

Guidelines for submitting applications under the Hemp Industry Act 2019

Abbreviations	Full form
NT	Northern Territory
PBB	Plant Biosecurity Branch
DAF	Department of Agriculture and Fisheries
THC	Tetrahydrocannabinol
CEO	Chief Executive Officer
NTCAT	Northern Territory Civil and Administrative Tribunal

Reference	Description
The Act	<i>Hemp Industry Act 2019</i>
Licence	Industrial hemp licence
Regulations	Hemp Industry Regulations 2020
Cannabis	<i>Cannabis genus</i>
Agency website	Industrial Hemp licensing website
Low THC hemp	<i>Cannabis Sativa</i>
Industrial Hemp	<i>Cannabis Sativa</i>

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Hemp Industry Compliance – Guidelines for submitting applications under the Hemp Industry Act 2019

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<https://nt.gov.au/industry/agriculture/food-crops-plants-and-quarantine/hemp-licences>

Disclaimer: While all care has been taken to ensure that information contained in this publication is true and correct at the time of publication (August 2020), changes in circumstances after the time of publication may impact on the accuracy of its information.

This document is provided as a guide only to the legal requirements outlined in The Northern Territory *Hemp Industry Act* and the Northern Territory Hemp Industry Regulations.

Contents

1. General Information	1
1.1. Legislation.....	1
1.2. Licensing overview.....	1
1.3. Types of Licence.....	2
2. Eligibility of applicant	2
3. Suitability of applicant	2
3.1. Other suitability requirements for a class B research licence.....	3
4. Applying for a low THC hemp licence	3
5. Application Forms	3
5.1. General.....	3
5.2. Supporting Documents for all licence applications:.....	3
5.3. Additional documents required for research licences:.....	4
6. Part A: Applicant details for all licence types	4
6.1. Definition of ‘applicant’.....	4
6.2. Identification.....	4
6.3. Criminal History Check.....	5
6.4. Property ownership.....	5
6.5. Definition of an Associate.....	5
7. Part B: Cultivation details - for all licence types	5
7.1. Property identification.....	5
7.1.1. Type of proposed hemp production.....	6
7.1.2. Cultivar seed supplier.....	6
8. Application for amendment of licence conditions by the licensee	7
9. Application for renewal of licence	7
10. Application Fees	7
11. How to submit	7
12. Contacts	7

1. General Information

Industrial hemp is also known as low THC hemp and refers to the plant *Cannabis Sativa*, which has been specifically cultivated to produce seed and fibre with tetrahydrocannabinol (THC) levels of no more than 1% in the flowering heads and leaves. The very low level of THC in industrial hemp plants means they have none of the psychoactive (mind altering effects) associated with cannabis varieties with higher THC levels. Low THC hemp seed and oil produced from the seeds can be used in food products, cosmetics and other industrial products, while the fibre can be used in industrial and consumer textiles, paper and building materials.

1.1. Legislation

In the Northern Territory, a licence is required to possess, cultivate, process or supply low THC hemp. A licence is also required to conduct research into the production of low THC hemp.

Other extracts of the cannabis plant (e.g. oil from the leaves or flowering heads, terpenes and cannabinoids) can only be produced in Australia under the Medicinal Cannabis Licensing Scheme administered by the Commonwealth Office of Drug Control. www.odc.gov.au/medicinal-cannabis

The licensing scheme allows low THC hemp cultivation and processing to occur under controlled conditions to manage any risks to drug law enforcement. In addition, properties must be deemed suitable and commercial licence cultivation areas must not be less than two hectares.

1.2. Licensing overview

The Hemp Compliance Unit (HCU) is part of the Department of Agriculture and Fisheries (DAF) and is responsible for issuing licences under the *Hemp Industry Act 2019* (the Act) and Hemp Industry Regulations 2020 (Regulations) to authorise the possession, cultivation, processing and supply of low THC hemp seed, stem fibre and related research.

In general the key elements of the requirements and conditions are -

- Minimum cultivation areas for commercial licenses
- Licences valid for five years unless cancelled or suspended earlier
- Notifications and routine reporting from the licence holder as mandatory
- Audits and other compliance checks by the regulatory agency to occur at least once annually
- Approval from the Commissioner of Police as a mandatory part of confirming applicant suitability

Processing of licence applications may take up to 10 weeks and will be highly dependent on the applicant providing all the necessary information at the time of submission.

Once the licence application assessment process is complete the CEO will determine whether to accept the application and issue a licence to the applicant or refuse the application.

- If successful, the licence applicant will be issued with their licence document that specifies where they can cultivate and conditions that must be complied with along with the licence conditions specified in the Act and Regulations.
- If unsuccessful the licence applicant will be notified in writing.

Note: Applicants are not authorised to possess or cultivate low THC Hemp before the receipt of the licence by the applicant.

1.3. Types of Licence

A **commercial licence** - authorises the licensee to possess, cultivate, process or supply low THC hemp for commercial purposes.

A **Class A** research licence - authorises the licensee to possess, cultivate, process or supply low THC hemp for scientific research, instruction, analysis or study purposes.

A **Class B** research licence - authorises the licensee to possess, cultivate, process or supply hemp for scientific research, instruction, analysis or study purposes for the production of low THC cultivars or varieties.

While the licence is in force, any of the following persons may carry out the activities authorised by the licence in accordance with the conditions of the licence:

- a) the licensee;
- b) a contractor of the licensee, in accordance with the terms of the contract with the licensee;
- c) an employee of the licensee, or of a contractor of the licensee, in accordance with the employee's terms of employment.

2. Eligibility of applicant

An individual is eligible to hold a licence if the individual:

- a) ordinarily resides in Australia; and
- b) is not affected by bankruptcy action.

A body corporate is eligible to hold a licence if none of its executive officers are affected by bankruptcy action.

3. Suitability of applicant

A licence can only be issued to a person or company representative who is considered suitable to hold a licence under the *Hemp Industry Act 2019*.

The licence applicant and all associates are required to have a criminal history check carried out by police. This is an essential requirement to verify whether an applicant or associate has a history of drug related or other relevant offences.

Having a criminal history does not automatically make an applicant ineligible as the assessment is also based on the type of crime committed.

The applicant and associates must not, within 10 years before the application is made, have been found guilty of any of the following offences:

- a) an indictable offence involving dishonesty or fraud;
- b) an indictable offence against Part II, Division 1, Subdivisions 1 to 3 of the *NT(?) Misuse of Drugs Act 1990*;
- c) an indictable offence involving the possession, use or supply of a prohibited substance under the *NT(?) Medicines, Poisons and Therapeutic Goods Act 2012*;
- d) an offence against the *Criminal Code Act 1995 (Cth)* - chapter 9 - section 9.1
- e) an offence against the *Narcotic Drugs Act 1967 (Cth)*.

In particular, they must be of good repute, having regard to the person's character, honesty and integrity. These requirements also apply to associates of the person or company making the application.

Other considerations regarding the suitability of an applicant may include:

- a) whether the person or any of the person's associates has a history of non-compliance with the Northern Territory *Hemp Industry Act 2019*;
- b) the financial circumstances of the applicants (affected by bankruptcy action).
- c) any other matter that may significantly limit the applicant's capacity to comply with any condition of the licence.

3.1. Other suitability requirements for a class B research licence

An applicant is not considered a suitable person to hold a class B research licence unless the CEO is satisfied that:

- a) the applicant has the necessary resources, qualifications and experience to carry out the activities authorised by the licence; or
- b) if the applicant is a body corporate – the body corporate has the necessary resources, and employs an individual who has the necessary qualifications and experience, to carry out the activities authorised by the licence.

4. Applying for a low THC hemp licence

Licence applications must be accompanied by the appropriate fees and other supporting documentation.

Applicants should provide as much information as necessary to clearly explain the proposed activities.

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.

It is recommended that applicants familiarise themselves with the *Hemp Industry Act 2019* and the *Hemp Industry Regulations 2020* prior to completing the application form. These documents, application forms, other approved forms and information can be accessed from the agencies website. [Hemp-licences](#)

The Act provides for penalties of up to \$15,700 or 12 months imprisonment where a person makes a false or misleading statement or omits important information from their application.

5. Application Forms

5.1. General

All fields in the application forms must be completed as the information is required for the Hemp register required to be kept by the CEO.

5.2. Supporting Documents for all licence applications:

An application will only be assessed when all supporting documents are provided including:

- a) Copy of applicant and associates current 100 point identification documents.
- b) Copy of proof of land size for commercial cultivation and proof of land ownership for all applicants, such as a land title certificate that includes the NT portion number of the property

- c) A property owner consent form to cultivate low THC hemp on their property including the NT portion number if the applicant is not the owner or the property.
- d) All relevant import permits for imported germplasm (if applicable)
- e) Property map or sketch with relevant areas under proposed cultivation shown and GPS coordinates
- f) Evidentiary documents from seed supplier if available at the time of application.

5.3. Additional documents required for research licences:

All of the documents applicable to the commercial licence application are required for the research category application (**land size is exempt under the research category**). The following additional requirements apply to research applications only.

The applicant will need to attach a comprehensive description of the research plan and expected outcomes, instruction or study proposed under the application. This should include but is not limited to:

- the objectives of the research, instruction or analysis;
- a description of the trial design, experimental method or analysis plan;
- an estimate of the quantity of low THC hemp or hemp products to be produced; and
- how any products will be utilised, disposed of or destroyed.
- Any security arrangements in place for the cultivation crop and storage or laboratory areas (e.g. security doors and windows, secure lockable gates and fencing, CCTV surveillance cameras, secure green house, etc. if applicable.)

Details should be provided of educational qualifications and other relevant qualifications and experience of the applicant and associates. Certificates, Diplomas and any other accreditation documents should be included with the application submission.

The applicant is responsible for the conduct of the research activity and must have professional qualifications and scientific experience or must employ a person with professional qualifications and scientific experience that are relevant to the proposed work.

6. Part A: Applicant details for all licence types

If any of the details provided in part 'A' of the application form change after the licence is granted, the licensee must notify the CEO of the changes within 7 working days of the changes being made. This can be done simply by sending an email or letter to the Department.

6.1. Definition of 'applicant'

Applications may be made by a person or by a corporate entity. Where a corporate entity is the applicant, all directors and office bearers of the company are considered associates of the applicant.

If applications are being made on behalf of a corporate entity or business, the business name and the ABN and ACN should be included. The executive role within the business should also be indicated, such as owner, manager or a director of the business.

6.2. Identification

A copy of the applicant's and associates 100 points of identification is used to determine identity and Australian residency and to enable a criminal history check to be carried out by police. This must be made

up of at least one primary document such as a driver's licence, passport or original full birth certificate and other secondary documents to make up the remaining points such as Medicare card or credit card. A high resolution scan of (both sides if applicable) showing all the relevant information should be included as an attached document.

6.3. Criminal History Check

Criminal history checks undertaken by the Commissioner of Police are required for the applicant and all associates.

6.4. Property ownership

If the applicant is not the owner of the property on which the hemp cultivation is proposed the owner's consent to the use of the property via a consent form is required. A property owner consent form is on the agencies website for this purpose.

Note: The property owner must complete all sections of the consent form, including the NT portion number of the property that will be under cultivation.

6.5. Definition of an Associate

An associate, of an applicant or a licensee are defined as follows;

- the person holds or will hold any relevant position, including on behalf of someone else, in the applicant or licensee's business; or
- the CEO is satisfied that the person is or will be able to exercise a significant influence in relation to the conduct of the applicant or licensee's business because:
 - a) the person holds or will hold any share in the capital of the business or any entitlement to receive any income derived from the business; or
 - b) the person is or will be entitled to exercise any relevant power in the business, including on behalf of someone else.

For this section:

- relevant position, in relation to a business, means any position (however described) whose holder is concerned with, or takes part in, the management of the business.
- relevant power, in relation to a business, means any power, whether exercisable by voting or otherwise and whether exercisable alone or with others:
 - a) to participate in any directorial, managerial or executive decision for the business; or
 - b) to elect or appoint any person to any relevant position in the business.

Note: Please ensure all associates are listed on the application.

7. Part B: Cultivation details - for all licence types

7.1. Property identification

A full description of the property location on which the low THC hemp will be cultivated must be provided. This can be done with a land title certificate including the NT portion number or other suitable information

such as a lot and street/road number & GPS coordinates. GPS co-ordinates can be obtained from Google maps by searching on the property address.

A site plan of the property showing those areas where low THC hemp is proposed to be grown or stored on the property should be included. Where possible a Google Earth satellite map should accompany the application showing;

- the property
- fence lines
- roads
- residences
- storage facilities
- GPS coordinates
- the paddocks intended for hemp production.

A hand drawn map, including the details listed above is also acceptable, or the cultivation and storage areas can be drawn on the printed google earth map with a marker pen.

If the residence is to be used for storage of anything such as material or records of production that is related to the licence, then this could deem the relevant part of the residence as a 'place' as defined in the Act and may need to be accessed by an authorised Inspector at an audit inspection.

7.1.1. Type of proposed hemp production

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

The nature of the production activities and intended use of low THC hemp material should be outlined, e.g. If it is intended to produce or supply hemp fibre, hemp seed for germplasm or food etc. Multiple activities can be carried out under the terms of a licence.

Research applicants are required to submit a comprehensive research plan with their licence application including researcher qualifications and experience.

7.1.2. Cultivar seed supplier

A licensed person must not cultivate hemp from any hemp seed, cutting, germplasm or other material unless it is supplied by a person authorised to do so under the Act or a corresponding law.

All applicants are required to provide the supplier's details on the application form if known.

If the information regarding the seed supplier is not known, the information must be submitted as soon as the information is known to the licensee or on the Commencement of Cultivation Notification form.

Licensees purchasing seed for cultivation should take all reasonable steps to confirm that a representative sample of the seed has undergone an analysis at an ISO17025 accredited laboratory and the results of the analysis state the THC concentration is not more than 0.5%. Cannabis seed should be labelled, with the cultivar details written or stamped on the container.

Note: *representative sample*, for cannabis seed, means a representative sample of cannabis leaves and flowering heads taken from the crop from which the seed was harvested.

8. Application for amendment of licence conditions by the licensee

Amendments to licence conditions can be requested using the request for amendment to licence conditions form (FM09) and quoting the current licence number with details of changes proposed. This application form includes the addition of a place of cultivation to the licence or a change of cultivation address.

The amendment application must be accompanied by the prescribed amendment fee of \$117.

9. Application for renewal of licence

A licensee may apply to the CEO for renewal of a licence with the licence application form. The licence application form must be submitted at least 60 days before the licence is due to expire and be accompanied by the prescribed 5 yearly licence fee.

If a licensee applies for renewal of a licence, the licence is taken to continue in force from the day it would have expired to the day the application is determined.

10. Application Fees

The fees are:

- \$1,456 for a five year commercial licence; 1 033 revenue units
- \$2,038 for a five year Class A licence; 1 446 revenue units
- \$3,495 for a five year licence Class B; 2 479 revenue units
- Amendment fees for all licences; \$117; 83 revenue units

All fees are reviewed annually in line with the increases in revenue units.

Note: Additional costs for mandatory testing for low THC compliance and audit inspections will be the responsibility of the licensee. Contact the Hemp Compliance Unit for further details of applicable fees.

Once an application is submitted and assessed the fee will not be refunded if the application is subsequently refused.

11. How to submit

Please ensure application forms have all fields completed as this is mandatory information.

Email completed application form with all relevant documents and application fees if applicable to hempcompliance@nt.gov.au or post to:

Hemp Compliance Unit
Department of Agriculture and Fisheries
GPO Box 3000
Darwin 0801
Northern Territory

12. Contacts

Phone: 08 8999 2118