

Industrial Hemp Licence Applications

Guidelines for licence applicants

Introduction

Industrial hemp seed and fibre comes from cannabis plants specifically bred to have tetrahydrocannabinol (THC) levels of no more than 1%. The very low level of THC in industrial hemp plants means they have none of the psychoactive (mind altering effects) associated with cannabis varieties with higher THC levels.

Industrial hemp seed and oil produced from the seeds can be used in food products, cosmetics and other industrial products, while the fibre can be used in industrial and consumer textiles, paper and building materials.

The *Industrial Hemp Act 2017* establishes a regulatory framework enabling the possession, cultivation, processing and supply of industrial hemp for the purpose of:

- Commercial production
- Use in a manufacturing process
- Food production
- Scientific research, instruction, analysis or study
- Any other purpose approved by PIRSA's Chief Executive.

Primary Industries and Regions SA is responsible for issuing licences under the *Industrial Hemp Act 2017*. Licences are valid for 5 years unless cancelled or suspended earlier.

The licensing scheme provides for industrial hemp activities to occur under controlled conditions to manage any risks to drug law enforcement. A licence can only be issued to a fit and proper person with a lawful and genuine need for a licence. In addition properties must be deemed suitable and cultivation sites must not be less than 1 hectare (unless for research purposes).

A detailed description of the proposed cultivation, processing, possession or research activities is required to determine if there is a lawful and genuine purpose for the licence. The application form collects the minimum information required but it is clearly in the best interest of an applicant to provide as much information as possible to clearly explain their proposed activities.

An industrial hemp licence *does not provide authorisation for medicinal or related scientific purposes* as these purposes are within the Commonwealth's area of exclusive operation of the *Narcotic Drugs Act 1967*. For further information on the medicinal cannabis licensing scheme administered by the Commonwealth Office of Drug Control www.odc.gov.au/medicinal-cannabis

For a copy of the licence application form or assistance with the application process contact the Industrial Hemp Licensing Unit on 1300 799 684 or PIRSA.IndustrialHemp@sa.gov.au

Applying for an Industrial Hemp Licence

These guidelines provide information about South Australia's Industrial Hemp Licensing Scheme and how to apply for a licence. Licence applications must be made using the approved form and accompanied by the licence application fees and other supporting documentation.

The 2023/2024 licence application fee is \$1286 for a 5 year licence. The South Australia Police probity checking fees are \$237 per person for the applicant and each associate of the applicant.

Licence Assessment Process

A licence can only be issued to a person who is considered suitable to be concerned in or associated with, the possession, cultivation, processing or supply of industrial hemp. This requirement also applies to close associates of the person or company making the application.

An industrial hemp licence cannot be issued if the applicant or an associate of the applicant has been found guilty of a drug related offence in South Australia or another jurisdiction. A drug related offence is defined in the legislation as:

- An indictable or summary offence involving possession, or cultivation of, or trafficking in, a drug of dependence
- An indictable offence under the *Controlled Substances Act 1984*
- A summary offence under Part 5 Division 4 of the *Controlled Substances Act 1984*
- An indictable or summary offence under the law of another jurisdiction involving possession, or cultivation of, or trafficking in, a drug of dependence.

Other prescribed requirements include that:

- The applicant's property or premises is suitable for the possession, cultivation or processing of industrial hemp in relation to location, facilities and proposed security arrangements
- The applicant has a lawful and genuine purpose for the possession, supply cultivation or processing of industrial hemp.
- That the applicant is of or above the age of 18 years

Other considerations regarding the suitability of an applicant may include:

- The character, honesty and integrity of the applicant and their associates and relatives
- The criminal history of the applicant and their associates and relatives
- Whether the applicant or any associate of the applicant has a history of non-compliance with the Act
- The financial resources of the applicant to comply with obligations under the *Industrial Hemp Act 2017*.
- The ownership and corporate structure of a company.

Licence applications are processed in accordance with legislated time frames. This includes an allowance of up to 60 days for South Australia Police to conduct required probity checks on the applicant and each associate of the applicant. This is an essential requirement to verify whether an applicant or associate has a history of drug related or other offences.

Once the licence application process is complete the Chief Executive of PIRSA will determine whether to grant the application and issue a licence to the applicant or refuse the application:

- If successful the licence applicant will be issued with their licence document that specifies conditions that must be complied with in addition the licence conditions specified in the Act and Regulations.
- If unsuccessful the licence applicant will be notified in writing and provided with reasons for the decision. A person may apply to the Tribunal under section 34 of the *South Australia Civil and Administrative Tribunal Act 2013* for a review of the decision made by the Chief Executive within 1 month of the decision.

Licence Application Form

Part A – Supporting Documents:

An application will only be assessed when all supporting documents are provided including:

1. All pages of the Application Form including those that are not applicable to the application.
2. A Map that clearly identifies the location of the proposed licensed premises along with GPS coordinates and nearby residences connected to the licence applicant.
 - Download Google Earth Pro if required www.google.com/earth/versions/#download-pro
Zoom into the premises area and Select the “pin” shape from the toolbar. Move the “untitled placemark” to the centre of the premises. Name the placemark “Licensed premises” and record the latitude and longitude for the application form. Select File/Print and give the map a name. Other details required for the map can be drawn on the printed map using a marker pen.
3. ASIC record of registration of business or company name.
4. ASIC current Company Extract.
5. A letter authorising a person to make an application on behalf of a company.
6. Evidence of property owner consent (if the land is not owned by applicant).
 - This document confirms that the responsibilities of both parties relating to activities to be conducted under licence, as well as the responsibility for controlling volunteer plants in subsequent years has been discussed and agreed on.

Part B – Applicant Details – Page 3:

This section collects personal details and information on the financial and criminal background of the licence applicant to assist SA Police inquiries:

- An industrial hemp licence may be applied for and held by a person.
- If applying as a:
 - Natural Person – complete Part B.1 (or mark as not applicable)
 - Partnership – complete Part B.2 (or mark as not applicable)
 - Company – complete Part B.3 (or mark as not applicable)
 - Other Incorporated Entity - complete B.4 (or mark as not applicable)

Part C – Associates – Page 10

This section collects personal details and information on the financial and criminal background of associates of the licence applicant to assist SA Police inquiries:

- Associates are persons who:
 - Hold financial interest or power in the business of the applicant and can exercise significant influence over the business to which the application relates
 - Persons associated or connected with the ownership, administration or management of the business to which the application relates – ie farm managers/ researchers.
- For sole traders:
 - Associates with significant influence over the business of the applicant may include family members, property owners or farm managers.
- For partnerships:
 - Each partner is an associate and their details are provided in Part B.2.
 - Other associates to record on this page are persons with significant influence over the business of the applicant and may include family members, property owners or farm managers.
- For companies:
 - Each director is an associate and their details are provided in Part B.3.
 - Other associates to record on this page are persons with significant influence over the business of the applicant and may include other executives, family members, property owners or farm managers.
- If there are more than 3 associates, photocopy Part C and attach the additional pages.

Part D.1 – Cultivation Activities – Page 12

Complete this section if applying for authorisation to cultivate industrial hemp for non-medicinal or related scientific purposes (or mark as not applicable).

- A cultivation licence authorises the possession, cultivation and supply of industrial hemp for the purpose of:
 - Commercial production
 - Use in a manufacturing process
 - Food production
 - Any other purpose approved by PIRSA's Chief Executive
- Information to be provided includes:
 - Property details and size of proposed cultivation area (must not be less than 1 hectare)
 - The purpose of the licence, products to be produced and proposed activities
 - Intended use of seed and stem fibre
 - Details of potential seed suppliers and markets
 - While this information may not be confirmed applicants should provide as much information as possible to demonstrate a lawful and genuine purpose for the licence
 - Note: Viable seed can only be supplied within SA to the holder of an industrial hemp licence.
- Proposed security measures:
 - Theft from one industrial hemp site occurred during the 2018/2019 season and the potential for theft presents a business risk for the licence holder to manage.
 - Licence applicants should give careful consideration to the proposed location of the crop and the security measures that can be used to monitor and deter unauthorised access to a crop.
 - Where possible crops should be located:
 - At sites with minimal public visibility and access - an internal paddock is recommended
 - Away from public roads unless easy access to the crop can be reduced using secure fencing and setback distances
 - Near residences so unauthorised access is less likely to go undetected.
 - Other security measures include:
 - Use of fencing and locked gates.
 - Private property/No trespassing signage.
 - Regular monitoring for interference or theft.
 - Reporting interference or theft to PIRSA and South Australia Police.
 - Secure storage of harvested industrial hemp seed.
 - Low-THC signage – noting that signage may draw attention to the site in some situations but may be important if there is public awareness of the site.

**NO
TRESPASSING**

**PRIVATE
PROPERTY**

**NO
TRESPASSING**

**INDUSTRIAL HEMP
SEED & FIBRE CROP
NO THC**

Part D.2 – Processing Activities – Page 14

Complete this section if applying for authorisation to process industrial hemp for non-medicinal or related scientific purposes (or mark as not applicable):

- A processing licence authorises the possession, processing and supply of industrial hemp for the purpose of:
 - Commercial production
 - Use in a manufacturing process
 - Food production
 - Any other purpose approved by PIRSA's Chief Executive
- Information to be provided includes:
 - Property details
 - The purpose of the licence, products to be produced and proposed activities
 - What machinery will be used
 - End use of product
 - Quantity of industrial hemp to be processed on an annual basis
- Proposed security measures, which may include:
 - Secure storage
 - Use of fencing and locked gates
 - Private property/No trespassing signage
 - Regular monitoring for interference or theft
 - Reporting interference or theft to PIRSA and South Australia Police

Part D.3 – Possession Activities – Page 15

Complete this section if applying for authorisation to possess industrial hemp for non-medicinal or related scientific purposes (or mark as not applicable):

- A possession licence authorises the possession and supply of industrial hemp for purpose of:
 - On-supply of viable seed to a third party cultivation or processing licence holder
 - Any other purpose approved by PIRSA's Chief Executive
- Information to be provided includes:
 - Property details
 - What products will be possessed
 - The purpose of the licence
 - Details of potential seed suppliers and markets
 - While this information may not yet be confirmed applicants should provide as much information as possible to demonstrate a lawful and genuine purpose for the licence
 - Note: Viable seed can only be supplied within SA to the holder of an industrial hemp licence.
 - Quantity of viable seed to be possessed on an annual basis
- Proposed security measures, which may include:
 - Secure storage
 - Use of fencing and locked gates
 - Private property/No trespassing signage
 - Regular monitoring for interference or theft
 - Reporting interference or theft to PIRSA and South Australia Police

Part D.4 – Research Activities – Page 16

Complete this section if applying for authorisation to research industrial hemp for non-medicinal or related scientific purposes (or mark as not applicable):

- An industrial hemp research licence authorises the possession, cultivation, processing and supply of industrial hemp for purpose of:
 - Scientific research, instruction, analysis or study
 - Any other purpose approved by PIRSA's Chief Executive
- Information to be provided includes:
 - Property details
 - Background to the scientific research, instruction, analysis or study
 - Aims and objectives of the research, instruction, analysis or study
 - Proposed methodology
 - Beneficiaries and funding
 - An estimate of the quantity of industrial hemp to be produced and the proposed use, disposal and destruction of industrial hemp that is cultivated under the licence.
 - The educational qualifications and experience of the applicant and associates who will be concerned in or associated with the cultivation of industrial hemp under the licence. The applicant is responsible for the conduct of the research activity and should have professional qualifications and scientific experience that are relevant to the proposed work.
 - Details of potential seed suppliers and varieties
 - While this information may not yet be confirmed applicants should provide as much information as possible to demonstrate a lawful and genuine purpose for the licence
- Proposed security measures:
 - Theft from one industrial hemp site occurred during the 2018/2019 season and the potential for theft presents a risk for research licence applicants to assess and manage.
 - Licence applicants should give careful consideration to the proposed location of the crop and the security measures that can be used to monitor and deter unauthorised access to a crop.
 - Where possible crops should be located:
 - At sites with minimal public visibility and access - an internal paddock is recommended
 - Away from public roads unless easy access to the crop can be reduced using secure fencing and setback distances
 - Near residences so unauthorised access is less likely to go undetected.
 - Other security measures include:
 - Use of fencing and locked gates.
 - Private property/No trespassing signage.
 - Regular monitoring for interference or theft.

- Reporting interference or theft to PIRSA and South Australia Police.
- Secure storage of harvested industrial hemp seed.
- Low-THC signage – noting that signage may draw attention to the site in some situations but may be important if there is public awareness of the site.

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**INDUSTRIAL HEMP
SEED & FIBRE CROP
NO THC**

Part E – Relatives – Page 18

This section collects details of relatives of a natural person or the proposed named licence holder in a partnership:

- South Australia Police has discretion to include these persons in their probity checks at no additional fee.
- Relatives are defined as:
 - A spouse or domestic partner
 - A parent
 - a step-parent
 - A sibling or step-sibling
 - A child, step-child or adopted child

Part F – Employees – Page 19

This section collects details of employees engaged to carry out activities authorised by the licence:

- Licence holders must ensure employees are suitable.
- Unsuitable employees or contractors visiting the property present risks including illegal cultivation of high-THC cannabis or theft of leaves or flowering heads from the cultivation site.
- The licence holder should consider these risks when determining what arrangements will be used to ensure that employees are suitable to carry out activities under the licence. Such arrangements may include criminal history record checks on employees and only allowing contractors on site if the licence holder is also present.

Part G – Declaration – Page 20

The declaration must be signed by the applicant or authorised applicant to confirm that the information provided in the application is true, accurate and complete. The declaration is also used to confirm awareness of the South Australia Police probity checking process:

- Under section 21 of the Act, it is an offence when giving information under the Act to make a statement knowing it is false or misleading or omitting any matter from a statement knowing that without the matter the statement is false or misleading. This includes providing information in the application form that is misleading or incomplete.
- Under section 16 of the Act, the Chief Executive may suspend or cancel a licence if satisfied that the licence holder has contravened or failed to comply with the provisions of the Act or a term or condition of a licence – this may include making false or misleading statements in an application form or omitting any matter knowing that will make the statement false or misleading.

Part H – Application Fees – Page 21

Application fees are payable by credit card at the time of application:

- The 2023/2024 application fee is \$1286 (for a 5 year licence)
- South Australia Police probity check fees are \$237 per applicant and each associate of the applicant

Phone 1300 799 684 to provide credit card details for payment of the application fee and SAPOL probity checks. Applications cannot be processed until payment is received.

Medicinal cannabis licensing

An industrial hemp licence does not provide authorisation for medicinal or related scientific purposes as they are within the Commonwealth's area of exclusive operation of the *Narcotic Drugs Act 1967*.

A Commonwealth medicinal cannabis licence is required for these purposes, and authorisation under South Australia's *Industrial Hemp Act 2017* will be invalid and inoperative by virtue of s109 of the Constitution.

For further information on the medicinal cannabis licensing scheme administered by the Commonwealth Office of Drug Control www.odc.gov.au/medicinal-cannabis

Further information on Industrial Hemp

For a copy of the licence application form or assistance with the application process contact the Industrial Hemp Licensing Unit on 1300 799 684 or PIRSA.IndustrialHemp@sa.gov.au

For further information on industrial hemp licensing, advice for prospective growers and information on SARDI's research trials refer to www.pir.sa.gov.au/primary_industry/industrial_hemp

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TEMPLATE Property Owner Consent Form

Consent to use of property for industrial hemp cultivation, processing or storage

I, [full name]

being the legal owner of the property (full address of property)

.....

.....

Give consent for the use of this property for the cultivation, processing or storage of industrial hemp pursuant to a licence issued to under the *Industrial Hemp Act 2017*.

The licence applicant or licence holder and I have discussed and agreed on the responsibilities of both parties relating to activities to be conducted under licence, as well as the responsibility for controlling volunteer plants in subsequent years.

.....
[Signature of property owner]

Date: