

Committee Secretary

Senate Standing Committees on Rural and Regional Affairs and Transport

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Parliament House

Canberra ACT 2600

Submission to the Senate Standing Committee on Rural and Regional Affairs and Transport

Re: Inquiry into the Opportunities for the Development of a Hemp Industry in Australia

Submitted: August 2025

Submitted by: Darrell Meredith

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a. The potential contribution of an industrial hemp industry to:

(i) Australian farming systems, including compatibility with existing agricultural practices, soil health and water usage/conservation

Industrial hemp is a low-input, fast-growing crop that offers significant potential for sustainable diversification of Australian farming systems. It grows well in a variety of climates, requires relatively low water compared to cotton or rice, and improves soil structure and health due to its deep tap roots. Hemp also grows quickly, making it a valuable rotation crop that can reduce fallow periods and improve overall land productivity.

(ii) Australian manufacturing, including the production of textiles, bio-based plastics, health and food products

Australia has the capacity to become a leader in sustainable manufacturing using hemp. Hemp fibre is versatile and can be used for high-quality textiles, building materials, and bioplastics. Hemp seed and oil are also emerging in the global health and wellness market, offering high-protein, omega-rich nutritional products. Investment in domestic processing would create skilled jobs and regional manufacturing hubs.

(iii) The circular economy, including biodegradable materials and waste reduction

Hemp is biodegradable and can be used to make compostable plastics, paper, and textiles. By displacing petroleum-based or chemically intensive materials, hemp-based alternatives contribute directly to circular economy principles. Hemp biocomposites and packaging could drastically reduce plastic pollution and offer closed-loop systems in agriculture and retail.

(iv) The Australian construction industry, including the use of hemp-based materials and barriers to their adoption

Hempcrete, hemp insulation, and fibreboards are low-carbon and highly efficient construction materials. However, the uptake in Australia has been limited by a lack of standardisation, building code recognition, and supply chain gaps. Addressing regulatory and certification barriers could allow hemp-based materials to thrive, particularly in climate-resilient, off-grid, and rural building projects.

(v) Australia's economy, including, but not limited to, job creation, export opportunities and regional development

Globally, the industrial hemp market is projected to exceed USD 25 billion by 2030. Australia, with its climate and agricultural expertise, can be a competitive exporter of raw and value-added hemp goods. Hemp industries also support employment in regional and First Nations communities, where land and water access are often more favourable. An expanded hemp economy could drive regional innovation, reduce import dependency, and create environmentally sustainable industries.

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b. Research and development required to harness the full potential of the hemp industry

Key R&D priorities include:

- Crop genetics tailored to Australian climates
- Scalable decortication and fibre-processing technologies
- Commercial applications of hemp bioplastics and biofuels
- Nutritional profiling and medical research for hemp-derived products

- Building performance data and code alignment for hempcrete and insulation

Government-supported R&D hubs in regional areas would stimulate innovation and investment.

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c. Regulations related to hemp production, sale and distribution to domestic and export markets

Regulatory frameworks across Australian states and territories are inconsistent and often burdensome. Issues include:

- THC limits and testing delays
- Confusion between industrial hemp and medical cannabis regulation
- Complexities in licensing, processing, and inter-state transport
- Limited international harmonisation for export

A national regulatory overhaul is needed to align with modern global standards, simplify licensing, and remove artificial barriers that stifle investment and innovation.

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d. Other related matters

Legalisation of the full potential of hemp and cannabis:

Australia lags behind much of the developed world in fully realising the potential of the broader cannabis plant. Legal frameworks must evolve to differentiate between industrial, therapeutic, and recreational uses of cannabis while enabling evidence-based access. Human rights frameworks — particularly the right to health, cultural practices, and environmental justice — support a more progressive hemp and cannabis policy.

Alignment with global trends:

Countries like Canada, Germany, and the U.S. are rapidly expanding hemp and cannabis industries, integrating them into agriculture, medicine, and construction

sectors. Australia must act now or risk falling behind in innovation and trade competitiveness.

Rebuilding rural and regional industries:

Hemp is a strategic crop for a post-carbon economy. It can replace deforested materials, fossil-fuel derivatives, and energy-intensive textiles. Hemp aligns with Australia's commitments to net-zero targets and climate adaptation, while revitalising under-utilised land and infrastructure.

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