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Senate Standing Committees on Rural and Regional Affairs and Transport
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Cannabis Council Australia submission to the Rural and Regional Affairs and Transport References Committee inquiry: Opportunities for the development of a hemp industry in Australia

About Cannabis Council Australia (CCA)

Cannabis Council Australia represents a growing and diverse group of licensed medicinal-cannabis cultivators, manufacturers, healthcare providers, clinicians and pharmacists who are committed to uniting the medicinal cannabis sector under a shared vision of safety, quality and integrity.

We are committed to raising sector practices, working collaboratively with the broader healthcare system and stakeholders, and developing a set of national standards to ensure the highest quality of care for patients receiving healthcare that involves medicinal cannabis. We believe the sector must work hand in hand with government, regulators, and the broader health system to achieve lasting policy and regulatory reforms that support medical innovation while protecting public health.

We note that our remit is the medicinal (therapeutic) cannabis sector. We do not represent the industrial hemp industry.

CCA welcomes the Committee's focus on opportunities for the industrial hemp sector. Our purpose in this submission is strictly to assist the Committee to maintain a clear demarcation between *industrial hemp* and *medicinal cannabis*, so policy settings promote growth in both sectors without regulatory confusion, market misuse, or risks to patients. We further note the Therapeutic Goods Association is undertaking a specific consultation into medicinal cannabis products, [Reviewing the safety and regulatory oversight of unapproved medicinal cannabis products](#).

Where policy or operational conflicts arise between the sectors, CCA's strong position is that **the integrity of the medicinal-cannabis framework and its role in the protection of patients must prevail.**

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Executive summary

1. **Industrial hemp and medicinal cannabis are distinct sectors** with different policy objectives, end-use markets and risk profiles. They therefore require **separate, non-overlapping regulatory frameworks and market rules**.
2. **Industrial hemp** should be developed for **fibre and grain (cereal) uses** under agricultural, construction, food and other appropriate standards settings. **Medicinal cannabis** must remain under therapeutic-goods, narcotic-control and clinical-governance settings that prioritise crop security and integrity, patient safety and clinical oversight.
3. **Wherever conflict or ambiguity arises, protections for patients and thus the integrity of medicinal-cannabis supply chains should take precedence** over hemp policy or commercial interests.
4. The Committee can support both sectors by recommending:
 - Maintenance of **a nationally consistent legal definition** of industrial hemp, separate from medicinal cannabis, and harmonised state/territory licensing rules.
 - **Co-existence safeguards** (planning/biosecurity) that prevent cross-pollination and supply-chain interference with medicinal cannabis crops.
 - **Stronger consumer-protection settings for hemp foods** (labelling, marketing, placement and online-listing rules) to avoid any suggestion that hemp foods are therapeutic or substitutes for prescribed medicinal cannabis.
 - **Explicit preservation and primacy of TGA therapeutic-goods controls** for medicinal cannabis.
 - Commission practical guidance on pollen-drift risk management to support planning authorities and growers; encourage data-sharing between agricultural and medicinal sectors.
5. There is significant potential for an Australian Industrial hemp industry, providing safeguards are maintained for medicinal cannabis.

1. Demarcating the sectors

Industrial hemp (low-THC *Cannabis sativa* varieties) is grown for **fibre** (bast fibre and hurd) and/or **grain** (edible seed, sometimes processed into oil, flour or protein). It is an agricultural commodity. The appropriate levers are agricultural licensing, seed certification, biosecurity, environmental compliance, and food-standards regulation for any edible products.

Medicinal cannabis is grown and manufactured to produce **therapeutic goods** for the treatment of patients, supplied in Australia under medical supervision through defined clinical access pathways. The appropriate levers are narcotic-control licensing, GMP manufacturing,



product quality standards, clinical governance, pharmacovigilance and therapeutic-advertising controls.

A clear separation of purposes and controls is essential to:

- **Protect patients** from misleading claims or sub-therapeutic substitutes;
- **Protect medicinal supply chains** from agronomic and biosecurity risks (e.g., pollen drift); and
- **Give farmers and processors investment certainty** in both sectors.

2. Different regulatory approaches (and why they must remain separate)

Industrial hemp

- **State/territory licensing** for cultivation and processing of **low-THC cannabis** for non-therapeutic uses.
- **Food regulation** applies only to **seed-derived foods** (hulled, non-viable seed; naturally occurring trace cannabinoids only) and includes mandatory limits on THC/CBD residues and strict **labelling and marketing restrictions**.

Medicinal cannabis

- **Commonwealth and State/Territory licensing and permits** for cultivation, production and manufacture for **medicinal or research purposes**, consistent with Australia's obligations under the Single Convention.
- **Therapeutic Goods Administration (TGA)** oversight of prescribing and supply via **Special Access Scheme, Authorised Prescriber** and clinical trials, with **therapeutic-advertising prohibitions** applicable to businesses and services.

Recommendation 1: Maintain and strengthen the separation of frameworks, with explicit primacy for therapeutic-goods controls where overlap occurs.

The Committee should affirm that hemp policy (agriculture/food) must not dilute or displace therapeutic-goods controls; and therapeutic-goods policy must not inadvertently constrain legitimate agricultural/fibre/grain opportunities. Where overlap or uncertainty arises, regulators should apply a **patient-safety first** test that defaults to medicinal-cannabis controls.

3. Industrial hemp: fibre vs grain (cereal) — policy implications

Industrial hemp development spans two distinct value chains with different public-interest considerations:

- **Fibre crops** (bast/hurd) supply construction materials, paper, textiles and biocomposites, with the following policy needs: varietal compliance, fibre-quality standards, and downstream product standards (e.g., building codes).
- **Grain (cereal) crops** supply **hemp seed foods** (hulled seed, oil, flour, protein), with the following policy needs: food-safety standards and **marketing restrictions** that prevent any suggestion of therapeutic effect or equivalence to medicinal cannabis.

Because grain production relies on flowering and seed set, **male plants and flowering fields pose a non-trivial cross-pollination risk** to any nearby medicinal cannabis facilities (reducing cannabinoid yield and compromising product quality). This risk is manageable through coexistence planning.

Recommendation 2: Adopt coexistence safeguards.

- Require **risk-based isolation and biosecurity plans** where hemp grain production occurs near medicinal cannabis operations (e.g., mapped buffers informed by prevailing winds/topography; seasonal coordination; and notification protocols).
- Encourage **industry-led codes** and local planning instruments to operationalise these safeguards without unduly burdening farmers.
- Where coexistence cannot be reliably assured, **preference should be given to the continued operation of licensed medicinal cannabis facilities**, with decision-makers empowered to impose conditions (or, if necessary, refuse approvals) that prevent material risk to patient-supply chains.
- Commission practical guidance on pollen-drift risk management to support planning authorities and growers; encourage data-sharing between agricultural and medicinal sectors.

4. Hemp foods must not masquerade as medicinal cannabis — and must be kept clearly separate from therapeutic products



CCA supports consumer access to compliant **hemp seed foods**, but these products **must not be presented, labelled, marketed or positioned** in ways that imply therapeutic benefits or equivalence to prescribed medicinal cannabis. To minimise any risk of consumer misunderstanding:

Recommendation 3: Significantly strengthen consumer-protection measures for hemp foods.

- **Uphold and enforce** existing limits on THC/CBD residues and labelling/imagery restrictions for hemp foods, with **targeted compliance programs and penalties** for breaches.
- Prohibit any **CBD/THC references, therapeutic/functional claims, or medical imagery** on food products; **ban leaf iconography and the terms “medicinal”, “therapeutic”, “recovery”, or similar health-related terms** on hemp foods and associated marketing.
- Introduce a **standardised, prominent front-of-pack disclaimer** for hemp foods: *“Hemp seed food — contains no medicinal cannabis. No therapeutic claims.”*
- Work with retailers and online marketplaces to **avoid medicinal adjacencies** (e.g., pharmacy-only products, complementary medicines) and require **accurate categorisation and search-term controls** that prevent hemp foods from appearing in searches for medicinal cannabis.
- Establish a **rapid-takedown pathway** for misleading online content and a **pre-launch label advisory service** to prevent non-compliant packaging from reaching market.

These measures provide strong, visible differentiation for consumers, protect patients, uphold food-law integrity and preserve public confidence in the medicinal framework.

5. Preserve the integrity of the medicinal cannabis framework

Medicinal cannabis should continue to be supplied only under medical supervision and **not advertised to the public**. CCA supports the Commonwealth’s current review of **unapproved medicinal cannabis** oversight and would welcome reforms that strengthen product quality, clinical governance and data transparency, while retaining **prohibitions on consumer advertising** consistent with the [The Health Practitioner Regulation National Law](#) and related standards and guidance documents.

Recommendation 4: Endorse reforms that improve quality, safety and clinical oversight for unapproved medicinal cannabis, **and ensure hemp policy does not enable indirect promotion or substitution** via food-market channels. Any reforms to the

hemp sector must be clearly bound so they **cannot weaken advertising prohibitions** or blur clinical access rules for medicinal products.

6. Response to the Inquiry's Terms of Reference

Cannabis Council Australia has considered the specific questions under the Inquiry's Terms of reference:

The potential contribution of an industrial hemp industry to Australian farming systems, including compatibility with existing agricultural practices, soil health and water usage/conservation

Hemp offers significant agricultural advantages including water efficiency compared to traditional crops like cotton and rice, fast growth cycles with natural pest resistance, soil health improvement through deep root systems, reduced chemical inputs, effective crop rotation benefits, and diverse income streams from seeds, fiber, and resin products.

The potential contribution of an industrial hemp industry to Australian manufacturing, including the production of textiles, bio-based plastics, health and food products

Hemp's versatility enables and offers potential for increased manufacturing across textiles, rope, paper, sustainable packaging, bioplastics, bio-composites for automotive applications, high-protein nutritional products from seeds and oil, and cosmetics, nutraceuticals, and veterinary products from resins.

The potential contribution of an industrial hemp industry to the circular economy, including biodegradable materials and waste reduction

Hemp supports the circular economy as a zero-waste crop where seeds, stalks, and leaves serve multiple industries. It produces biodegradable packaging and textiles, petroleum-alternative bioplastics, and compostable materials without microplastics. With superior biomass yields compared to wood, hemp sequesters 1.5 tonnes of CO₂ per tonne produced while rehabilitating contaminated land to meet Australia's soil purity standards for food and medicinal crop production.

The potential contribution of an industrial hemp industry to the Australian construction industry, including the use of hemp-based materials and barriers to their adoption

Hemp-based construction materials such as hempcrete offer superior flexibility, insulation, breathability, pest resistance, and fire safety compared to conventional materials. Despite significant potential aligned with Australia's sustainability goals, adoption barriers include supply chain limitations, processing capacity constraints, regulatory approval complexities, a



need for standards harmonisation, and limited market acceptance among builders and consumers.

The potential contribution of an industrial hemp industry to Australia's economy, including, but not limited to, job creation, export opportunities and regional development

As research further extends hemp's existing versatility, we anticipate investment to extend Australia's hemp sector will support significant job creation in regional areas and create export opportunities to established markets such as the European Union, the United States of America and Canada.

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

Government incentives and research in innovation would naturally enhance potential for an Australian hemp industry. Australia's robust environmental regulations present opportunity for hemp to contribute to the sustainability of the broader Australian agricultural sector.

7. Practical steps the Committee can recommend

We reiterate that development of and investment in an Australian industrial hemp industry must be supported by the following recommendations:

1. **National definitions and harmonisation**
 - Endorse and maintain a nationally consistent definition of *industrial hemp* (low-THC cannabis for non-therapeutic use) and harmonised state/territory licensing rules, including uniform THC thresholds and compliance testing protocols.
2. **Coexistence code**
 - Task jurisdictions with developing a **coexistence code** for hemp grain and medicinal cannabis operations (risk-based buffers, seasonal coordination, notification and dispute-resolution). Support this with data collection and sharing across the two sectors.
3. **Food-law enforcement and labelling clarity**
 - Resource Commonwealth and State/Territory food-authorities to monitor and enforce hemp-food labelling/marketing restrictions; consider a **mandatory disclaimer** to prevent therapeutic misrepresentation.
4. **Keep therapeutic-goods controls intact**
 - Support reforms from the current Commonwealth consultation to ensure appropriate oversight of unapproved medicinal cannabis products.

Conclusion



Australia can realise the opportunities of an industrial hemp industry **and** safeguard medicinal cannabis patients and public health by **keeping the hemp and medicinal cannabis sectors clearly separate**, with fit-for-purpose rules for each. Where conflict or uncertainty arises, **the protections for patients and the integrity of the therapeutic-goods framework must take precedence**. CCA urges the Committee to recommend concrete steps that safeguard that demarcation while enabling both sectors to thrive.

Further information

For further information about medicinal cannabis or Cannabis Council Australia, please contact:

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