PACB's roles and functions as recommended in the 2013 *Review of the Tasmanian Poppy Industry Regulation report* (John Ramsay and Associates, May 2013). This would require the Attorney-General's agreement.

The advantage of this option is that the PACB already has the administrative processes in place to regulate the cultivation and processing of prohibited plants, meaning there would be an alignment between the processes for licensing industrial hemp and poppy growers. In addition, new industries involving the cultivation and/or processing of prohibited plants could be added to the PACB's responsibility under its delegated authority.

Expanding the role of the existing PACB to incorporate the industrial hemp sector could streamline the regulatory process and reduce red tape by combining the two separate regulatory processes under a single responsible authority.

Issues to consider:

- Simplification of legislation, regulation and compliance as both the poppy and industrial hemp sectors would be managed by the one agency.
- PACB field officers would continue to undertake the compulsory testing of all industrial hemp crops.
- Adopting this option would complicate the funding of this regulatory activity. Applying a funding mechanism equitably across these two discrete industries may be problematic.
- In the mature poppy industry the manufacturers undertake on behalf of the industry a number of important responsibilities. In the absence of an established industrial hemp manufacturing sector these responsibilities would initially need to be undertaken by the growers, or a responsible authority such as the DPIPWE.
- Should industrial hemp be approved as a food then both the *Primary Produce Safety Act 2011* (DPIPWE) and the *Food Act 2003* (DHHS) could be involved in the production and processing supply chain.
- IHAT has indicated that it does not want the industry being aligned or associated with the poppy industry as it is keen to dissociate industrial hemp from any reference to drugs.

## 5.5 Consultation

Appropriate and timely consultation with key stakeholders has been a priority at all times in the development of this report. Information, knowledge and advice have been actively sought from the Inter-departmental committee and industry participants so as to ensure that the options proposed are a sensible, appropriate and practical, and take into account the key requirements of meeting legislative responsibilities, practical on-ground application, and the needs of law enforcement.

There has been regular communication with both the inter-departmental committee members and with key personnel within the relevant Departments.

Staff from AgriGrowth Tasmania attended, met with members, and presented to IHAT's Annual General Meeting on 29 July 2014. In addition, meetings and discussions have been held with representatives from IHAT (Phil Reader - President), Tasmanian Farmers and Graziers Association (Jan Davis - CEO) and Poppy Growers Tasmania Incorporated (Keith Rice - CEO).

There is in-principle support from the key stakeholder groups that there needs to be a streamlining and simplification of the licensing system. Their view is that the establishment of specific purpose legislation covering the Tasmanian industrial hemp industry would be an appropriate and practical outcome. The TFGA considered the PACB option a potential way forward as long as reforms to the PACB were implemented.

Members of the inter-departmental committee and the key stakeholders (as noted above) would be available to participate in the ongoing development of whatever future licensing and regulatory mechanisms is approved by the Government.

## 6. Findings

### 6.1 Improving the current licensing system

The Department finds that there is an opportunity to improve the current licensing system. The Government could introduce a three year licence for growers with the following arrangements:

- An initial inspection of the property by Tasmania Police (at their discretion) to assess any particular risks;
- A simple notification of planting each year; and
- A condition that states that the licence may be revoked if there is non-compliance with its conditions during the term of the licence.

Licences would initially be issued under the *Poisons Act* and administered by DHHS.

### 6.2 Maximum THC Thresholds

The *Inquiry into the Industrial Hemp Industry in Tasmania* recommended the maximum threshold for THC levels be increased from 0.35 to 1.0 per cent. DPEM, Justice, DHHS, and State Growth at officer level noted that a change in licence conditions could be made without impacting on the regulation of the industry. Licences for Industrial Hemp would require that THC not exceed 1.0 per cent in leaves and flowering heads, and certified Industrial Hemp seed be harvested from a plant with a THC concentration in its leaves and flowering heads of no more than 0.5 per cent.

A maximum THC threshold for industrial hemp of 1.0 per cent is currently reflected in legislation in New South Wales, Queensland and the Australian Capital Territory. Western Australia and Tasmania currently impose a 0.35 per cent maximum THC threshold.

However, IHAT considers that a change in the maximum THC threshold from 0.35 per cent to 1.0 per cent is not imperative to the success of the Industrial Hemp industry.

The level of THC is managed via licence provisions, so any change is a matter of policy for Government and relevant Ministers.

### 6.3 Special Purpose Legislation

The Parliamentary Inquiry recommended that DPIPWE would be the most appropriate body to regulate the industry, and industry supports this option.

The Department finds that the two options that would allow for reductions in regulatory burden are management by the PACB or specific purpose legislation. However, the PACB option would not allay industry concerns about the management of the industry under the *Poisons Act*. It could also potentially complicate the funding of the PACB's regulatory activities as applying a funding mechanism equitably across these two discrete industries may be problematic.

If specific purpose legislation is the preferred option adopted by Government then some principles will need to be considered:

- Industrial hemp must be regulated in accordance with International and Commonwealth obligations.
- The new Act must ensure that cultivation, wholesale, manufacturing and research activities can take place without risk to drug law enforcement.
- The regulatory regime must be as minimal as practical to encourage the growth of the industry, while meeting the first two principles.
- Industry user pays regulation will need to be considered in development of a new legislation.
- Industry will need to be engaged in development of the appropriate regulatory model.

It is noted that other jurisdictions including Victoria, West Australia and the Australian Capital Territory have a three year grower's licence whilst New South Wales allows for a five year licence period. In developing specific purpose legislation consideration could be given to an extended licence of 5 years if the immediate change to current licenses is supported (see 6.1).

In addition, to keep costs down for industry, agreement will need to be reached with the Department of Justice for the continuation of field services by PACB field staff.

#### 6.4 Random Testing

It is important that the fledgling Tasmanian Industrial hemp industry establishes a reputation for high quality, sustainable and safe products, especially when the industry is ultimately targeting the human consumption food market.

All crops must be tested to ensure compliance with the maximum allowable THC threshold. Crops exceeding this threshold must be destroyed.

The testing of crops is undertaken on a quantity of collected plant material which has been randomly sampled from within each crop.

#### 6.5 Low THC Hemp in Food

The Tasmanian Government supports the lifting of the ban on the use of industrial hemp products for human consumption.

Human consumption of all *Cannabis* products in Australia is prohibited under the *Australia New Zealand Food Safety Code*. Applications to permit the sale of food derived from hemp with low THC content were considered by Food Standards Australia New Zealand (FSANZ) in 2002 and again in 2009.

The nutrition assessments undertaken by FSANZ on both occasions concluded that low THC hemp in food products would provide a useful alternative dietary source of many nutrients and polyunsaturated fatty acids, particularly omega-3 fatty acids, and that only a small quantity of whole hempseed or hempseed oil need be consumed to meet the adult adequate intake for alpha-linoleic acid (an essential omega-3 fatty acid).

Some stakeholders are concerned that consumers may consider illicit *Cannabis* use more acceptable if hemp foods were legally available for consumption. However, industry and private submissions to FSANZ highlighted that this concern relies on the assumption that consumers will not be able to

distinguish between legal hemp foods and illicit *Cannabis*. These submissions also noted that hemp foods in international markets are marketed as health foods and highlight the nutritional profile of the products. They do not make reference to the drug properties of illicit *Cannabis*.

FSANZ has also indicated that it is satisfied that consumer protection legislation in Australia and New Zealand which regulates misleading and deceptive conduct is sufficient to ensure that consumers are not at risk of being misled by food labelling or advertising that connects hemp foods with the psychoactive effects of high THC *Cannabis*.

## 6.6 Summary Response to the Inquiry Recommendations

Based on the above findings, the following table provides an overview of the Department’s response to the *Inquiry into the Tasmanian Industrial Hemp Industry* report recommendations. The response was developed by staff from DPIPW, State Growth, DHHS, DPEM, and Justice. Input from industry stakeholders, including IHAT, was also considered during this process.

Recommendation	Comments	Support
1. The Committee recommends that the State Government lobby the Legislative and Governance Forum on Food Regulation for the removal of the ban on the use of low THC hemp in food.	The Tasmanian Government has consistently supported and lobbied for the lifting of the ban on the use of industrial hemp as food.	✓
2. The Committee recommends that a simpler regulatory regime be introduced, for example, one that is a notification/registration system, where a grower simply registers on a database where and when the grower intends to grow a low THC industrial hemp crop, and pays a levy to cover the costs of random testing of industrial hemp crops for THC levels.	Supported in part.  A licensing or “registration” system must be maintained, albeit simplified.  Police and the IHAT do not support random testing.  Introduction of a levy system would be potentially costly and is not supported by IHAT.	—
3. The Committee recommends, as part of a new, streamlined notification/registration system, that restrictions on where industrial hemp crops can be grown be removed.	There are currently no restrictions on where an industrial hemp crop can be grown.	✓
4. The Committee recommends that the Department of Primary Industries, Parks, Water and Environment be given responsibility for regulating the industry.	This could be an acceptable option for Government to pursue.	✓
5. The Committee recommends that the allowable THC content in grown material in Tasmania should be 1per cent, from hemp seed certified to produce plants with no more than 0.5 per cent THC.	This allows for greater consistency and uniformity of maximum allowable thresholds between NSW, Qld, ACT and Tasmania	✓
6. The Committee recommends that there should be a consistent THC threshold for low THC industrial hemp across all Australian jurisdictions; that being the upper limit of 1 per cent in grown plant material, grown from seed stock certified to produce plants containing no more than 0.5per cent THC content.	Allows for ease of transfer of seed and seed products between the major growing jurisdictions, however, IHAT considers that provided there is provision for a research licence then the transfer of industrial hemp materials between jurisdictions will be able to occur.	✓
7. The Committee recommends that low THC industrial hemp (that is industrial hemp containing not more than 1 per cent THC) should be removed from regulation under the <i>Poisons Act 1971</i> and should not be subject to the <i>Misuse of Drugs Act 2001</i> .	Low THC industrial hemp cannot be removed from the <i>Poisons Act</i> in the absence of an alternative regulatory regime.	—

	<p>The Department supports a regulatory regime which provides a clear distinction between what is legal and what is not and which enables the policing of the illicit cultivation, processing and use of non-low THC <i>Cannabis</i> materials.</p> <p>Should new legislation be introduced which differentiates between low and non-low THC <i>Cannabis</i>, this recommendation would be supported.</p>	
8. The Committee recommends that low THC industrial hemp that meets or is below the allowable THC threshold should not be regulated under the Poisons Act 1971 and should not be subject to the Misuse of Drugs Act 2001.	See comments for 7 above.	—
9. The Committee recommends that the State Government investigate (as part of the simplified grower notification/registration system recommended above) the potential of a simpler testing regime, whereby growers pay a small levy to fund the random testing of a percentage of the total Tasmanian industrial hemp crop.	See comments in 2 above.	X

## 7. Next Steps

### Proposed Process and Timelines for Delivering Change

The Minister for Primary Industries and Water is to consider the content of this report to help develop a preferred Government position on the future regulation of the industry.

AgriGrowth Tasmania will then implement the preferred regulatory model agreed by Cabinet, by developing an appropriate regulatory model for Tasmania in consultation with DHHS, Tasmania Police, and stakeholder groups including IHAT and the TFGA.



## 8. APPENDICES

### APPENDIX 1.

#### Comparison of State Industrial Hemp Regulations

Jurisdiction	Legislation	Regulatory Scheme
New South Wales	<p><i>Hemp Industry Act 2008</i></p> <p><i>Hemp Industry Regulation 2008</i></p>	<p>The <i>Hemp Industry Act 2008</i> establishes a licensing scheme for the commercial production of industrial hemp. The scheme is administered by the Director-General of the Department of Primary Industries and allows farmers to grow low THC hemp crops for fibre and oil production. The allowable upper limit for THC in commercial crops is set at 0.5per cent, with a tolerance to 1.0per cent.</p> <p>Part 2 of the Act (clauses 5-16) sets out the licensing scheme, which essentially operates as an exemption from the <i>Drug Misuse and Trafficking Act 1985</i>. It enables activities, including commercial production, research into the alternate uses of low THC hemp, and plant breeding programs to develop new or improved strains of low THC hemp, to be carried out under strictly controlled conditions (s.5).</p> <p>Licensing conditions ensure that production can take place without risk to drug law enforcement and include strict eligibility and suitability requirements for licence applicants and compliance monitoring programs.</p> <p>A licence authorising a person to cultivate or supply low THC hemp may be subject to conditions imposed by the Director-General (in addition to any conditions imposed by the Act or by the regulations – s.12).</p> <p>The Act specifies circumstances in which the Director-General may refuse, or is required to refuse, to grant a licence (s.9).</p> <p>The Director-General’s decision in relation to a licence application is final and not subject to review (s.10).</p> <p>If a licence is issued, it continues in force for 5 years (although a shorter period may be specified in the licence). The Director-General has the power to suspend or revoke a licence once granted, if satisfied there are grounds for doing so (ss.15-16).</p>
Victoria	<p><i>Drugs, Poisons and Controlled Substances Act 1981</i></p> <p><i>Drugs, Poisons and Controlled Substances (Industrial Hemp) Regulations 2008</i></p>	<p>The <i>Drugs, Poisons and Controlled Substances Act 1981</i> allows the production of low THC <i>Cannabis</i> for non-therapeutic use.</p> <p>The Act, administered by the Minister for Health and the Department of Human Services, allows for the possession, cultivation and selling of industrial hemp by authorised persons who meet strict criteria and undergo a police records check (Part IVA, s 61-69L).</p> <p>Cannabis may be cultivated from seed harvested from low THC <i>Cannabis</i>, and may be sold or supplied when substantially free of flowering heads and leaves and containing no more than 0.1per cent THC.</p> <p>Three-year authorisations (or less) are issued by the Secretary of the Department of Primary Industries (s.65). The Secretary is required to consider prescribed matters in determining applications (s.64).</p> <p>Authorisations are subject to various terms, conditions, limitations and restrictions (s.66) including, but not limited to, the premises or site at which the activities authorised by the authority may be carried out; the source of seed for sowing; and the implementation and maintenance of satisfactory security and surveillance measures to restrict access of unauthorised persons to crops and harvested material (s.66(3)).</p> <p>The Secretary may suspend or cancel an authorisation in circumstances specified in the Act (s.69A).</p> <p>A decision of the Secretary to refuse to issue an authority; to refuse to renew an</p>

		authority; or to suspend, cancel or amend an authority is appealable to the Administrative Appeals Tribunal (s.69B).
South Australia	<i>Controlled Substances (Controlled Drugs, Precursors and Plants) Regulations 2000</i>	<p>At present there is no legislation in place in South Australia to allow for commercial cultivation of hemp.</p> <p>The <i>Controlled Substances (Controlled Drugs, Precursors and Plants) Regulations 2000</i> legislate controls over controlled drugs (including <i>Cannabis</i>) and controlled plants (including <i>Cannabis</i> plants).</p> <p>Some exemption is made under the Regulations to allow for the sale of hemp seed oil for external use containing no more than 50 mg/kg THC for external use (Schedule 1).</p>
Western Australia	<i>Industrial Hemp Act 2004</i>  <i>Industrial Hemp Regulations 2005</i>	<p>The <i>Industrial Hemp Act 2004</i> allows for suitable companies or individuals to obtain a licence to cultivate, harvest and/or process industrial hemp. The Department of Agriculture and Food is responsible for administering the licensing scheme and for compliance monitoring inspection services. The Department's Industrial Hemp Registrar coordinates all activities.</p> <p>A licence, among other things, enables a person to possess industrial <i>Cannabis</i> plants and seed and to produce industrial <i>Cannabis</i> plants from certified <i>Cannabis</i> seed (Part 2, s 5-21). An 'industrial cannabis plant' has been defined to mean a <i>Cannabis</i> plant with a THC concentration in its leaves and flowering heads of not more than 0.35per cent.</p> <p>The Industrial Hemp Registrar has the power to determine the suitability of an applicant having regard to their character, honesty and integrity and the character of their close associates, their criminal history and whether they are capable of satisfactorily performing the activities of a licensee (s.6). To be eligible to hold a 'growers licence', an applicant (or if a corporation, its executive officers), must not have been convicted of a serious offence in the preceding 10 years and not be affected by bankruptcy action (s.8). A serious offence is defined in the legislation to mean a crime under section 6(1), 7(1), 33(1)(a) or 33(2)(a) of the <i>Misuse of Drugs Act 1981</i> and relates to offences concerned with prohibited drugs or prohibited plants generally, as well as attempts or conspiracies to commit such offences.</p> <p>A licence issued, renewed or transferred by the Registrar is subject to such conditions as prescribed by regulation (s.18).</p> <p>A person who is aggrieved by a decision of the Registrar to refuse to issue a licence; to refuse to renew a licence; to refuse to transfer a licence; to suspend or cancel a licence; or to amend a licence may appeal to the Minister (s.36).</p> <p>Participation in the industrial hemp industry is based on a user-pays principle. The legislation requires the licence-holder to pay the reasonable costs of compliance monitoring activities performed under the licence, including inspection and plant sampling fees and any laboratory analysis necessary to determine the concentration of THC in the leaves and flowering heads of <i>Cannabis</i> plants in the possession of the licence holder.</p>
Australian Capital Territory	<i>Hemp Fibre Industry Facilitation Act 2004</i>	<p>The <i>Hemp Fibre Industry Facilitation Act 2004</i> allows for the processing and marketing of, and trade in, industrial hemp fibre and fibre products, and seed and seed products, as long as seed and seed products are not for administration, consumption or smoking (s.7).</p> <p>Industrial hemp must not exceed 1per cent THC in the leaves and flowering heads, and may be cultivated under licence from certified hemp seed. Certified hemp seed must be seed harvested from a plant with a THC concentration in its leaves and flowering heads of not more than 0.5per cent.</p> <p>The Act distinguishes between categories of 'researcher licences' and the responsibilities and limitations of each, including the relationship and responsibilities licence holders may have with Commonwealth legislation, (ss.9-11). The</p>

		<p>responsibilities and limitations of a 'growers licence' are also specified (s.12), including prescribed restrictions on the possession, use and supply of industrial hemp under licence.</p> <p>The Director-General must consider relevant criteria in allocating a licence (s.13). A broad framework of eligibility criteria to be considered by the Director-General when assessing the suitability of an applicant applying for a licence is specified in sections 15-17. Eligibility to hold a 'researcher licence' is determined by the Director-General based on the applicant's educational or other qualifications and experience. A person is not eligible to hold any category of licence if he or she has been convicted or found guilty within the previous 5 years of an offence involving drugs that is prescribed under the regulations. Bankruptcy or personal insolvency also provides grounds for ineligibility in respect to a 'growers licence'.</p> <p>More generally, in deciding whether someone is a suitable person to hold a licence, the Director-General must consider whether the person is of good repute, having regard to character, honesty and integrity; whether the person's close associates are of good repute, having regard to character, honesty and integrity; whether the person held a licence under the Act that was suspended or cancelled; and the person's criminal history.</p> <p>A licence may be issued by the Director-General for a period not exceeding 3 years and can be subject to any conditions (s.22). Set conditions imposed on all licences are specified in s.22(3).</p> <p>Specified persons may seek a review of a decision to: refuse to issue a licence; refuse to renew a licence; amend or refuse to amend a licence; suspend or cancel a licence under the <i>Administrative Appeals Tribunal Act 1989</i> (ss.57-58).</p>
Queensland	<p><i>Drugs Misuse Act 1986</i></p> <p><i>Drugs Misuse Regulation 1987</i></p>	<p>The <i>Drugs Misuse Act 1986</i> (Part 5B) allows for the research, production, processing, marketing and trade of processed industrial <i>Cannabis</i> fibre and seed products under controlled conditions, with the exception of those products that could be smoked, administered or consumed.</p> <p>The Act provides for a system of licensing of growers and researchers and authorisations for other ancillary persons such as seed suppliers, seed denatures, manufacturers and analysts. The licensing system differentiates between legal and illegal use of industrial <i>Cannabis</i>. Exemptions from offences under the Act only operate while licensees perform activities in accordance with the Act and the conditions of the licenses.</p> <p>There are three categories of licences, each one permitting the use of industrial <i>Cannabis</i> with different concentrations of THC. Commercial industrial <i>Cannabis</i> plants grown for seed or fibre must not exceed 1per cent THC under the Act, and may only be grown from seed certified to produce plants with no more than 0.5per cent.</p> <p>The Chief Executive of the Department of Agriculture, Fisheries and Forestry is the licensing authority under the Act and the authorisations for these licences are set out in s50 to 52.</p> <p>The Chief Executive has the power to determine the suitability of an applicant having regard to their character, honesty and integrity and the character of their close associates, their criminal history and whether they are capable of satisfactorily performing the activities of a licensee (s.60). To be eligible to hold a licence, an applicant must not have been convicted of a serious offence in the preceding 10 years and must not be affected by bankruptcy action (ss.57-59).</p> <p>Queensland is the only Australian State which specifically requires licensees to consent to fingerprinting as part of the licence application process for establishing suitability as a commercial grower or researcher (s.61(5)).</p> <p>There are set conditions imposed on all licences under section 64 of the Act, and s 29</p>

		<p>and schedule 8 of the <i>Drugs Misuse Regulation 1987</i>. The Chief Executive also has the power to attach additional conditions to those listed in both the Act and Regulation (s.64(1)). A licence may have a term of no more than 3 years.</p> <p>Participation in the industrial hemp industry is based on a user-pays principle. The legislation requires the licence-holder to pay the reasonable costs of compliance monitoring activities performed under the licence, including inspection and plant sampling fees and any laboratory analysis necessary to determine the concentration of THC in the leaves and flowering heads of <i>Cannabis</i> plants in the possession of the licence holder.</p>
Northern Territory	<i>Misuse of Drugs Act 2010</i>	The <i>Misuse of Drugs Act 2010</i> has exemptions for processed fibre hemp products, processed products made from hemp seeds as long as they are not whole, and hemp seed oil for external use containing less than 0.005per cent THC (s.4A). No further exemptions allowing for the legal sale and/or cultivation of low THC varieties of hemp are made

## APPENDIX 2.

### West Australian industrial hemp licence fees and charges

Indicative fees and charges (current for the 2013/14 season and inclusive of GST) are as follows:

- Application for a licence \$650;
- Renewal of a licence \$260;
- Inspection and sample collection (usually takes one inspector 1-2 hours. Additional costs are incurred for travel time and car charges):
  - Technical officer charge per hour \$137 or full day rate \$960;
  - Car hire approximately \$115/day;
  - Kilometres charge approximately \$0.32/km

Fees apply for analysis for tetrahydrocannabinol (THC) content. Clients will be charged direct by the Chemist Centre of WA.

Department of Agriculture and Food inspectors endeavour to combine activities to reduce travel time and expense.

**APPENDIX 3.**

**Tasmanian Industrial Hemp licence application**



POISONS ACT 1971  
SECTION 52

**APPLICATION FOR A LICENCE  
TO GROW  
INDUSTRIAL HEMP**

*(Cannabis sativa with specified low tetrahydrocannabinol content)*

**MINISTER FOR HEALTH AND HUMAN SERVICES  
34 DAVEY STREET  
HOBART TAS 7000**

I, .....  
(APPLICANT AND PERSON RESPONSIBLE FOR COMPLIANCE – BLOCK LETTERS PLEASE)

OF .....  
(APPLICANT'S ADDRESS – BLOCK LETTERS PLEASE)

CARRYING ON BUSINESS KNOWN AS:

.....  
(BUSINESS NAME – BLOCK LETTERS PLEASE)

HEREBY APPLY FOR A LICENCE TO GROW INDUSTRIAL HEMP  
THE INDUSTRIAL HEMP SEED (A SCHEDULE 8 SUBSTANCE) WILL BE SUPPLIED BY:

.....  
THE INDUSTRIAL HEMP SEED HARVESTED FROM THE RESULTING CROP WILL BE SUPPLIED TO:

.....  
THE CROP WILL BE PLANTED AT THE FOLLOWING LOCATION (site co-ordinates are required with copy of map):

.....  
THE AREA OF INDUSTRIAL HEMP CROP WILL BE (HECTARES):.....

THE LOW THC VARIETY OF CANNABIS SATIVA TO BE PLANTED IS:.....

SIGNED ..... DATE .....

**CONTACT DETAILS**

Phone number:.....Mobile:.....Email:.....

FORWARD THE COMPLETED APPLICATION WITH APPLICANT'S POLICE CLEARANCE AND POLICE ADVICE OF APPROVAL OF CROP LOCATION TO:

**PHARMACEUTICAL SERVICES BRANCH  
ATTENTION: CHIEF PHARMACIST  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
GPO BOX 125 HOBART TAS 7001**

**APPENDIX 4.**

**Tasmanian Industrial Hemp licence terms and conditions**



**POISONS ACT 1971 (SECTION 52)**

**LICENCE NO:** Industrial Hemp S52H-XXXX-I5

**LICENCE TO GROW OR CULTIVATE A PROHIBITED PLANT**

**XXXXXXXXX, Longford, TAS XXXX is hereby licensed to grow Indian hemp (*Cannabis sativa*) on land at:**

**XXX, Longford, TAS XXXX  
Location Reference: XXXXXX**

**Grower:** XXXXXXXX  
**Area:** Not exceeding an aggregate of 12 hectares;  
**Cultivar:** Certified varieties of CRAG sourced from XXXXXXXX

*subject to the following terms and conditions:*

1. Any *Indian hemp* material harvested from the *Indian hemp* crop, other than stem material, shall be delivered to XXXXXXXXXXXX in compliance with the terms of a current wholesale licence, for the supply of *Indian hemp* seed and plant material.
2. The licensee shall ensure that any *Indian hemp* seed or plant material in their possession is kept secure. All necessary and reasonable measures shall be taken to prevent access by any person who is not authorised by the *Poisons Act 1971* or pursuant to this licence.
3. To minimise security risks, the licensee shall not undertake any action which will publicise the location of licensed *Indian hemp* crops.
4. The *Indian hemp* seed possessed and planted subject to this licence shall not include *Indian hemp* seed other than the varieties known and specified as shown above in regard to each crop.
5. The *Indian hemp* shall be grown in a plot, the perimeters of which are fenced and maintained to a standard acceptable to Tasmania Police.
6. The licensee shall comply with any quarantine conditions as required by the Department of Primary Industries, Parks, Water and Environment and the Australian Government's Department of Agriculture, Fisheries and Forestry.

7. The *Indian hemp* crop shall not include any material which contains more than 0.35 per cent w/w dry weight of delta-9-tetrahydrocannabinol. Should the *Indian hemp* crop be found to contain material which exceeds this stated level, the *Indian hemp* crop shall be destroyed in a manner approved by the Chief Pharmacist.
8. The licensee shall undertake a program of testing *Indian hemp* flower heads and leaf for delta-9-tetrahydrocannabinol, extractable resin, cannabinol and cannabidiol at their own expense. Material shall be analysed by a person authorised by the Chief Pharmacist. Reports of analysis shall be provided to the Chief Pharmacist immediately after they are prepared. Samples shall be taken from each *Indian hemp* crop by a person approved by the Chief Pharmacist. Samples shall be taken during development of the flowering heads and at seed development and at any other time directed by the Chief Pharmacist.
9. The licensee shall ensure that at harvest all parts of the *Indian hemp* plants, except for seed and stem, are destroyed in a manner approved by the Chief Pharmacist.
10. The licensee shall ensure that any future regrowth of *Indian hemp* plants at listed growing sites shall be notified to the Chief Pharmacist and destroyed in a manner approved by the Chief Pharmacist.
11. The licensee shall make the following records within one day of each event to which the record relates and keep them for a period of not less than two years from the date of the last entry:-
  - a) details pertaining to the receipt of seed, including date and quantity;
  - b) details pertaining to planting, including quantity of seed used, location and area planted and quantity of seed remaining;
  - c) results and certificates of all analyses;
  - d) removal of any plant material from sites;
  - e) unauthorised destruction or removal of, or interference with, any seed or plant or the land or its surroundings; and
  - f) details of the nature and quantity of material harvested.
12. The licensee shall provide a copy of each record to the Chief Pharmacist on request.
13. The licensee shall allow an Officer of Tasmania Police or a person appointed as an Inspector under the *Poisons Act 1971* to inspect at any time any growing site or any *Indian hemp* material or seed in their possession.
14. Unless otherwise authorised under the *Poisons Act 1971* or approved by the Chief Pharmacist, no persons other than the licensee and those listed below engage in the cultivation of an *Indian hemp* crop or have access to the harvested seed or material.
  - XXXXXX
15. Clause 14 does not apply to an authorised visitor who accompanies a person specified in that clause for the purpose of examining the crop for bona fide industrial, advisory or research objectives. The licensee must authorise each visiting person before the visit takes place. The licensee must maintain a record of authorised visitors who examine the *Indian hemp* crop including details of the name of the authorised visitor, the name of the person authorised under clause 14 who accompanies the visitor, the date of the visit and the purpose of the visit. The record shall be kept for 2 years and shall be made available at any time to an inspector.
16. The Tasmania Police Drug Investigation Services and the Chief Pharmacist shall be immediately informed of any theft, loss or unauthorised destruction of seed or material or any attempted interference with the project.

17. The licensee shall provide an *Indian hemp* harvest report to the Chief Pharmacist before 30 June 2015.
18. Any *Indian hemp* material, remaining seed or prohibited substances contained in oil or residues shall be removed from the sites and disposed of as directed by the Chief Pharmacist by 15 June 2015.
19. All *Indian hemp* seed is to be obtained by the licences for planting Hemp Australia, 681 Nugent Road Wattle Hill Sorell 7172. Any *Indian hemp* seed which is held subject to this licence shall be stored in a secure enclosure which is approved by Tasmania Police.
20. No *Indian hemp* seed shall be planted after 28 February 2015.
21. All *Indian hemp* seed which is harvested from crops shall be immediately delivered to and held by an authorised facility, in compliance with the terms of a current wholesale licence, for the supply of *Indian hemp* seed and plant material, held in Tasmania.
22. *Indian hemp* seed, being part of a prohibited plant, shall not be supplied to any person unless the supply is first authorised in writing by the Chief Pharmacist, Department of Health and Human Services.
23. This licence expires on 31 December, 2015

Dated this 25<sup>th</sup> day of October 2013

.....  
**XXXXXX**  
**Pharmacist**  
**Delegate**  
**Section 52 of the Poisons Act 1971**