



## ***Hemp Industry Act 2008 (NSW)*** **General Conditions of Licence**

This document is provided to assist persons in understanding the conditions that apply to a licence issued under the *Hemp Industry Act 2008* (NSW).

Every attempt has been made to accurately explain the intent of the conditions and to provide options on how a licence holder could comply with those conditions. Nevertheless, it remains the responsibility of the licence holder to ensure that they understand and comply with the conditions of their licence.

A licence holder who does not comply with a condition of a licence commits an offence under the Act which carries penalties of up to \$11,000 or 2 years imprisonment or both (s. 6).

### **1. Licence Conditions**

A licence issued under the *Hemp Industry Act 2008* (the Act) will be subject to a range of general and specific conditions. General conditions apply to all licences of the same class, and are mostly set out in the Regulations. The Director-General has the discretion to impose any additional general or specific conditions at the time a licence is granted, renewed or transferred, or at any later time (refer s. 12 of the Act).

The following descriptions relate to licence conditions specified in the ***Hemp Industry Regulation 2008*** and apply to all types of licences issued under the Act.

<b>Clause</b>	<b>Regulation - Licence conditions</b>	<b>Comment</b>
9(1)(a)	a licensee must ensure that the activities authorised by the licence remain under the licensee's control at all times	<i>Where a crop is produced on a property not owned by the licensee, it is the responsibility of the licensee to ensure that activities meet all licence conditions.</i>  <i>The licensee must ensure that persons employed in the production of a crop under licence are suitable to be involved in the cultivation of low THC hemp. Any breach of conditions may result in licence suspension or cancellation.</i>
9(1)(b)	if a licence specifies an area in which an activity authorised by the licence is to be carried out, the licensee must ensure that such activities are carried out only in the specified area	<i>If additional areas are to be used, notification must be given of all details of the property or premises. If the property does not belong to the licence holder a consent form must also be supplied.</i>  <b><i>Refer to 2. Additional Conditions- Notification of new crop location prior to planting below.</i></b>
9(1)(c)	a licensee may only use seed that is supplied on the basis that it will not produce hemp that has a concentration of THC (in its leaves and flowering heads) of more than 0.5%	<i>Seed harvested from plants exceeding 0.5% THC cannot be sold, supplied or used as a sowing source for low-THC hemp.</i>  <i>Low-THC guarantees must be obtained from the seed supplier and can be in the</i>

Clause	Regulation - Licence conditions	Comment
		<p><i>form of statutory declarations, certification from domestic or overseas seed certification schemes, or third party certificates of analysis.</i></p> <p><i>Licence holders should be wary of accepting seed from suppliers who can not provide appropriate guarantees.</i></p> <p><b>Refer to 2. Additional Conditions- Sale or supply of seed below.</b></p>
9(1)(d)	<p>a licensee must take all necessary steps to ensure that any hemp cultivated by the licensee has a concentration of THC (in its leaves and flowering heads) that does not exceed 1%</p>	<p><i>A crop may not exceed 1.0% THC to remain compliant with licence conditions. Verification of THC concentration will usually require pre-harvest sampling and chemical analysis of the crop by a laboratory approved to test THC levels in cannabis plant material.</i></p> <p><b>Refer to 2. Additional Conditions- Audit and sampling below.</b></p> <p><i>Note: A crop produced from permitted seed can exceed 0.5% THC due to environmental factors. The 1% threshold has been set to allow for this variation.</i></p>
9(1)(e)	<p>a licensee must provide the Director-General with the results of any test, carried out by or on behalf of the licensee, indicating that the concentration of THC (in the leaves and flowering heads of hemp cultivated by the licensee) exceeds 1% within 24 hours of receiving those results</p>	<p><i>A crop that exceeds 1% THC will require notification of NSW Police. The crop may also be required to be destroyed under requirements of the Act.</i></p>
9(1)(f)	<p>if a licensee becomes aware of the unauthorised use or supply (or proposed unauthorised use or supply) of any low-THC hemp that has been, or is intended to be, cultivated or supplied under the licence, the licensee must immediately notify an inspector of the unauthorised use or supply (or proposed unauthorised use or supply)</p>	<p><i>An inspector under the Act could be a NSW Department of Primary Industries inspector or a NSW Police officer.</i></p>
9(1)(g)	<p>a licensee must take all necessary steps to ensure that any low-THC hemp that has been, or is intended to be, cultivated or supplied under the licence is not at risk of being used for an unlawful purpose</p>	<p><i>Licence holders should:</i></p> <ul style="list-style-type: none"> <li><i>• monitor and discourage any unauthorised access to the low-THC hemp crop or storage areas;</i></li> <li><i>• provide basic security for low-THC hemp material that is stored or transported;</i></li> <li><i>• maintain good farm records that allow traceability of all low-THC hemp material entering or leaving the property or premises.</i></li> </ul> <p><b>Refer to 3. Record Keeping below.</b></p>
9(1)(h)	<p>a licensee must ensure that all low-THC hemp cultivated under the licence is, before leaving the property on which it was</p>	<p><i>Defoliation must not occur before the crop has been sampled for THC analysis.</i></p>

Clause	Regulation - Licence conditions	Comment
	cultivated, substantially stripped of its leaves	<p><i>Refer to <b>2. Additional Conditions- Audit and sampling</b> below.</i></p> <p><i>Note clause 9(2)(a): A licensee is exempt from the requirement in clause 9(1)(h):</i></p> <p><i>(a) in respect to any low THC hemp taken from the property on which it was for scientific purposes or analysis, and</i></p> <p><i>(b) in such circumstances that the Director-General considers appropriate.</i></p>
9(1)(i)	a licensee must advise the Director-General of any material change to the information provided in relation to the licence in accordance with this Regulation	<i>A material change would include details supplied regarding the applicant or close associate, or the licensed property.</i>
9(1)(j)	a licensee must produce the licence for inspection by an inspector at the request of the inspector	<i>An inspector under the Act could be a NSW Department of Primary Industries (DPI) inspector or a NSW Police Officer.</i>
9(1)(k)	a licensee must co-operate with an inspector at all times when the inspector is exercising his or her powers under the Act in relation to the licensee	<p><i>An inspector may:</i></p> <ul style="list-style-type: none"> <li><i>• request information or records;</i></li> <li><i>• give directions to rectify any breach of the licence or its conditions;</i></li> <li><i>• enter premises (other than a home) and seize or copy documents or other relevant material;</i></li> <li><i>• take samples for analysis;</i></li> <li><i>• require answers to questions.</i></li> </ul>
9(1)(l)	a licensee must notify the Director-General immediately if the applicant, or any close associate of the applicant, is convicted of any drug related offence	
10(1)	It is a condition of a licence that the licensee keeps, in accordance with this clause, a register containing the following information...	<i>Records required are specified below under <b>3. Record Keeping</b>.</i>
11(1)	It is a condition of a licence that the licensee provide a report to the Director-General in relation to the activities carried out under the licence during each annual period	<i>Annual reporting and notification requirements are specified below. Refer to <b>2. Additional Conditions</b> and <b>4. Annual Reports</b>.</i>
12	<p>(1) It is a condition of a licence that the licensee pay an annual fee of \$200 in accordance with this clause.</p> <p>(2) The annual fee is payable to the Director-General annually in accordance with the written directions of the Director-General.</p> <p>(3) The annual fee is payable even if the licence is suspended.</p>	<p><i>The Annual Licence Fee payment should accompany the Annual Report, and is due on the anniversary of the date on which the licence was issued.</i></p> <p><i>It is payable whether or not a crop is to be grown that season.</i></p>

## **2. Additional Conditions**

The Director-General has determined that the following additional conditions will apply to licences for the cultivation and supply of low-THC hemp.

### **Sale or supply of seed**

Where the purpose of a licence includes the cultivation and supply of low-THC hemp seed, any hemp seed sold or supplied must be packaged and labelled to describe the contents of the package as seed derived from low-THC hemp plants that had THC levels less than 0.5%.

### **Audit and sampling**

Where the purpose of the licence includes the cultivation of low-THC hemp the licence holder is required to arrange for an audit of their low-THC hemp crop by an independent accredited auditor, and for the sampling and analysis of the crop (by the auditor) to verify that its THC concentration does not exceed 1.0%.

Growers of fibre crops must arrange for sampling to take place not earlier than 70 days after planting and not later than one week after male plants begin to flower. Fibre crops must be defoliated within ten (10) days of the taking of samples.

Growers of seed crops must request sampling when 50% seed set occurs.

The Sampling Request Form is available from local DPI inspectors.

The defoliation of both seed and fibre crops after sampling is subject to random audits by DPI inspectors.

### **Annual Planting Notification**

Where the purpose of a licence includes the cultivation of low-THC hemp, the Director-General has determined that, as a condition of the licence, the licence holder must submit an Annual Planting Notification not more than 1 month after planting a low-THC hemp crop.

The purpose of the Annual Notification is to confirm details of those aspects of the proposed low-THC hemp crop that can vary from year to year for essentially agronomic or marketing reasons. The following details must be updated regarding the low-THC hemp crop that has been planted in that season:

- the specific paddock or plot on the property that has been planted;
- the crop area;
- the date of planting
- the variety of low-THC hemp planted and the source of seed or planting material.

If the source of seed for the crop has changed from that originally specified, the licence holder must provide updated information, including the supplier's licence number – if produced in NSW – or any other licence number or accreditation identifier if produced elsewhere.

*An Annual Planting Notification report form is provided at Appendix 1.*

### **Notification of new crop location prior to planting**

Where hemp cultivation is proposed to take place at a different location to the location that was originally approved under the licence application, the amended information must be notified to and approved by the Department prior to planting. The information required is:

- Name and address of the property
- Lot number, Deposited Plan number and Property Identification Code number
- A signed consent form if the property is not owned by the licensee
- The number of hectares to be sown
- A farm map showing paddocks and storage areas.

### **Occupier of property to hold a copy of the licence**

If a person resides on or manages a property on which a hemp crop is being grown, a copy of the licence under which it is being grown must be held on the premises, in order to safeguard against accusations of illegal practices.

The licence must be produced on request by a NSW DPI inspector or a NSW Police Officer.

### **Notification of intention to not plant**

Licensed growers who will not plant a crop of low-THC hemp during the current production year must notify the Department of Primary Industries using the **Annual Planting Notification form** by **30<sup>th</sup> January**.

### **Prohibition on feeding livestock**

Low-THC hemp plant material and unprocessed seed must not be fed to livestock as per the *Stock Foods Amendment (Foreign Ingredients) Regulation 2008*.

**Note:** As well as the above conditions, the Director-General may impose any additional general or specific conditions at the time a licence is granted, renewed or transferred, or at any later time.

### 3. Record Keeping

Every licence holder is required under Clause 10 of the **Hemp Industry Regulation 2008** to keep a **register** that contains records that are relevant to the activities undertaken under the terms of the licence.

Clause	Regulation - Records required to be kept	Comment
10(1)(a)	the name and address of any person employed or otherwise involved in assisting the licensee in carrying out any activities in relation to the cultivation or supply of low-THC hemp and details of a proof of identity document for that person (for example, details of the person's drivers licence or passport)	<i>This includes any person who occupies the property but is not the licensee, any farm labourers, consultants or contractors.</i>
10(1)(b)	in relation to any seeds that are supplied or obtained under the licence: (i) the date that the seeds are supplied or obtained, and (ii) the weight of the seeds, and (iii) the variety of the seeds, and (iv) the name of the person to whom the seeds are supplied or from whom the seeds are obtained	
10(1)(c)	in relation to any plants that are supplied or obtained under the licence: (i) the date that the plants are supplied or obtained, and (ii) the number of the plants, and (iii) the variety of the plants, and (iv) the name of the person to whom the plants are supplied or from whom the plants are obtained	<i>'Plants' refers to live or fresh plants capable of being cultivated - this does not include processed material or stalks.</i>
10(1)(d)	in relation to the sowing of any seeds under the licence: (i) the date that the seeds are sown, and (ii) the weight and variety of the seeds sown, and (iii) the location where the seeds are sown	
10(1)(e)	in relation to the planting of any plants under the licence: (i) the date that the plants are planted, and (ii) the number of plants, and (iii) the location where the plants are planted	
10(1)(f)	in relation to the disposal or destruction of any seeds or plants under the licence: (i) the date of the disposal or destruction of the seeds or plants, and (ii) the weight of the seeds or number of plants, and (iii) the variety of the seeds or plants, and (iv) the location where the seeds or plants are disposed or destroyed; and (v) the manner in which the seeds or plants are disposed or destroyed, and (vi) the reason for the disposal or destruction of the seeds or plants	<i>'Plants' refers to live or fresh plants capable of being cultivated - this does not include processed material or stalks.</i>

Clause	Regulation - Records required to be kept	Comment
10(1)(g)	in relation to the harvesting of low-THC hemp under the licence: (i) the date of the harvesting, and (ii) the quantity of plants harvested, and (iii) the variety of the plants harvested, and (iv) the weight of any seeds obtained from harvested plants and the variety of those plants, and (v) the location of the harvesting	
10(1)(h)	In relation to the supply of harvested low-THC hemp material under the licence include: (i) the date of the supply, and (ii) the name of the person to whom the hemp was supplied, and (iii) the condition of the hemp (including whether any plants are fresh or dried and whether any seeds are viable or have been treated to make the seeds non-viable.)	

### Other record keeping requirements

The records should be made in the register within 48 hours of the relevant event to which the information relates (refer clause 10(2)) and must include the name of the person making the record and the date the record was made (clause 10(3)).

The register must also be:

- in legible form in the English language, or in computerised or other form that is readily accessible and is convertible into a legible form in the English language (clause 10(5));
- kept in a secure manner so as to prevent any tampering (clause 10(6));
- retained for at least 5 years after the expiry or revocation of the licence to which it relates (clause 10(4)).

If a licence is transferred, the licensee is to provide the transferee with a copy of the register (clause 10(7)).

## 4. Annual Reports

Licence holders are required to provide the Director-General with an Annual Report of activities carried out under the terms of the licence (*Hemp industry Regulation*, clause 11(1)).

This Annual Report is required for each **annual period** which is defined in the Regulation as being each period of 12 months, beginning on the date the licence was granted and on each anniversary of that date (clause 11(4)) – for the duration of the licence.

The Director-General may direct a licensee to provide other specific information relating to the cultivation or supply of low-THC hemp; the licensee must supply this information (clause 11(3)).

The Annual Report will include details of all low-THC hemp material cultivated and/or supplied under the terms of the licence, based on records required to be kept in the register (clause 10).

Details should be provided regarding low-THC hemp cultivated under the licence, including:

- cultivar or variety of low-THC hemp grown or produced;
- the particular paddock, block or facility where the low-THC hemp was cultivated;
- the crop area harvested in hectares or square metres;
- the date the material was harvested;
- the yield of fibre and seed in tonnes or kilograms.

Details should also be provided of all supplies of low-THC hemp material that have occurred under the terms of the licence, including:

- the name, business name and contact details of the person or company to which low-THC hemp material was supplied;
- the type of material (fibre, seed, plants, etc) supplied and the quantity of each.

Where low-THC hemp material was destroyed on-farm or by disposal elsewhere, the following details should be provided:

- where on-farm was the material destroyed or where was it sent for destruction;
- how was it destroyed and on what date;
- the type of material (fibre, seed, plants, etc) destroyed and the quantity of each;
- the reason this material was destroyed.

*The Annual Report form is provided at Appendix 2.*

# Appendix 1 - Annual Planting Notification

**NOTE:** This form must be submitted to the address on page 11, within **1 month** of planting.



**Department of  
Primary Industries**

## Annual Planting Notification Form

Name of Licence Holder	Licence No.....
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Business Name	
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Postal Address:

City:	State	Postcode:
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Telephone:	Fax:
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Mobile:	e-Mail:
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Please tick this box if you will not be cultivating low-THC hemp this season (no further information required).

The following information relates to the crop of low-THC hemp to be cultivated in the .....growing season

Cultivar or Variety	Paddock or block	Crop Area (Ha)	Sowing Rate (Kg/Ha)	Sowing Date	Crop Type Fibre or seed (F / S)

Provide details of the seed source – If different to the source originally identified in the licence application:

Name of Seed Supplier:	If sourced from NSW, provide the supplier's Licence Number	NSW Licence number:
	If sourced from elsewhere, include any identifier:	

Postal Address:

City:	State	Postcode:
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Telephone:	Fax:
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Mobile:	e-Mail:
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Additional Comments:  
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Signature ..... Date: .....



Provide details of any low-THC hemp material destroyed under this licence (attach additional pages if required):

Where was the material destroyed? (Provide address or on-farm location)	
What type of material was destroyed and the quantity of each? (Weight of seed or fibre; number of live plants)	
How was it destroyed and on what date?	
Why was this material destroyed?	

Are there aspects of the activity under the current licence which have changed and which you believe NSW DPI should know about?

Signature ..... Date:.....

**Submit all forms relating to crops (e.g. Sampling Request, Annual Planting Notification, Annual Report) by any of the following methods:**

Mail : Administration Officer

Biosecurity Compliance Branch

Department of Primary Industries

3/556 Macauley St

Albury NSW 2643

Fax: 02 6021 0113

Email (scanned document): kathleen.heffernan@dpi.nsw.gov.au

**For enquiries and submissions regarding licensing, and licence applications and renewals:**

Mail: Hemp Licensing Clerk

Department of Primary Industries

Locked Bag 21

Orange NSW 2800

Fax: 02 6391 3415 (for attention Hemp Licensing Clerk)

Email (scanned document): hemp.licensing@industry.nsw.gov.au