

Executive Briefing

Industrial Hemp as a Catalyst for Regional Economic Revitalisation

Purpose

To advocate for strategic investment and supportive policy to unlock the transformative potential of industrial hemp for regional Australian communities.

Overview

Industrial hemp is a low-THC variety of *Cannabis sativa* cultivated for non-psychoactive uses across food, textiles, construction, biofuels, and more. Its broad utility and environmental benefits position it as a key growth industry for Australia, with the global market forecast to exceed USD \$26.6 billion by 2025.

Key Opportunity

Regional Australia faces economic challenges from reliance on single industries, population decline, and climate-related pressures. Industrial hemp presents a unique opportunity to:

- Diversify agricultural outputs
- Create jobs and stimulate new industries
- Enhance environmental outcomes
- Support community wellbeing through sustainable housing and nutrition

Strategic Priorities

1. Policy and Regulation

- Develop a *National Industrial Hemp Strategy* to ensure consistency in licensing, THC limits, and regulatory settings
- Approve the use of hemp in *animal feed* and integrate into *carbon credit schemes*
- Remove barriers to full-plant utilisation to support innovation and competitiveness

2. Investment and Infrastructure

- Fund development of regional *processing and manufacturing hubs* (e.g., decortication, hempcrete, food processing)
- Offer *low-interest loans, grants, and tax incentives* for hemp-related businesses
- Facilitate *public-private partnerships* to de-risk early investment

3. Research and Development

- Advance regionally-appropriate seed varieties and cultivation methods
- Innovate high-value hemp products (bioplastics, textiles, building materials)
- Expand trials in phytoremediation and soil regeneration

4. Community and Industry Engagement

- Support formation of *regional hemp cooperatives and clusters*
- Launch *awareness campaigns* to destigmatise and educate on hemp's benefits
- Fund *skills development programs* tailored to farming, processing, and manufacturing

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Evidence and Precedents

- *Murray Industrial Hemp* (NSW/VIC): Creating >30 jobs through hempcrete production
- *Margaret River Hemp Co.* (WA): Operational processing facility supplying multiple sectors
- *Canada, US, Paraguay*: Strong regulatory support correlates with export and regional economic growth

Impact Metrics

Economic

- Local GDP growth
- employment rates
- export value

Environmental

- CO2 sequestration
- soil health
- reduced chemical inputs

Social

- Affordable housing units
- health outcomes
- community resilience

Call to Action

Australia is at a pivotal moment to shape a sustainable, prosperous regional future. We recommend immediate federal and state alignment on regulatory frameworks, capital support for infrastructure, and national coordination to ensure Australia doesn't miss this high-value opportunity.

Prepared for Policy advisors, regional development agencies, investment stakeholders, and ministers responsible for agriculture, environment, industry, and regional affairs.