

## **Submission to the Senate Inquiry: Opportunities for the Development of a Hemp Industry in Australia**

**Submitted by:** Otetto

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**Relevant section: a(iv) – The Australian construction industry, including the use of hemp-based materials and barriers to their adoption**

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### **About Otetto**

Otetto® is an Australian construction technology company and the creator of **Living Canvas®**, an Australian-first SIPs prefabricated hempcrete panel system designed to deliver scalable, low-carbon, and high-performance wall assemblies. Our mission is to accelerate the transition to healthier, climate-resilient buildings using renewable, locally sourced materials such as industrial hemp.

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### **Opportunities in the Construction Industry**

Industrial hemp offers enormous potential to decarbonise the Australian construction sector. Hempcrete, made from the woody core of the hemp plant (hurd), is a breathable, insulating, and **carbon-negative** material that actively stores CO<sub>2</sub> in the built environment. Its thermal mass and vapour permeability improve building performance and indoor health while reducing reliance on high-emission materials.

Otetto® has developed a prefabricated hempcrete SIPs system that enables rapid offsite manufacturing and efficient installation. However, broad uptake of this innovation is constrained by policy, procurement, and supply barriers.

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### **Recommendations for Government Support**

- 1. Government Procurement of Hemp-Based Materials**

Mandate or prioritise hempcrete and other bio-based materials in government-funded housing, schools, and infrastructure projects to stimulate early market adoption and demonstrate performance.

- 2. Subsidies for Carbon-Negative Materials**

Offer rebates, grants, or tax incentives to builders and developers using certified carbon-negative materials to reduce cost barriers and accelerate adoption.

- 3. Declassify Industrial Hemp from Drug Codes**

Remove industrial hemp from drug legislation to enable full commercial use of

the plant across multiple sectors, including construction, food, fibre, and bioplastics.

4. **Remove Licensing for Industrial Hemp Cultivation**

Simplify or eliminate unnecessary licensing requirements to allow broader farming participation, increase supply, and reduce costs for processors and manufacturers.

5. **Fund Regional Hemp Processing Infrastructure**

Invest in local decortication and processing facilities to support rural economies, shorten supply chains, and ensure consistent, affordable raw materials.

6. **Support Research and Standards Development**

Fund industry-led R&D into fire safety, thermal performance, prefabrication, and compliance. Support the development of national product standards and certifications.

7. **Support Trademark and Testing of Innovative Products**

Provide assistance for companies seeking to trademark unique hemp-based products and complete necessary performance and compliance testing. Protecting IP and meeting regulatory standards is critical for market entry, investment, and export readiness.

8. **Launch a National Hemp Innovation Program**

Establish a dedicated hemp CRC or national program to support cross-sector innovation, commercialisation, and workforce development.

9. **Develop a National Bio-Based Building Strategy**

Create a coordinated roadmap that aligns low-carbon materials with net-zero construction goals, including embodied carbon targets, incentives, and certification pathways.

10. **Pilot a Low-Carbon Public Housing Initiative Featuring Hempcrete**

Fund a federal demonstration program showcasing the use of hempcrete panels in public housing. This would validate performance, build public trust, and generate demand across public and private sectors.

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## Conclusion

Hemp-based systems like **Living Canvas®** offer a scalable, Australian-made solution to reduce emissions, build resilience, and revitalise regional economies. With targeted government support, hemp construction can create jobs, support farmers, and position Australia as a global leader in regenerative building systems.

We welcome the opportunity to engage further with the committee and share our research, pilot outcomes, and policy insights.

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