

INDUSTRIAL HEMP AMENDMENT BILL 2018

Second Reading

Resumed from 22 August.

MR I.C. BLAYNEY (Geraldton) [11.33 am]: I am delighted to see the Industrial Hemp Amendment Bill 2018 arrive in this place. When I was a boy of 10 years, my father was one of the first growers of narrow-leaf lupins, or *Lupinus angustifolius*, in the Geraldton area, and in Western Australia. It is a crop that is particularly well suited to the climate and sandy soils of the midwest sand plains. Western Australia was the pioneer of this species as a grain crop, following work done by Dr John Gladstones at the University of Western Australia. Dr Gladstones is an extraordinary man. He also did work on climate in the Margaret River region of WA and concluded that the area was potentially one of the best wine-growing regions outside France. It would be fair to say that Dr John Gladstones has made a contribution to agriculture in Western Australia, and Western Australia in general, that probably matches the contribution made by anybody else. I often think of Dr John Gladstones when arguing the case for publicly funded research and the value of our institutions of higher education in agriculture. I suspect it would get one of the highest rates of return of any government expenditure.

It is of course possible to create new crops; it takes a lot of time and patience, but the payoff is worth it. Western Australia is still the world's biggest exporter of narrow-leaf lupins, although the tonnage is nothing like that grown in the early 1990s and the late 1980s. Industrial hemp, though, is quite an ancient crop. Some people consider it maybe one of the earliest crops to have been cultivated. Its uses include making ropes, canvas, clothes, cosmetics, food, paper, textiles, plastics, insulation, construction, composite panels for cars—BMW and Mercedes both use it at the moment—and, potentially, biofuels. Major producers include France, China and some 30 other countries. Interestingly, the largest producer during its time was the former Soviet Union, but it does not produce much of it now.

This year Tasmania and Victoria will grow 400 hectares and New South Wales about 600 hectares. Interestingly, last year for example, Canada grew some 68 000 hectares of industrial hemp. In the early 1940s, hemp production worldwide ranged from about a quarter of a million to 350 000 tonnes. It was around 300 000 tonnes in the early 1960s, but it settled back to around 75 000 tonnes annually since the early 1990s. In Western Australia, of course it is very much in its infancy, and only about 60 hectares of hemp is grown. The 42 commercial growers in Western Australia must pass a police fit and proper person test, the crop must be licensed to be grown and is inspected. The crop is best suited to the south west regions of the state. Varieties may be available that are more suited to other areas, soils and climates, which we can access to trial and screen.

The amendments in the bill simply list the amount of tetrahydrocannabinol allowed in leaves and flowering heads from 0.35 per cent to one per cent, the agreed national standard in Australia and New Zealand. Above one per cent, the crop has to be destroyed. Environmental conditions can easily push the crop over the current standards of 0.35 per cent, and it has to be destroyed. The bill also requires amendments of the Misuse of Drugs Act 1981 and it will allow the sale of seed with low THC levels as food.

The development of a new crop represents long-term investments with uncertain outcomes. I remember a long discussion when I was a part-time research funder about whether to continue funding a project intended to develop a grain crop out of a species of native grass. The intended time line for the project was about 100 years. We had a very long discussion about it because the danger was that if we fund it for another 20 years, there are only 80 years left to go and at 20 years someone else may decide to cut it off. I was trying to remember whether we continued to fund it, and I honestly cannot remember. That was real blue-sky stuff.

The process will involve screening suitable varieties, probably considering the development of a local breeding program or establishment of a node of another organisation's program, other things such as agronomic practices and the use, for example, of herbicides, optimum soils and farming practices. Frequently, the establishment of a new monoculture crop will result in the emergence of a disease that will wipe out the crop. Such was the case with blackleg in rapeseed in Western Australia in the 1970s. Current varieties, now called canola, carry a resistance to blackleg and that problem is no longer there. Another frequent problem is an insect that will emerge to devastate the crop; however, in this case, over time the system will rebalance and predators will emerge that will reduce the impact of the damaging insect. Such was the case of heliothis in our narrow-leaf lupin crop in the mid west. Otherwise insecticides would have to be used, once again requiring trials. Most insecticides now have a very low environmental impact compared with the ones we used earlier.

This crop will be far too small for any consideration of the development of genetically modified varieties; however, technologies developed in the GM crop programs will probably be used to generate new varieties faster. A couple of years ago I visited the agricultural faculty of the Hebrew University of Jerusalem in Israel. It was in the process of developing a commercial crop out of the mustard species, which is grown in an arc from Ethiopia through the Middle East to Afghanistan and India. I was fascinated to see that they were about halfway along the path we took

in Western Australia when we developed a grain crop from narrow-leaf lupins. A lot of the problems faced with mustard were exactly the same as we had faced when we were developing narrow-leaf lupins.

Industrial hemp could be quite a viable crop and the base for a new industry in regional Western Australia. I sincerely hope it is. It is not related to the parallel emergence of medical use and a medical marijuana industry, which I have supported since 2014. Again, I hope to see the emergence of another new industry that will bring jobs and industry to regional Western Australia. I quietly thank my colleagues who have supported me on the issue of medical marijuana, even if they were not prepared to do so publicly.

I am very happy to see that growers have formed a co-op in the south west to market the crop and support the development of the industry. The emergence of a new crop is something that farmers and the agricultural sector, understandably, get very excited about. The path is never easy, but if it comes off, it is incredibly worthwhile. The view at the end of the climb is worth it.

MS L. METTAM (Vasse) [11.41 am]: I support the Industrial Hemp Amendment Bill 2018 and my colleague's comments on it. We recognise and understand the value of this bill. Amending the legislation on the maximum tetrahydrocannabinol limit will bring Western Australia in line with national standards, so it is very much welcome. As the member for Vasse, I represent a region that will benefit from raising the allowable THC concentration level. The change is expected to increase the number of varieties available for industrial hemp production. Earlier this year I had the pleasure of meeting Chris and Bronwyn from Vasse Valley Hemp, who are looking forward to seeing what this change will mean for their industry. Western Australia's hemp industry is still in its infancy, with the number of growers expected to double from 19 last year to about 40 this year, and the proposed amendments come at a fortuitous time—that is, before the September–October planting period.

The growth of this industry is supported by Australia's first industrial hemp growers' cooperative, which was formed in April of this year, with Chris Blake and Bronwyn Blake, who is chair of this group, leading the charge. I congratulate Bronwyn on her appointment as chairwoman of the WA Hemp Growers Co-operative and on her continued work in furthering the interests of this industry. Ms Blake harvested 0.5 hectare of hemp at her farm last year after planting her first 0.5 hectare as a trial two years ago. Vasse Valley Hemp has already had interest in a range of different applications of its product, including a beer. Chris Blake is foaming over the upcoming release of Dr Weedy's Hemp Ale, which is a joint venture with Rocky Ridge Brewing Co. The release is well supported, not only in the gourmet food and beverage industry, but also across the region. It was wonderful to hear that Cape Cellars in Busselton is the first store to put its hand up to stock this product. I understand that restaurants across the region are looking forward to further applications of this hemp product and utilising it in a number of different foods and beverages. Edible hemp seeds are a great source of protein, vitamins, minerals, and polyunsaturated fatty acids, particularly omega-3 fatty acids. At a time when health and obesity are great concerns, the promotion of natural healthy options is commendable. We should do everything we can to encourage the growth of this worthy industry, which has been promoted and supported so well in the south west region, which has the ideal climate, soils and conditions.

The hemp industry has become quite competitive. There is the opportunity for it to replace products that are currently used. The Blakes said that although most hemp varieties were bred to have low THC levels, Western Australian hemp farmers were at risk of losing their crop if the plants tested slightly over the limit. Ms Blake also said that the variety of hemp that February farmers could access had a tendency to slightly top the 0.35 limit if the plants became stressed from environmental conditions. She said that a lot of the farmers had trouble with their first crops, which had gone slightly over the THC level. This bill not only represents an opportunity to respond to the growing demand for hemp as a food and beverage product, but also as a response to environmental challenges, which is reflected in the experience of Vasse Valley Hemp. I support this bill, the expansion of this industry and trailblazers such as Chris and Bronwyn Blake of Vasse Valley Hemp, who are making fantastic inroads into what I can only imagine will be a very successful industry. The industry will support jobs, the diversification of the economy and the south west region as a hub for food and beverages.

MR D.A. TEMPLEMAN (Mandurah — Leader of the House) [11.47 am] — in reply: I am representing the Minister for Agriculture and Food in this chamber. I am very happy to reply to the second reading debate on the Industrial Hemp Amendment Bill 2018. I thank the member for Vasse and the member for Geraldton for their contributions on this very important day. Although there may be chaos in other places and other chambers, there is no chaos here. In the words of Christopher Pyne, we are getting on with the job.

Mr Z.R.F. Kirkup: He's a fixer!

Mr D.A. TEMPLEMAN: A fixer—yes. Another day in paradise!

I thank members for their contributions. This bill is important for our agricultural industry. It is important that we look at a little bit of history and a bit of background. As members may be aware, the Western Australian Industrial Hemp Act was introduced by the Gallup government in 2004. It had stewardship through Parliament

by the late Hon Kim Chance, who was the Minister for Agriculture at the time. I can remember the debates on that bill in this chamber and in the upper house all those years ago. It was very important legislation that the late Hon Kim Chance articulated.

It is important to note that there is a long history of advocacy for hemp as a viable and important agricultural product in Western Australia. Members may be aware that since the introduction of the bill in 2004, extensive trials have been conducted in South Perth, which would be of interest to the member for South Perth, and Dandaragan in the Ord. That ongoing research fed into the development of the industry in Western Australia. Currently, 42 commercial hemp production licences have been issued in WA and there was an increase in the number of licence applications and the number and size of crops grown in 2017–18. This is likely due to the recent changes to the food standards and the recent coverage by the media.

The tables I have seen of comparisons of hemp sowing over the last three or four financial years have shown significant increases in total crops and the equivalent hectares sown. I understand that in 2015–16, in the order of 26.3 hectares were sown, and in 2017–18, 68 hectares were sown, so there has been an increase. As highlighted by the member for Geraldton and the member for Vasse in their contributions, this change to the legislation is important because it essentially proposes to amend the definition of industrial hemp under section 3(1) of the Industrial Hemp Act. The current act defines industrial hemp as —

cannabis, the leaves and flowering heads of which do not contain more than 0.35% of tetrahydrocannabinol;

Of course, the key feature of this bill is that that figure of 0.35 per cent will be increased to one per cent. It is important for the huge number of members present today to understand that this amendment bill proposes a consequential amendment to the definition of processed industrial hemp in section 3(1) of the Misuse of Drugs Act, which states —

processed industrial hemp means any product made from industrial hemp or industrial hemp seed that —

(a) does not contain more than 0.35% of tetrahydrocannabinol; and —

I say it quickly so it sounds like I know what I am saying because I can pronounce it —

(b) does not contain viable whole cannabis seed; and

(c) is not manufactured in a form to be inhaled;

Again, this bill will replace that figure of 0.35 per cent with one per cent.

I know that the industry is looking at this change with great anxiety and anticipation, because I understand it will be impacted by the cropping cycle, which is an important consideration.

I thank the opposition for its swift support of the bill that is before the house. We will be able to pass it as it has come from the other place, and this change will be able to be enacted as soon as practicable in order for this industry to continue to explore the opportunities presented to growers and the Western Australian economy. I thank the members for Geraldton and Vasse for their contributions and I commend the bill to the house.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

Third Reading

MR D.A. TEMPLEMAN (Mandurah — Leader of the House) [11.54 am]: I move —

That the bill be now read a third time.

MR I.C. BLAYNEY (Geraldton) [11.55 am]: I look forward to seeing the growth of the industry. I hope to be able to help to see that happen. I thank people for their support. That is all I can say, because Hansard has taken all my notes away!

MR D.A. TEMPLEMAN (Mandurah — Leader of the House) [11.56 am] — in reply: In closing the third reading debate on the Industrial Hemp Amendment Bill 2018, I thank the member for Geraldton for his outstanding contribution to the third reading debate! We will look back in time at the great speeches made in this place, and there have been many, but I think that that speech in particular will be in the top 10—maybe not number one, but certainly in the top 10! I thank the member for his support of this third reading stage.

Question put and passed.

Bill read a third time and passed.