

INDUSTRIAL HEMP BILL 2003

Declaration as Urgent

MR J.C. KOBELKE (Nollamara - Leader of the House) [2.53 pm]: I move -

That the Bill be considered an urgent Bill.

There is agreement by members of all parties that if this Bill proceeds through the Parliament this year, it will enable crops to go in next year. On that basis we are asking that it be considered an urgent Bill.

Question put and passed.

Second Reading

MR P.D. OMODEI (Warren-Blackwood) [2.54 pm]: The Industrial Hemp Bill 2003 is a Bill for an Act to provide for the licensing of persons and partnerships to cultivate, harvest or process industrial hemp, amend the Misuse of Drugs Act 1981 and the Poisons Act 1964, and for other purposes. The Liberal Party is pleased to be able to support this Bill. I understand that whilst this Bill is not the highest priority for the Leader of the House, the Minister for Agriculture is certainly keen to have this legislation passed to facilitate the planting of a crop in April rather than towards the end of the year. If this legislation were delayed, that crop would not be planted in the first half of 2004, and it would result in lost opportunities for people who are keen to proceed. To that extent the Liberal Party is more than happy to declare this Bill an urgent Bill and to also forgo the week that the legislation normally sits on the Table of the House in the Legislative Council, which will enable the Leader of the House in the Legislative Council, Hon Kim Chance, to declare the Bill a priority Bill. Once the legislation has been passed through this House, the Government can declare the Bill urgent and have it dealt with in the upper House. I know that the Legislative Council has a significant amount of legislation to deal with, but it is in the Government's hands if it is serious about passing this legislation.

This legislation is very important. The member for Stirling, my colleague from the National Party, will elucidate these matters, having been a minister under the previous coalition Government, having presided over a number of trials and having looked at the legal and technical aspects of the Bill to ensure that it will have passage. When Hon Murray Montgomery was a member for the South West Region, he was commissioned to chair a steering committee, and I am sure the member for Stirling will provide more information about that. Trials were carried out in April and August 1996. The then minister announced in April that he would advertise for applicants, and in August he announced the private companies that would be conducting the trials of growing industrial or Indian hemp; they included Alcoa Farmlands, Creative Land Management in association with Murdoch University, the Denmark Agricultural College and farmers from Scott River, Manjimup, Carnamah, Burekup and Albany. Those companies were selected from 50 applicants. Again, in November 1996 the then minister, in conjunction with the Denmark Agricultural College, announced trial plots at Carnamah, Two Peoples Bay, Mullayup and Manjimup, and other locations at Wagerup, Burekup and Scott River were still to be planted.

In the world today the industrial hemp industry is a billion-dollar industry and it can be used to produce up to 50 000 different products, including stockfeed, rope, clothing, oils, paper and shampoo. It is used extensively in the car manufacturing industry and in biodegradable plastics, fibre boards, non-woven geo-textiles for use in soil stabilisation, reseeded and erosion control, woven textiles with which we are probably most familiar and the excellent clothing that is made out of hemp. It also has the potential for blends with other natural fibres such as cotton and wool. It is estimated that by the year 2005 the North American market for natural fibre and plastic composites will exceed \$1.4 billion per annum. Value-added hemp oil products include oil paints, varnishes, printing inks, fuel, solvents, putty and animal feed, added to the items I have already mentioned, including pharmaceuticals, lotions and creams for the skin, as well as lip balms, conditioners, shampoos, soaps and shaving products. As can be seen, the product certainly has a wide range of uses. There has always been some reluctance to establish this industry because of its similarity to the other hemp - cannabis sativa - which is known as marijuana. Some people have feared that people might attempt to disguise an illegal marijuana operation in a hemp operation. That has been a shame. The other States have allowed the commercial production of hemp. In 1997 the Victorian Government amended its Drugs, Poisons and Controlled Substances Act 1981 to allow the cultivation of industrial hemp. In Queensland the Drugs Misuse Act 1986 was amended in 2002 to permit the commercial production of industrial hemp. Other States have allowed this industry to operate. It will be yet another agricultural industry for those States.

In December last year the Liberal Party issued a statement urging the Government to proceed with this legislation. The previous Government had already done a lot of the groundwork. In February the Liberal Party put out a further statement calling on the current Minister for Agriculture to proceed with the legislation to allow industrial hemp to be grown. As the shadow minister, I was ready to call on the Gallop Government to give the responsible minister the impetus to get the legislation through the Labor Party caucus at about the time the

cannabis legislation was being debated. However, at that time I made a judgment that I did not want to mix up the debate on the growing of industrial hemp with the debate on the cannabis legislation, because I did not want to cause confusion. I did not want to be known as the member for growing dope, among other things.

I support the hemp industry, and have done for quite some time. Kim Hough has been championing this cause for some time. Recently, he struck a deal with a Chinese company to provide five tonnes of hemp per day. That does not sound like a lot of hemp, but it is a start. Should we not proceed with this legislation before the Christmas break, the alternative is that he will be forced to take his business opportunities to other countries. It is well known that Canada is a large producer of hemp. I understand that 130 000 bales of hemp are stockpiled in Canada. There is a temptation for people to move to Canada to undertake business in the hemp industry.

Western Australia is crying out for new industries and technology. We have the expertise within the Department of Agriculture and the private sector to produce new crops. Western Australia is well known as being innovative when promoting new crops and new plants. We are very good at research and development. This is a good opportunity for us.

A ministerial review committee first discussed this legislation in 1995, and hemp trials began in 1996. We looked at the licensing of those trials. In mid to late 1999 the Cabinet approved the drafting of legislation to allow industrial hemp to be grown. At that stage, there were some technical difficulties in the drafting. That might sound like an episode from *Yes Minister*. Members will recall that whenever there was a difficult situation, Sir Humphrey would say, "Of course, minister, you realise there are legal and technical difficulties and other extenuating matters", which was an excuse to hold things up. However, in this case there were genuine legal and technical difficulties with the cultivation of industrial hemp because of its similarity to the other variety of hemp, marijuana. Unfortunately, we did not introduce that legislation prior to the Labor Party forming Government.

In July 2001 the Labor Party introduced amendments to further the hemp industry. At that time it was waiting on recommendations of an interdepartmental task force. On 20 February 2002 Minister Chance claimed that a submission would be brought before Cabinet to amend the Misuse of Drugs Act to allow the growing of industrial hemp crops. This legislation has had a long gestation.

The Liberal Party is more than happy to support the legislation. Under the heading "licensing", the legislation imposes a severe penalty of \$10 000 on a person who cultivates, harvests or processes industrial hemp except in accordance with the licence. A number of other penalties apply throughout the legislation; for example, a penalty of \$5 000 applies for breaches of the Act. I also understand that policemen will automatically become inspectors and that random inspections will be carried out. They must be carried out with all due diligence because we cannot afford to have this very valuable industry undermined. I do not want to be alarmist; I want to make sure that when these crops are finally grown, the best varieties are grown. We should allow some flexibility to ensure that the cultivators are productive.

Also, we must ensure that appropriate deterrents exist for people who want to disguise a marijuana crop as an industrial hemp crop. The penalties under the Misuse of Drugs Act, the Criminal Code and the cannabis and confiscation of property legislation are significant deterrents. The Liberal Party supports the legislation. It will not discuss the matter in consideration in detail. The legislation is fairly straightforward. We ask the Government to proceed with the matter with all due haste.

MR M.G. HOUSE (Stirling) [3.07 pm]: I indicate the National Party's support for this legislation. This Bill is almost identical to the legislation that I took to the Cabinet when I was the responsible minister some four and a half years ago. One can only wonder why the present Government has taken so long to introduce this legislation into the Parliament, and it is a bit disappointing. I hoped the legislation would be in place earlier than it will be. Nonetheless, it is before the House now and I am happy to offer my support for it.

The legislation has been through a long process to get to this stage. It began just after we came to government in the early 1990s. Initially there was a lot of resistance to the legislation from people in the Police Force and the Department of Health and others who thought it was not necessary for the State to grow hemp. They thought that the negative aspects would outweigh the positive benefits. Through various processes, including a committee chaired by my parliamentary colleague, Hon Murray Montgomery, and a series of trials throughout the State, we established that not only was there a good future for the growing of hemp in Western Australia, but also that it would serve a number of purposes. The trials were conducted on properties from Kununurra to Denmark; in other words, from the extreme north of the State to the south. Some of the trials were not successful. Through those trials we sought to establish the soil and climatic conditions and the amount of rainfall that would be required to grow hemp in a commercially successful way. The trials had varying results. I think a database has now been established that can be used by people who want to get into this industry, which will now be legal, so people in the particular areas in which the trials proved successful will be able to do that with some confidence.

Mr R.N. Sweetman: What are the best areas?

Mr M.G. HOUSE: The best areas are those in which there is a lot of water. Hemp needs a reasonable amount of water, so water is a critical factor. Therefore, the trials in the irrigation areas in Kununurra, and also in the Scott River area in Denmark, because of the higher rainfall in the south west, were very successful. However, the trials in the wheatbelt were not successful at all. Of course, different varieties of hemp are now becoming available all the time through genetic modification, so it may be possible for a broadacre industry to be established in the wheatbelt based on those new varieties. I hope that will be the case.

Mr P.D. Omodei: Do you think the Greens would support genetically modified hemp?

Mr M.G. HOUSE: It would be a test for them.

The objections from the Police Service and the Department of Health to this legislation have been overcome. I am strongly in favour of the onus being put on the people who are growing this product to be responsible for ensuring that it is not mixed up with the plants that are illegal. The plants that have a higher level of tetrahydrocannabinol, which are the plants that are used by people who want to smoke cannabis, will be able to be kept out of the plantations by a strict self-control mechanism. In other words, people who are found to be abusing the privilege of the licence will have their licence cancelled. I believe that is the way it should be, because the plants look very similar and it is very difficult to tell them apart; therefore, it would not be possible to police every plantation to the nth degree that would be necessary. However, that can be done by proper testing, of course.

The question that needs to be asked is why do we support this Bill, and what led to this Bill being brought on in the first place. There were two reasons. Firstly, the growing of industrial hemp is a genuine agricultural alternative for farmers, particularly farmers with small landholdings, because the returns can be quite large. Also, hemp is a product that is used for a lot of purposes. The prime use that I saw for hemp was as an alternative source of paper production. I saw it as a genuine way of replacing some of the logging of forests that was taking place, because it would enable us to maintain some of the forest base and make paper out of a product that can be grown as an alternative. There is no question that this is a genuine alternative to paper production. Hemp is an amazing product, because it can be used for not only paper production but a range of things from clothing to medicine. However, unless we have a critical mass of industry, we will not be able to get the downstream processing that is necessary to turn hemp into other products. That critical mass will come about only if the plantations are successful and profitable. To that end, the interjection by the member for Ningaloo was very pertinent, because if we can get varieties of hemp that will grow in the broadacre agricultural areas, we will obviously have a better chance of producing that critical mass at a more economical rate. Therefore, like the member for Warren-Blackwood, I am very supportive of this legislation, and we are pleased to see its passage Bill through the House.

MR R.N. SWEETMAN (Ningaloo) [3.13 pm]: My comments on the Industrial Hemp Bill will be brief. I do not intend to cover the ground that my colleagues have already covered. However, I must say that I am quite enthusiastic, even excited, about the opportunities that will be presented to industry through this Bill. This Bill has been a while in gestation. I am pleased that the quite significant objections to the cultivation of industrial hemp have been settled. I recall that about two years ago, the concern of some constituents was relayed to me by the member for Nedlands. When I got to visit Kim Hough and his partner, Merilee, at their Nedlands home, I was very impressed by their enthusiasm for industrial hemp and quite staggered at the variety of derivatives that can be produced from a single plant. I was encouraged, and I guess convinced, in that two-hour meeting about the positive benefits that can be derived from the cultivation of industrial hemp. This legislation was held up, particularly within sections of the Department of Health and the Police Service, which were trying to find a way through the legislative requirement to separate the hemp from the normal marijuana crop that we associate with that narcotic. I was convinced by the argument that the most practical way to go about it was to separate the product according to the level of tetrahydrocannabinol, and I am pleased that at end of the day the Department of Health, the Police Service and the Department of Agriculture have seen fit to allow this industry to proceed according to an agreed formula. From my brief look at the legislation, the explanatory memorandum and the parliamentary secretary's second reading speech, I believe there are sufficient safeguards in the legislation. However, if it turns out that there are not, I am sure that very quickly there will be an amendment to the legislation and it will come back into the Parliament.

Hemp is a new product. It offers some further diversity to our existing primary industry base in this State and will create further opportunities for wealth production. Even though in this State hemp is a fairly minor, almost insignificant, industry, it has the potential to grow. When we look at the early days of grain production in this State and at the quantum leap over a relatively short time in yields per acre, I have no doubt that this product will be cultivated with the same commercial success that is currently being experienced with many of these grain products. Some of the yields per hectare for wheat today are such that even 15 years ago people would not have

believed that they would have been achievable under any circumstances. For all those reasons, I believe industrial hemp will be successful.

I was interested in the comment by the member for Stirling that the trials took place basically across the length and breadth of the State. Hemp is perhaps a potential crop for the broadacre farming precinct at Rocky Pool, which is about 65 or 70 kilometres east of Carnarvon. The member for Stirling talked also about critical mass. Certainly it would be a shot in the arm for the primary industry within the pastoral and horticultural districts in Carnarvon to have a new industry such as hemp. Significant quantities of water have already been discovered and allocated as a resource out of the Rocky Pool aquifer, and the farmers in that area are perhaps just waiting for the opportunity that this Bill may present for the broadacre farming and cultivation of industrial hemp, perhaps even in the Gascoyne region. I know that is subject to developing the technology and perhaps further refining it through not necessarily genetic modification but further bioengineering and development of the strains of this crop to allow it to grow in some of the cold and subtropical through to tropical areas of the State. I am encouraged by this legislation, and I certainly lend my voice to supporting it. I hope the legislation will go through the Parliament and be proclaimed in sufficient time to allow those who are keen to grow the crop to get a crop in during this growing season.

MR F.M. LOGAN (Cockburn - Parliamentary Secretary) [3.19 pm]: I would like to briefly respond to the statements made by the members of the Opposition on the Industrial Hemp Bill. I thank members of the Opposition for agreeing to debate this Bill as an urgent Bill. I also thank members of the Opposition for supporting the Bill and for the comments that they have made about it. In particular, I thank the member for Stirling for giving the House some idea of the history behind the creation of this Bill and his role in that. I take up with the member for Stirling his criticism that it has taken the Government so long to get the legislation to the House. I point out to the member for Stirling that he had ample opportunity when he was in government and a minister to bring the legislation before the House in the form of an urgent Bill, but he failed to do so. Nevertheless, despite that criticism, I thank the member for Stirling and the members for Warren-Blackwood and Ningaloo for their support and their description of the positive outcomes that we all hope for from the industry. The Government wishes the industry success in its development. It hopes that we can develop a regionally based downstream manufacturing export industry for industrial hemp. It would be a huge step forward for regional Western Australia and Western Australia as a State.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate and transmitted to the Council.