



Department of Primary Industries

Guidelines for the Preparation of Licence Applications Under the Hemp Industry Act 2008 (NSW)

This guideline document is provided to assist persons applying for a licence to cultivate and supply low THC hemp under the *Hemp Industry Act 2008* (NSW) and *Hemp Industry Regulation 2008* (NSW). Every attempt has been made to accurately explain the scope of information that needs to be provided in the licence application form. Nevertheless it remains the applicant's responsibility to ensure that they understand their obligations under this legislation and that all information provided is true and accurate.

The Act provides for penalties of up to \$11,000 or 2 years imprisonment or both where a person makes a false or misleading statement or omits important information from their application.

INTRODUCTION

In order to cultivate or supply low-THC hemp in NSW, a licence is required under the *Hemp Industry Act 2008* (the Act).

A licence can only be issued to a person who is considered suitable to be concerned in or associated with the cultivation or supply of low-THC hemp. In particular, the person must be of good repute, having regard to the person's character, honesty and integrity. These requirements also apply to 'close associates' of the person making the application.

The personal details of the licence applicant and all close associates will be referred to the NSW Police for a criminal record check. This is an essential requirement to verify whether an applicant or close associate has a history of drug related offences.

Remember that the application form identifies the minimum information required and it is clearly in the interests of the applicant to provide as much information as necessary to clearly explain their proposed activities.

A licence under the Act is usually valid for a period of five years.

Definitions

Low THC hemp - *Low THC hemp is defined as any plant of the genus Cannabis that has a concentration of THC in its leaves and flowering heads of no more than 1%.*

Close associate – *see part 2 of this document*

PART 1 APPLICANT DETAILS

The Director-General is required to undertake investigations of all applications and will consider the circumstances of each application on a case by case basis, to determine whether a person or a close associate is a suitable person to be involved in the cultivation or supply of low-THC hemp.

The applicant details requested in Part 1 of the application are required to assist the Director General with this investigation.

- Please provide two passport sized photographs with your name clearly printed on the back. **Do Not** glue or stick the photographs to the application form.
- If you are applying on behalf of a corporate entity or business, please include the business name and the ABN. You should also indicate your executive role within this business, such as whether you are the owner, manager or a director of the business.
- A photocopy of your driver's licence helps establish your identity and ensures that the applicant is over the age of 18 years. Licences will not be issued to persons under 18 years of age.
- Provide full residential and postal addresses.

1.1 Drug-Related Offences - A Licence will not be issued to a person where the person, or any close associate of the person, has been found guilty of a drug-related offence in any state or territory.

Where the offence was set aside or pardoned, full details should be provided with the application form so that the applicant's eligibility for a licence can be determined by the Director-General.

1.4 Licence Refusal in other States - Applicants must disclose whether they, or a close associate, have been refused a licence to produce low-THC hemp, or had a licence revoked in another state or territory.

PART 2 CLOSE ASSOCIATES DETAILS

This section collects information about persons who are **close associates** of the applicant. Close associates are defined in Section 4 of the Act as follows:

- (1) For the purposes of this Act, a person is a *close associate* of an applicant for, or the holder of, a licence if the person:
 - a. holds or will hold any relevant financial interest, or is or will be entitled to exercise any relevant power (whether in his or her own right or on behalf of any other person), in the business of the licence applicant or holder, and by virtue of that interest or power is or will be able (in the opinion of the Director-General) to exercise a significant influence over or with respect to the conduct of that business, or
 - b. holds or will hold any relevant position, whether in his or her own right or on behalf of any other person, in the business of the licence applicant or holder.

(2) In this section:

relevant financial interest in relation to a business means:

- a. any share in the capital of the business, or
- b. any entitlement to receive any income derived from the business, whether the entitlement arises at law or in equity or otherwise.

relevant position means the position of director, manager or secretary or any executive position, however designated, if it is an executive position.

relevant power means any power, whether exercisable by voting or otherwise and whether exercisable alone or in association with others:

- a) to participate in any directorial managerial or executive decision, or
- b) to elect or appoint any person to any relevant position

All applicants should familiarise themselves with this definition. The following guidelines are provided to assist in determining who should be listed in the application as close associates:

- a spouse, de facto partner or other family members who are in partnership for business or taxation purposes would be close associates;
- children under the age of 18 who reside with the applicant or close associates would not generally be considered to be close associates.
- directors, executive managers and co-owners of a company or other business entity would be close associates;
- shareholders of a proprietary limited (Pty Ltd) company would be close associates.

Complete information needs to be provided for each close associate relevant to this application. If the applicant has more than 2 close associates, make a photocopy of Part 2 and attach the completed form to the application.

Where the cultivation of low-THC hemp is intended on property not owned by the applicant and the owner of the property lives and/or works on the property, the owner may or may not be considered a close associate of the applicant depending upon meeting criteria defined of under "close associate".

Under a cultivation for research license, research conducted on the property of a person who is not a license holder but has consented to this research taking place on this is not required to apply for a licence and may not be considered a close associate if this person does not meet the criteria defined of under "close associate".

A close associate may not include farm workers, consultants or contractors if they hold no financial interest or power in the business.

Each Close Associate Should

- provide two passport sized photographs with your name clearly printed on the back (**Do Not** glue or stick the photographs to the application form);
- describe the nature of your association with the applicant including an explanation of the position, power or financial interest you have with the applicant;
- provide a photocopy of your driver's licence to help establish your identity and ensure that you are over the age of 18 years. Licences will not be issued to persons under 18 years of age;

- provide full residential and postal addresses;
- sign the declaration at the bottom of the page verifying that the details provided are correct

PART 3 DESCRIPTIONS OF PROPOSED ACTIVITIES

A detailed description of the proposed cultivation or supply of low-THC hemp is required to assist in determining the bona fide nature of the proposed activities and provides a basis for any subsequent audits or inspections.

Purpose of licence

Applicants should note that a licence can authorise more than one activity, such as cultivation and supply of low-THC hemp. To avoid the need for additional licences, applicant should ensure that they provide complete information relating to all proposed activities. The following category descriptions are provided to assist applicants.

Activity	The activity means this.
3.1 - Cultivation of low-THC hemp for commercial production	Low-THC hemp is cultivated for the purpose of supplying low-THC hemp plants or products derived from such plants (such as seeds or fibre) into the commercial market.
3.2 – Cultivation of low-THC hemp for use in manufacturing process	Low-THC hemp is cultivated for the purpose of supplying low-THC hemp plants or products derived from such plants (such as seeds or fibre) as raw materials for use in manufacturing processes.
3.3 - Cultivation of low-THC hemp for scientific purposes	<p>Low-THC hemp is cultivated for the purpose of scientific research, instruction, analysis or study.</p> <p>For example, this might include:</p> <ul style="list-style-type: none"> • <i>bona fide</i> research into some aspect of production, plant quality, plant health, plant breeding or similar activity. • educational or advisory activities or demonstration of some aspect of the cultivation of low-THC hemp to the public.

<p>3.4 Supply of low-THC hemp for commercial production</p>	<p>Low-THC hemp plant material or seed is supplied for the purpose of commercial production which is not to be used in a manufacturing process.</p> <p>An example of supply for commercial production would be ; supplying seed which will be used for sowing or supplying seed or plant material to a third party not involved in the original production, who may on-sell for manufacturing processes.</p>
<p>3.5 - Supply of low-THC hemp for use in manufacturing process</p>	<p>Low-THC hemp plant material is supplied for use in a manufacturing process.</p> <p>A manufacturing process is taken to mean any process that converts low-THC hemp plants and raw seed into fibre, processed seed, oil or other products.</p> <p>This may include on-farm processing of fibre or oil extraction.</p>
<p>3.6 - Supply of low-THC hemp for scientific purposes</p>	<p>Low-THC hemp plants, or products derived from such plants (such as seeds or fibre), are supplied to a research or educational facility or to a laboratory for scientific research, instruction, analysis or study.</p> <p>For example, this might include:</p> <ul style="list-style-type: none"> • <i>bona fide</i> research into some aspect of production, plant quality, plant health, plant breeding or similar activity. • educational or advisory activities or demonstration of some aspect of the cultivation of low-THC hemp to the public. • Were plants material or seed is used for the purpose of scientific analysing including determining THC levels, disease resistance and variety traits.

Nature of proposed activities to be undertaken

The nature of proposed activity must be provided for cultivation and or supply.

A detailed description of the proposed cultivation or supply of low-THC hemp is required to assist in determining the bona fide nature of the proposed activities and provide a basis for any subsequent audits or inspections.

Intended use and relevant destination of low-THC hemp material

Provide an indication of the low-THC hemp products that you intend to produce under the proposed licence.

At the time of application, information regarding the intended use or destination of the low THC plant material may not be known. If this information is known it should be supplied with the application. Where information is not provided as part of the application or changes are made to details initially provided this information will need to be provided in the annual report. (See licence conditions)

Duration of licence

A licence would normally be valid for a period of five years; however the licensee may request a shorter duration.

3.1 Details Required for Cultivation – Commercial production

- a. Provide a full description of the property on which the low-THC hemp will be cultivated. The Lot number and Deposited Plan number (DP No.) will be on your rates notice. They can also be obtained by contacting your Local Council or Shire office. Please note that a licence will generally not be granted to cultivate commercial low THC hemp crops in an urban area.
- b. If you have a Property Identification Code issued by your Rural Lands Protection Board, then you should provide the PIC number. PIC numbers are very useful in identifying the property in question.
- c. If you are not the owner of the property on which you propose to cultivate low THC hemp under the current application, you will need to provide evidence that the owner consents to the use of this property for the cultivation of low THC hemp. An example of a consent form is provided at Appendix 1 for this purpose.
- d. You should estimate of the maximum number of hectares of low-THC hemp likely to be cultivated on the property in any one year under this application. This estimate is for planning purposes only and some variation from year to year is acceptable and can be highlighted in annual reports.
- e. Provide a plan of the property showing those areas where low-THC hemp is likely to be grown or stored. Where possible a 1:25 topographical map should accompany the application showing;
 - the property
 - fence lines
 - roads
 - residences
 - storage facilities
 - GPS coordinates and
 - paddocks intended for hemp production.

A hand drawn map, including the details listed above, and of the type and quality illustrated at Appendix 2, is also acceptable.

Where possible, low THC hemp crops should be positioned close to a residence on the property, or located so that any unauthorised access is less likely to go undetected. Low THC hemp crops should not be positioned alongside a public road.

3.2 Details Required for Cultivation – Manufacturing process

- a. Provide a full description of the property on which the low-THC hemp will be cultivated. The Lot number and Deposited Plan number (DP No.) will be on your rates notice. They can also be obtained by contacting your Local Council or Shire office. Please note that a licence will generally not be granted to cultivate commercial low THC hemp crops in an urban area.
- b. If you have a Property Identification Code (PIC) issued by your Rural Lands Protection Board, then you should provide this number. PIC numbers are very useful in identifying the property in question.
- c. If you are not the owner of the property on which you propose to cultivate low THC hemp under the current application, you will need to provide evidence that the owner consents to the use of their property for the cultivation of low THC hemp. An example of a consent form is provided at Appendix 1 for this purpose.
- d. You should estimate the maximum number of hectares of low-THC hemp likely to be cultivated on the property in any one year under this application. This estimate is for planning purposes only and some variation from year to year is acceptable and can be highlighted in annual reports.
- e. An indication must be given to the processing the hemp material or seed is likely to be subjected to.
- f. Provide a plan of the property showing those areas where low-THC hemp is likely to be grown or stored. Where possible a 1:25 topographical map should accompany the application showing;
 - the property
 - fence lines
 - roads
 - residences
 - storage facilities
 - GPS coordinates and
 - paddocks intended for hemp production.

A hand drawn map, including the details listed above, and of the type and quality illustrated at Appendix 2, is also acceptable.

Where possible, low THC hemp crops should be positioned close to a residence on the property, or located so that any unauthorised access is less likely to go undetected. Low THC hemp crops should not be positioned alongside a public road

3.3 Details Required for Cultivation – Scientific Purposes

- a. Provide a full description of the property or facility on which the low-THC hemp will be cultivated for research, instruction or analysis. Where the cultivation will take place on private property, provide the Lot number and Deposited Plan number (DP No.) for the property. They will be on the rates notice or can be obtained by contacting the Local

Council or Shire office. Please note that a licence will generally not be granted to cultivate low THC hemp crops in an urban area.

- b. The applicant will need to attach a comprehensive description of the research, instruction or study proposed under this application. This should include:
 - the objectives of the research, instruction or analysis and what you hope to achieve from the activity;
 - a description of the trial design, experimental method or analysis plan;
 - an estimate of the quantity of low-THC hemp products to be produced; and
 - how any low-THC hemp will be utilised, disposed of or destroyed.
- c. Provide details of educational qualifications and other relevant qualifications and experience of applicant and close associate. The applicant is responsible for the conduct of the research activity and should have professional qualifications and scientific experience that are relevant to the proposed work.
- d. If the proposed research is to be carried out on a property or facility that is not owned or controlled by the applicant, you will need to provide evidence that the owner consents to the use of their property for the cultivation of low-THC hemp. An example of a consent form is provided at Appendix 1 for this purpose.
- e. You should estimate of the maximum number of hectares of low-THC hemp likely to be cultivated on the property or facility in any one year under this application. This estimate is for planning purposes only and some variation from year to year is acceptable and can be highlighted in annual reports.
- f. Provide a plan of the property or facility showing those areas where low-THC hemp is likely to be grown or stored. Where possible a 1:25 topographical map should accompany the application showing:
 - the property with GPS coordinates at the entrances;
 - fence lines;
 - roads;
 - buildings, residences and any public areas;
 - storage and processing facilities;
 - paddocks, blocks or glasshouses intended for hemp production.

A hand drawn map, including the details listed above, and of the type and quality illustrated at Appendix 3, is also acceptable.

Where possible, low-THC hemp crops should be positioned close to a residence on the property, or located so that any unauthorised access is less likely to go undetected. Low-THC hemp crops should not be positioned alongside a public road.

3.4 Details Required for Supply – Commercial production

- a. If you have produced the low THC hemp under licence that you intend to supply for commercial production you should answer yes to this section. If you did not produce the low THC hemp but procured it from elsewhere these details should be recorded in section c of the application.
- b. In many cases, the supply of low-THC hemp will be part of an application to cultivate a low-THC hemp crop. However, the applicant may not have determined the final destination of the crop at the time of making the application, particularly where the

licence extends over several years. In that case the licence holder should provide details of any destination of low THC hemp material in the Annual report which is required under the conditions of the licence.

However, if the sale or destination of a crop is known at the time the application to cultivate is made; the applicant should provide the information at **d**.

- c. If you are a wholesaler or commercial trader and the low-THC hemp you are supplying for commercial purposes has not been cultivated by you, please provide brief details of the origin of the low-THC hemp material. Name, address and Licence Number for the source of each batch of low-THC hemp supplied will be sufficient.
- d. Provide complete details of the location of the property that is to be used for the proposed commercial production and the name of the responsible person that is to be supplied with the low-THC hemp for commercial production (if known).
- e. Provide an estimate of the quantity of low-THC hemp to be supplied for commercial production on an annual basis. This estimate is for planning purposes only and some variation from year to year is acceptable and can be highlighted in annual reports.

3.5 Details Required for Supply – Manufacturing process

- a. If you have produced the low THC hemp under licence that you intend to supply for processing and or manufacturing process you should answer yes to this question. If you did not produce the low THC hemp put procured it from elsewhere these details should be recorded in section **c** of the application form
- b. In many cases, the supply of low-THC hemp will be part of an application to cultivate a low-THC hemp crop. However, the applicant may not have determined the final disposal of the crop at the time of making the application, particularly where the licence extends for the full five years. In that case the licence holder should provide details of any disposal of low-THC hemp material in the **Annual report** which is required under the conditions of the licence.

However, if the sale or disposal of a crop is known at the time the application to cultivate is made, the applicant should provide the information in section **d** of the application form

- c. If you are a wholesaler or commercial trader and the low-THC hemp you are supplying for processing has not been cultivated by you, please provide brief details of the origin of the low-THC hemp material. Name, address and Licence Number for the source of each batch of low-THC hemp supplied will be sufficient.
- d. Provide complete details of the processor or manufacturer to whom you intend to supply low-THC hemp, including a description of the location of the manufacturing facility and the name of a responsible person representing the processor or manufacturer.
- f. If you intend to process low THC hemp plant material or seed on site please indicate this.
- g. Provide a brief explanation of the manufacturing process that the low-THC hemp will be subject to, such as:
 - crushing of seed and extraction of oil;
 - processing of hemp fibre
 - other manufacturing
- h. Provide an estimate of the quantity of low-THC hemp to be supplied for processing on an annual basis. This estimate is for planning purposes only and some variation from year to year is acceptable and can be highlighted in annual reports.

Details Required for Supply – Research

- a. If you have produced the low THC hemp under licence that you intend to supply for scientific research, instruction, analysis or study, you should answer yes to this section. If you did not produce the low THC hemp but procured it from elsewhere these details should be recorded in section **c** of the application form.
- b. In many cases, the supply of low-THC hemp will be part of an application to cultivate a low-THC hemp crop. However, the applicant may not have determined the final destination of the crop at the time of making the application, particularly where the licence extends over several years. In that case the licence holder should provide details of the final destination of low-THC hemp material in the **Annual Report** which is required under the conditions of the licence.

However, if the sale or disposal of a crop is known at the time the application to cultivate is made; the applicant should provide the information at **d** of the application form.
- c. If you are a wholesaler or commercial trader and the low-THC hemp you are supplying for research has not been cultivated by you, please provide brief details of the origin of the low-THC hemp material. Name, address and Licence Number for the source of each batch of low-THC hemp supplied will be sufficient.
- d. If known, provide complete details of the researcher to whom you intend to supply low-THC hemp, including a description of the location of the property that is to be used for the proposed research, instruction, analysis or study, and the name and contact details of a responsible person representing the research body.
- e. Provide a brief explanation of the research that the low-THC hemp will be used for – if known.
- b. Provide an estimate of the quantity of low-THC hemp to be supplied for research on an annual basis. This estimate is for planning purposes only and some variation from year to year is acceptable and can be highlighted in annual reports.

PART4 FEES

Application fee

The application fee must accompany the application. If no application fee, or the incorrect application fee, is received, the application will not be processed until the correct fee is provided.

All licence applications attract the same Application Fee. The Application Fee represents the actual administrative cost of processing the licence application. The current fee is as follows:

Initial Application Fee	\$572
Subtotal	\$572

In addition, the applicant will be charged for the cost of the Criminal record Check carried out by the NSW Police. The NSW Police currently charge \$52 for each Criminal record Check for the applicant and each close associate.

For example, an applicant that has identified two close associates who are relevant to the application will need to pay the following charges:

Initial Application Fee	\$572
Criminal record check- applicant plus two close associates	\$156
3 @ \$52	
Total	\$728

Annual licence fee

Please note an Annual Licence Fee of \$200 is paid in each subsequent year for the duration of the licence, usually five years. The timing of the Annual Licence Fee payment will coincide with the **Annual Report** date detailed in your Licence.

For example, the total fee payable over the 5 year term of a licence is:

Initial Application Fee	\$572
Criminal record check- applicant plus two close associates	\$156
Annual licence fee - 4 @ \$200	\$800
Total	\$1,528

All fees include GST.

PART 5 ADDITIONAL INFORMATION

Applicants will be notified when the application is received and processing may take up to 1 month from the date of lodgement. When processing is complete, the applicant will be notified whether the licence has been granted or refused.

The Director-General's decision in relation to a licence application is final and not subject to review.

Submit this notification by any one of the following methods:

Mail: *The Hemp Licensing Clerk*
Department of Primary Industries
Locked bag 21
Orange NSW 2800

Fax: 02 6391 3570

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

Appendix 1. Consent Form

Consent to use of property for cultivation of low THC hemp

I *(full name)*.....

being the legal owner of the property *(full address of the property)*

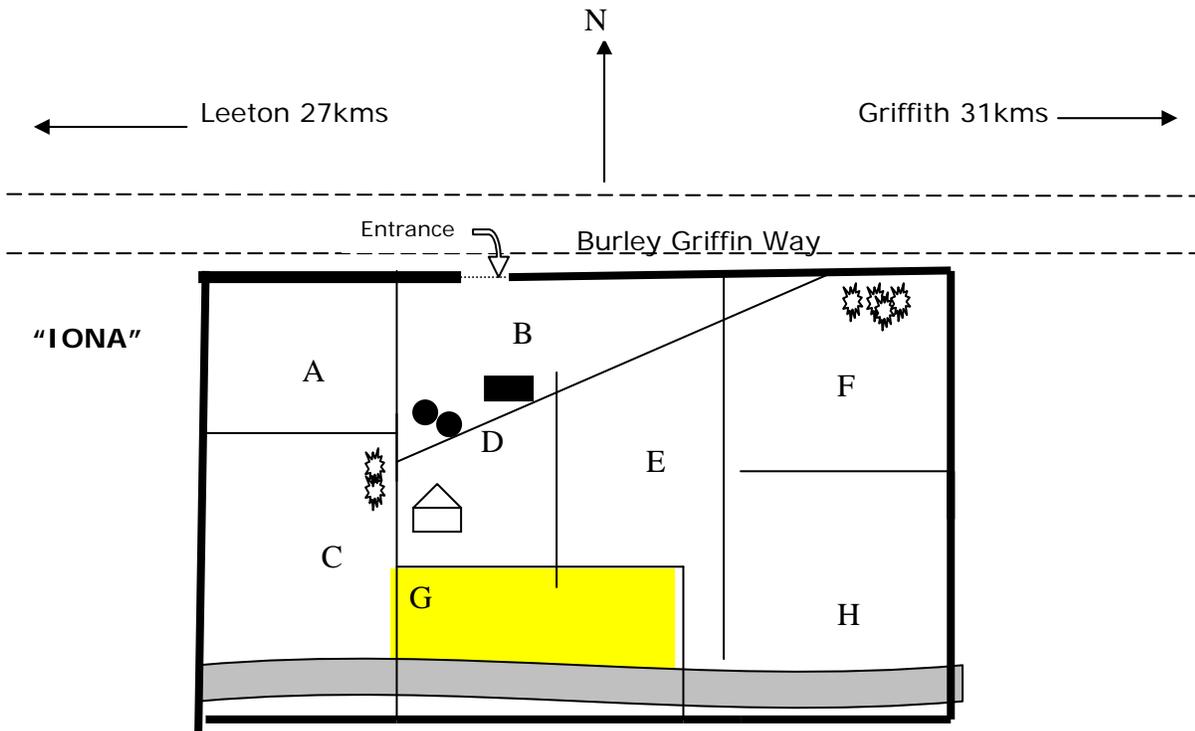
.....

.....

give consent for the use of this property for the cultivation of low THC hemp for the purpose of commercial production/ manufacturing process/ scientific research *(delete uses that are not applicable)* pursuant to a licence issued under the Hemp Industry Act 2008.

Signature..... Date / /

APPENDIX 2 Diagram of Farm Layout



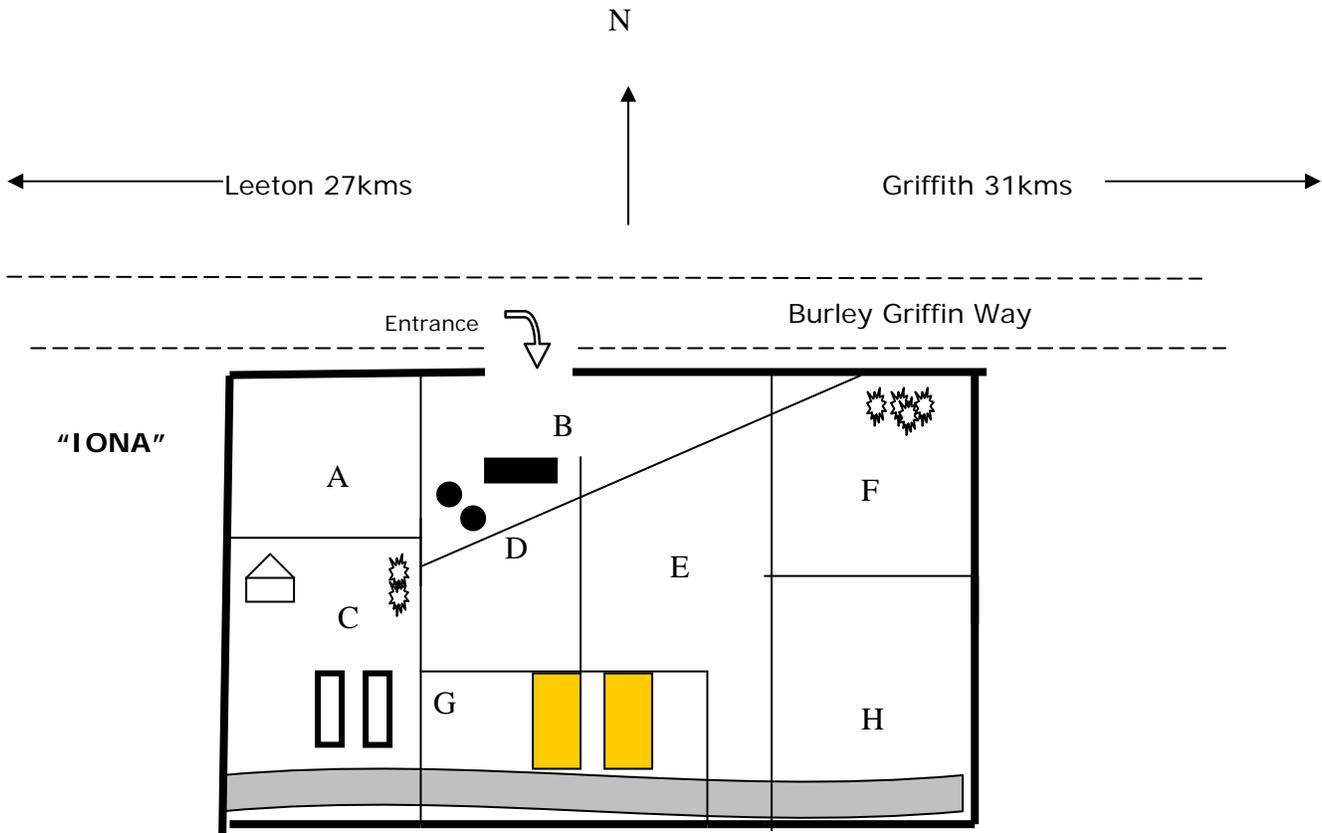
Mapping Symbols

Boundary fence		Main access roads and distances	
Individual trees		Internal fence lines	
Irrigation channels		Silo	
House		Sheds, storage facilities	
Proposed site of crop			

Directions

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APPENDIX 3 Diagram of Research Facility



Boundary fence		Main access roads and distances	
Individual trees		Internal fence lines	
Irrigation channels		Silo	
House		Sheds, storage facilities	
Proposed research plots		Glass houses	

Directions.....

