# **Guidance Notes**

Please read these notes before you fill out the application form.

### Understand what you are applying for

Industrial hemp is defined as Cannabis species, the leaves and flowering heads of which do not contain more than 1% of tetrahydrocannabinol.

You must hold a licence to cultivate, harvest or process industrial hemp in Western Australia. This is a requirement under the *Industrial Hemp Act 2004* (the Act). It is an offence under the *Misuse of Drugs Act 1981* to grow *Cannabis* of any sort without a licence. A licence may be valid for up to three years.

### **Scope of Licence**

A Licence may entitle you to:

- **Cultivate**, or plant and grow, cannabis that satisfies the definition of industrial hemp. This means you are also allowed to be in possession of cannabis seed which will produce industrial hemp plants. And/or,
- harvest, or gather and store an industrial hemp crop. And/or,
- **process** industrial hemp by mechanical, chemical or other artificial means to create products such as fibre, hurd, grain, flour, and hemp seed oil.

For the **renewal** of a current industrial hemp licence, please note that section 19 of the *Industrial Hemp Act 2004* does not provide for an amendment to add a new activity (processing, for example) to the scope of an existing industrial hemp licence. Licensees who wish to amend the scope of their current licence to include a new activity must apply for a new licence.

PLEASE NOTE: An Industrial Hemp Licence <u>does not</u> provide authority to create a product(s) that is subject to Australian Government or other state regulation. It is your responsibility to seek information and apply for all required licences related to your business and products from relevant regulatory bodies and jurisdictions.

- Processing industrial hemp for medicinal use is not permitted under this industrial hemp licence. For information or enquiries regarding medicinal cannabis refer to the Office of Drug Control <a href="www.odc.gov.au/medicinal-cannabis">www.odc.gov.au/medicinal-cannabis</a>.
- Products extracted from leaves and flowers may not be produced unless the activity is permitted by the Office of Drug Control <a href="https://www.odc.gov.au.">www.odc.gov.au.</a>
- The use of extracts from the hemp plant in cosmetics and other topical applications may be regulated under the Commonwealth Therapeutic Goods Administration <u>Poisons Standard</u> regulations. Further information or enquiries regarding cosmetics or other personal body products should be directed to the Department of Health: <u>www.health.wa.gov.au</u>.
- Use of hemp as a food source is governed by other regulations. Further information
  or enquiries should be directed to Food Standards Australia New Zealand (FSANZ):
   <u>www.foodstandards.gov.au</u>. Information on food safety can also be found on the
   Department of Health Western Australia website <u>www.health.wa.gov.au/Health-for/Industry-trade-and-business/Food</u>.

 The use of industrial hemp as pasture feed for livestock is not recommended. Producers should be aware that animals recently fed industrial hemp plants or stubble may contain THC and will not be allowed to be sold under the FSANZ regulations.

For further information on these products please contact the relevant state or Australian Government department.

If you intend to use hemp material which has already been processed to create a product, you do not need a licence under the WA *Industrial Hemp Act 2004*. However, you may require an authority under Australian Government or other state legislation. Examples include using hemp seed oil in packaged salad dressing or cosmetics.

### Who can hold a licence? - Fit and proper persons

An individual, a partnership (two or more individuals) or a body corporate (a company) can hold an industrial hemp licence. When considering a licence application, the registrar must be satisfied that all relevant persons are fit and proper persons to hold a licence. Relevant persons are:

- a) in the case of an individual applicant the applicant
- b) in the case of a partnership all partners
- c) in the case of a body corporate the director(s), company secretary, manager and/or any other senior person who is concerned with the conduct, management and operations of the company.

The registrar also considers any person who is concerned with the administration of the licence or is responsible for the conduct of licenced activities to be a relevant person.

Under sections 8, 10 and 12 of the *Industrial Hemp Act 2004*, all applicants must satisfy the Registrar that they are a fit and proper person to carry out any activities to be authorised by the licence. A fit and proper person is someone who

- has reached 18 years of age
- has no known history of non-compliance with the *Misuse of Drugs Act 1981* and the *Firearms Act 1973*
- has no known history of non-compliance in dealing with public officers,
- has no known association with a person with a history of non-compliance in relation to the above
- is able to demonstrate the requisite knowledge and capacity, including material, financial, and human resources, to conduct the proposed operations in accordance with the *Industrial Hemp Act 2004*

To assist the registrar in assessing fit and proper person status, the following documents must be submitted **for each relevant person**:

- a current police clearance certificate
- two character references for each relevant person.

Important information that should be covered by a suitable reference includes:

details of the referee including name, occupation, location

- details on the nature and length of the relationship between the referee and relevant person
- examples of the relevant persons behaviour which demonstrate their lawfulness, reliability, and integrity
- contact details including phone number and signature.

You may apply online for a police clearance certificate at:

https://www.wa.gov.au/service/justice/criminal-law/get-police-clearance. Where an applicant has lived for some or all of the last ten years outside Australia, a police clearance for the relevant country must be obtained. Costs associated with obtaining a police clearance are at the applicant's expense.

Submissions for the renewal of a current licence which are received 56 days prior to its expiry date are not required to provide the national police clearance and character references if these documents were accepted on the first application.

NOTE: All Licence Applications (both new and renewal), together with all attachments, are forwarded to the Commissioner of Police as part of the Registrar's assessment process.

### Financial statement by the applicant

Under sections 8, 10 and 12 of the *Industrial Hemp Act 2004* the registrar must determine that an applicant has sufficient financial resources to carry on any activity to be authorised by the licence.

Suitable evidence is a copy of the latest available financial statements certified by the applicant's accountant. A guide to preparing a financial statement is provided in <u>Appendix 1</u>.

Where small scale activities are to be undertaken, other means of determining financial capacity may be discussed directly with the registrar.

Note: Submissions for the renewal of a current licence received 56 days prior to its expiry date are not required to provide financial statements if these documents were accepted on the first application.

## **Details of proposed activity**

You must provide details of the proposed activity in your application to ensure that you are issued a licence with an appropriate scope and conditions.

For any application, you must provide:

- details of relevant premises and where these are not owned by the proposed licensee, a copy of any relevant lease or business arrangement allowing the use of premises
- details of the security arrangements, including the presence and standard of fencing, for each of the relevant premises
- provide a plan of each premises showing the proposed location of the crop(s), storage and/or processing facility(s).

For an application for a licence to cultivate, you must:

 provide the size and location of the proposed crop, and the source of seed to be sown<sup>1</sup>.

For an application for a licence to harvest, you must:

• provide information regarding the storage of the harvested product.

For an application for a licence to process, you must:

• provide information regarding the type of processing, storage of unprocessed and processed product, and management of waste product(s).

The registrar will assess the suitability of the premises to carry out the proposed activity. Matters such as crop location in relation to public roads, crop accessibility before and after harvest, fencing, proximity of the premises to urban areas and ability to segregate harvested material from stockfeed will be considered when assessing suitability.

Note: A licence will generally not be granted to cultivate commercial industrial hemp crops in an urban area.

#### Licence conditions

The registrar may impose conditions on a licence. Each application will be assessed on its merit, and relevant conditions assigned, however you should anticipate the following to be included:

- DPIRD to be notified of sowing of an industrial hemp crop within a week of sowing (DPIRD Form 601)
- if the licence holder does not intend to sow industrial hemp in the current season DPIRD to be notified by 30 November if the intended crop is below the Tropic of Capricorn, or by 30 June if above. (DPIRD Form 601)
- positioning of crop(s) and/or storage facilities to prevent easy unauthorised access for example, 50m or more away from public roads, close to a residence
- fencing of crop(s) to prevent easy unauthorised access
- signage advising that the crop has low THC content
- maintaining a register of seed and grain stock, including quantity and source, which
  must be made available to an authorised officer upon request (a template is available
  upon request)
- maintaining a register of staff and visitors to the premises, which must be made available to an authorised officer upon request
- where land is leased, an agreement regarding owner and lessee responsibilities, including the control of volunteer plants in subsequent years

<sup>&</sup>lt;sup>1</sup> All seed used for sowing must be certified in a manner approved by the Registrar. Crops which have tested as having THC content of 0.5% or less may be approved by the Registrar as a suitable lot, or seed may be imported from another State or country. It is the Licensee's responsibility to ensure that any seed import satisfies Commonwealth and/or State Import Requirements. More information can be found here

 licensees involved in processing industrial hemp must keep a record of plant material being held or stored (including origin) and a record of processing and any waste disposal. These records must be kept for no less than 2 years after the event to which the activity relates and made available on request to an officer authorised under the Act.

### **Inspection and Sampling**

An Inspector will conduct an inspection of the property and collect samples of each crop or employ other methods to confirm the THC level as determined appropriate by the registrar. Sampling is at the inspector's discretion and may result in multiple samples being taken, particularly where multiple crops (different varieties and seed sources) are present on the same property.

Research trials and bona fide breeding programs with multiple treatments will still need to be inspected and tested but costs may be reduced by composite sampling where appropriate. Contact the registrar to discuss sampling regimes and indicative costs.

Conditions of the licence will be checked during inspection, including signage, fencing, visitor register, seed records and storage.

All inspections will be charged on a fee for service basis. Additional inspections may be conducted at any time at the discretion of the registrar.

### Fees and charges

Licence fees are regulated and subject to review. In 2023-24 they are as follows:

- application for a licence \$328.00 (GST exempt)
- renewal of a licence \$131.00 (GST exempt).

Compliance and monitoring services (including inspection and crop sampling) are charged at the published rate in the <u>DPIRD booklet of Services</u>, <u>Products and Fees</u> for a technical officer. Indicative fees are as follows:

- inspection, sampling and travel charge per hour \$188.60 or full day rate \$1,307.90 (GST Inclusive)
- car hire approximately \$115/day
- kilometres charge approximately \$0.32/km.

As a guide, inspection and sample collection usually takes one inspector 1-2 hours per crop.

DPIRD inspectors endeavour to combine activities to reduce travel time and expense.

Fees apply for analysis for tetrahydrocannabinol (THC) content. Clients will be charged direct by the Chemistry Centre of WA. An indicative cost is \$250.00 per sample.

### **Prepare your attachments**

In addition to your completed and signed application form, you must provide:

- a current police clearance for the applicant and for each relevant person
- two written references for the applicant and for each relevant person
- a plan of each premises where activities (whether cultivating, harvesting and/or processing) are to be carried out under this licence, including proposed location of crop(s), fencing, access roads, storage facilities, processing facility(s) and other major buildings and residence(s)
- a copy of any lease agreement for the use of land not owned by the applicant/entity
- A copy of relevant financial statements, certified by the applicant's accountant

A checklist naming these attachments is included at the end of the application form.