

4 August 2023

Georgie Purcell
Chair
Legislative Council Economy and Infrastructure Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002



By email: eic.council@parliament.vic.gov.au

Dear Mrs Purcell,

RE: Inquiry into the Industrial Hemp Industry in Victoria

The Victorian Farmers Federation (VFF) appreciates the opportunity to provide a submission to the Legislative Council Economy and Infrastructure Committee regarding the industrial hemp industry in Victoria.

As the representative voice of Victorian farmers, the VFF acknowledges and appreciates the Parliament's intention to explore how the Victorian government could bolster the development and growth of the hemp industry across Victoria through the possible introduction of an industrial hemp act.

The Victorian industrial hemp industry encounters multiple challenges that hinder its expansion. These include regulatory restrictions on hemp bioproducts and the use of hemp leaves and flowering heads as feedstock. Additionally, there is a lack of public awareness about hemp's benefits, insufficient investment in processing capabilities, and limited hemp processing infrastructure, all contributing to reduced consumer demand for hemp products. High transport and water costs, along with a shortage of suitable hemp varieties for Victoria's climate and growing conditions, further compound these obstacles.

While the current legal framework provided by the Drugs, Poisons, and Controlled Substances Act 1981 regulates industrial hemp (low-THC cannabis), there is a need for a dedicated Industrial Hemp Act with comprehensive guidelines to significantly enhance industry growth by providing clarity and certainty to stakeholders. The existing stringent regulation surrounding hemp leaves and flowering heads has considerably restricted the industry's potential uses and value, limiting exploration to seeds and fibre. Thus, reevaluating these restrictions could unlock the industry's full potential, allowing for the utilisation of the entire low-THC industrial hemp plant, including seeds, flowers, and stalks, and promoting manufacturing opportunities.

Addressing the importance of regulatory reform, the Tasmanian Government is currently conducting an Industrial Hemp Act review to evaluate the appropriateness of existing regulations and identify areas for improvement. Stakeholders in Tasmania view this review as a chance to empower farmers to leverage all parts of the low-THC industrial hemp plant, enabling them to explore manufacturing opportunities and expand their market access on a global scale.

To foster industry growth, streamlining processes and current regulatory requirements, such as the application licensing process, is also crucial to alleviate the burden on businesses. Moreover, addressing

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the limited resources for reviewing license applications, monitoring, and testing THC content can minimise delays in planting and marketing crops, encouraging further industry expansion.

However, the challenges the Victorian industrial hemp industry faced also present opportunities for growth and innovation. Regulatory reform can serve as a catalyst, unlocking new markets and applications for hemp, while public education campaigns can increase consumer understanding and demand for hemp products.

Expanding the industrial hemp sector offers significant environmental benefits, as hemp is a carbon-negative crop, absorbing more carbon dioxide than it emits. Studies have shown that hemp building materials, particularly hempcrete, can have a 'carbon-negative' impact, surpassing total CO₂ emissions from cultivation and processing in building construction, as it offers numerous benefits, including being lightweight, highly insulating, possessing a high strength-to-weight ratio, and being more recyclable compared to conventional materials. With various eco-friendly applications and carbon sequestration potential, hemp proves to be a sustainable solution in multiple sectors.

Therefore, the Victorian government plays a pivotal role in this transformation. Introducing a dedicated industrial hemp act can significantly propel the expansion of Victoria's industrial hemp industry, streamlining the regulatory and licensing process for farmers and businesses. A comprehensive hemp industry plan should include a clear regulatory framework, robust research and development strategies, infrastructure development plans, and initiatives to raise public awareness and acceptance of hemp.

Additionally, the government's support for research into suitable hemp varieties, increased investment in research and development, and promotion of agrichemicals designed for hemp production can foster innovation and the creation of new hemp-based products. Furthermore, developing a good practice manual for producers will standardise and enhance production methods, substantially boosting the industry.

We appreciate the opportunity to provide feedback on the inquiry into Victoria's industrial hemp industry. It is crucial that the Victorian Government supports the strengthening and expansion of the industrial hemp industry. The VFF remains committed to collaborating with Parliament to achieve a strong and resilient agricultural industry, benefiting the entire state.

Please do not hesitate to contact us if we can be of any further assistance.

Yours sincerely,



Emma Germano

President

Victorian Farmers Federation

Cc: The Hon. Gayle Tierney MP, Minister for Agriculture