

Proposed Changes to the Misuse of Drugs (Industrial Hemp) Regulations 2006 and regulations under the Food Act 2014

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Part 1: Introduction

1 Submissions

The Ministry of Health (MOH) and the Ministry for Primary Industries (MPI) are seeking submissions on regulatory changes to the Misuse of Drugs (Industrial Hemp) Regulations 2006 and regulations under the Food Act 2014.

This document sets out proposals in a number of areas. Your submissions will help us assess whether we need to amend these proposals in any way to better meet your needs, while still meeting the purposes of the Misuse of Drugs Act 1975 and the Food Act 2014.

1.1 HOW TO HAVE YOUR SAY

The deadline for receipt of all submissions is Wednesday 20 June 2018.

We have included questions throughout this document. You may wish to use these questions to structure your submission.

MOH and MPI will consider all relevant material made in submissions, so you are welcome to provide additional information. You may also prefer to provide a submission in your own format. Please make sure you include the following information in your submission:

- The title of this discussion document (*Proposed changes to the Misuse of Drugs (Industrial Hemp) Regulations 2006 and regulations under the Food Act 2014*);
- Your name and title;
- Your organisation's name (if you are submitting on behalf of an organisation); and
- Your contact details (e.g. phone number, address and email).

Also:

- Make sure that your comments can be clearly read and understood;
- State the number of the question you are answering or, if you are making a general comment, state the number of the section your comments are referring to.

You can return your submission in any of these ways:

Email: food.policy@mpi.govt.nz

Mail: PO Box 2526 Wellington 6140

Or hand delivery: 25 The Terrace, Wellington

1.2 OFFICIAL INFORMATION ACT REQUIREMENTS

Under the Official Information Act 1982 (OIA), information held by MPI or MOH is to be made available to requestors unless there are grounds for withholding it. The grounds for withholding information are outlined in the OIA.

If your submission contains information that you would not want to be released publicly you should clearly indicate this in your submission. Reasons for withholding information include commercially sensitive information or personal information, such as names or contact details. An automatic confidentiality disclaimer from your IT system will not be considered as grounds for withholding information.

We will take your indications into account when determining whether or not to release information. Any decision to withhold information requested under the OIA may be reviewed by the Ombudsman.

1.3 WHAT HAPPENS NEXT

After the consultation period has closed, we will analyse submissions and make recommendations to the Minister of Health, the Minister for Food Safety and Cabinet. A summary of submissions will be sent to all submitters and posted on the MPI and MOH websites.

Cabinet must approve any proposals for new regulations. The Parliamentary Counsel Office (the Government's legal drafters) will then prepare the regulations.

2 How this document is organised

This consultation document is divided into three parts.

Part one – is an overview of the discussion document and proposed regulatory package. It provides an introduction to low-tetrahydrocannabinol (THC) hemp seed as food, background information on why proposed changes to the Misuse of Drugs (Industrial Hemp) Regulations 2006 and regulations under the Food Act 2014 are required and introduces and summarises our proposals in the context of the Misuse of Drugs Act 1975 and the Food Act 2014.

Part two – contains specific regulatory proposals under the Food Act 2014.

Part three – contains specific regulatory proposals for the interpretation section of the Misuse of Drugs (Industrial Hemp) Regulations 2006.

Part four – contains regulatory proposals for licensing under the Misuse of Drugs (Industrial Hemp) Regulations 2006.

Questions are included throughout this document to prompt discussion that will help inform the development of the final regulations. All questions are highlighted with green background shading, for example:

Question X: Do you agree with the proposed change to regulation x? Why? Why not?

2.1 PURPOSE OF CONSULTATION

The purpose of this consultation is twofold:

1. To inform you of the required amendments to enable New Zealand to adopt a joint Australia New Zealand food standard (the Standard) under the Food Act 2014 (agreed between New Zealand and Australia in April 2017) to permit the sale of low-tetrahydrocannabinol (THC) hemp seed food products; and
2. To seek your feedback on the proposed amendments to the Misuse of Drugs (Industrial Hemp) Regulations 2006 to make them fit for purpose.

The Industrial Hemp Regulations can be accessed at http://legislation.govt.nz/regulation/public/2006/0163/latest/DLM389415.html?search=sw_096be8ed8029ce8c_cannabis_25_se&p=1&sr=1

The Industrial Hemp Regulations have not been reviewed since their enactment in 2006 so this is also an opportunity to review the regulations as a whole to see whether they are still fit for purpose.

For the purposes of this document low-THC hemp seed as food or hemp seed food products refer to seed that comes from *Cannabis sativa*. Any low-THC hemp seed that originates from another variety of Cannabis will not be permitted to be used as food.

2.2 SUMMARY OF PROPOSALS

The proposals in this document provide for:

- consistency between the Food Standards Code to allow low-THC hemp seed as food and the Industrial Hemp Regulations;
- regulations under the Food Act 2014 to declare low-THC hemp seed to be a food; and
- greater flexibility around licensing to possess, cultivate and trade in low-THC hemp.

2.3 NOT IN SCOPE

2.3.1 Cost Recovery

The Industrial Hemp Regulations set out fees payable for licences which are set in accordance with other charges under the Misuse of Drugs Act 1975.

There are no cost recovery proposals in this document. However, the Ministry of Health is carrying out a review of all charges under the Misuse of Drugs Act 1975 within the next two years. There will be public consultation on the fees payable under these regulations at that time.

This potentially limits the changes that can be made to the licensing process.

2.3.2 Medicinal Cannabis/hemp

This discussion document does not address hemp products for a therapeutic use as medicines or medicinal cannabis. Hemp products that are intended to be manufactured, imported, sold or

supplied for a therapeutic purpose are required to follow the established medicines regulatory route as set out under the Misuse of Drugs and Medicines legislation. Further information on these requirements can be found at <https://www.health.govt.nz/our-work/regulation-health-and-disability-system/medicines-control>. A regulatory scheme for medicinal cannabis products is being established by the Ministry of Health.

3 Context

3.1 AUSTRALIA AND NEW ZEALAND FOOD SYSTEM

For more than 35 years New Zealand and Australia have enjoyed a close relationship in the area of food safety and food trade. In 1983, a comprehensive trade agreement – the Australia New Zealand Closer Economic Relationship Free Trade Agreement (CER) was signed by the New Zealand and Australian governments.

CER underpins a number of economic arrangements between New Zealand and Australia, including:

- an agreement between the two countries concerning a joint food standards system (the Food Standards Treaty); and
- the Trans-Tasman Mutual Recognition Arrangement (TTMRA).

The Food Standards Treaty was signed in 1995. It committed both countries to the development and implementation of a single set of food standards. The main outcomes from the Food Standards Treaty included:

- the establishment of the then Australia New Zealand Food Authority and then Food Standards Australia New Zealand (FSANZ) which has responsibility for developing, varying, and reviewing food standards for food available in Australia and New Zealand.
- the development of the Australia New Zealand Food Standards Code (the Code), which sets requirements, particularly for the labelling and composition of food and food-related products.

The standards developed by FSANZ are included in the Code. The Code provides:

- a common set of food composition and labelling rules agreed between New Zealand and Australia; and
- access, for consumers, to information about what's in the food they eat.

FSANZ is governed by a Board, which works to the Australia New Zealand Ministerial Forum on Food Regulation (the Forum). The Forum is made up of New Zealand and Australian (State and Commonwealth) Ministers, as well as representatives from other portfolios.

The Forum has general oversight of the implementation of the standards and has the capacity to adopt, amend or reject them and to ask FSANZ to review them or create new ones.

The standards become law in New Zealand after they have been adopted by the Minister under the Food Act 2014. MPI is responsible for the administration of the Code.

3.2 APPLICATION FOR LOW-THC *CANNABIS SATIVA* HEMP SEED AS FOOD

In December 2009, FSANZ received an application seeking approval for the use of seed and seed products of *Cannabis sativa* with low levels of delta 9-tetrahydrocannabinol (THC) as food.

Cannabis sativa is well known as a source of the psychoactive substance, THC. Varieties of *cannabis sativa* that contain no, or very low levels of, THC are commonly referred to as hemp or industrial hemp. Hemp has typically been used for industrial purposes, such as textiles, fibres, paper, building materials and also as a food source.

The seeds are the only part of the hemp plant that would be permitted to be used as food. Hemp seeds are safe to eat and have a favourable nutritional profile, particularly with respect to omega-3, 6 and 9 fatty acids, which contribute to heart health.

After much research and public consultation, in October 2012 FSANZ recommended that the Forum permit for sale foods from low-THC hemp seeds, including hemp seed oil.

The recommendation was not supported by the Forum. The Ministers asked FSANZ to review its recommendation because of concerns linked to drug enforcement and marketing.

FSANZ reviewed its recommendation and in December 2014, FSANZ again recommended that the Forum permit a standard to allow the sale of foods derived from the seeds of low-THC hemp. The Forum rejected the standard until further work was undertaken to address concerns including legal and international treaty implications, enforcement and marketing.

In March 2016 the Forum asked FSANZ to again formally prepare a proposal to allow low-THC hemp seed as food. The issues listed above have been adequately addressed.

In April 2017 the Forum accepted the FSANZ proposal to allow low-THC hemp seed and hemp seed products as food (hereafter referred to as ‘hemp food products’).

3.3 HEMP REGULATIONS AND FOOD

New Zealand gives legal effect to the Forum’s amendments to the Code by adopting them under the Food Act 2014.

The Food Act 2014 only enables standards in relation to ‘food’ to be adopted under the Food Act 2014. Therefore, a regulated product needs to fall within the definition of ‘food’ provided for in the Food Act 2014. The definition of ‘food’ was drafted in such a way that it could not include any controlled drugs (within the meaning of the Misuse of Drugs Act 1975) or any substances used only as medicines (within the meaning of the Medicines Act 1981).

Hemp food products will likely contain a trace amount of THC and Cannabidiol (CBD). Since THC and CBD are controlled drugs and medicines, the Food Act required amendment to allow for low-THC hemp seed to be declared a ‘food’ for the purposes of the Food Act 2014. The Food Safety Law Reform Act enabled this to happen. When the Act passed into law it enabled the Governor-General to declare, by Order in Council, the foods covered by the relevant standard to be food.

A regulation now needs to be made to declare the hemp food products covered by the amendment to Standard 1.4.4 to be ‘food’ for the purposes of the Food Act 2014.

Hemp seed oil can already be sold as food if it does not contain a controlled drug, under the Food Regulations 2015.

3.4 MISUSE OF DRUGS ACT 1975 AND THE INDUSTRIAL HEMP REGULATIONS 2006

Industrial hemp was legally grown in New Zealand until 1948, at which time all cannabis cultivation was made illegal, regardless of THC content.

In 2000, the Minister of Health agreed to lift a moratorium on the granting of licences, under section 14 of the Misuse of Drugs Act, to grow industrial hemp for the purposes of conducting a two-year hemp cultivation trial to test viability of industrial hemp as a commercial crop.

Following the trials, the Minister of Health developed a legislative framework to allow commercial cultivation of hemp in 2003. The Misuse of Drugs (Industrial Hemp) Regulations were enacted in 2006. The Industrial Hemp Regulations enable the cultivation and distribution of industrial hemp under a licensing regime.

The Regulations already state specific levels of THC allowed in the plant which is a class B controlled drug under Part 1 of Schedule 2 of the Misuse of Drugs Act.

Hemp food products may contain trace levels of THC and cannabis seed is a Class C controlled drug under Part 1 of Schedule 3. Therefore, the Industrial Hemp Regulations need to be amended to reflect hemp food products with low levels of THC being permitted as food.

The Industrial Hemp Regulations have not been reviewed since their enactment in 2006. Some of the proposed changes are to make the regulations fit for purpose.

3.5 WHAT DOES THIS MEAN FOR INDUSTRY?

Once low-THC hemp seed food is legal in New Zealand, anyone wishing to supply, manufacture or sell hemp seed food products will have to operate under the Food Act 2014. You will then need to register your business with MPI to operate under a National Programme, if you have not already done so.

If you currently grow hemp under a licence with the MOH for industrial purposes nothing will change. If you decide to grow hemp seed for sale you will need to grow hemp under a licence from MOH and register your business with MPI to operate under a National Programme.

National Programmes are described in *subpart 3 – National programmes* of the Food Act 2014. More information about National programmes and how to operate under them can be found at <https://www.mpi.govt.nz/food-safety/food-act-2014/national-programmes/>.

Part Two: Proposed amendments to food legislation

4 Proposed amendment to food regulations

4.1 ADDITIONAL REGULATION TO FOOD REGULATIONS 2015

4.1.1 Description of current regulations

There is no regulation in the Food Regulations 2015 that covers the adoption of hemp seed food products.

4.1.2 Proposal

Make a regulation declaring hemp food products covered by the amendment to Standard 1.4.4 to be ‘food’ for the purpose of section 9 of the Food Act 2014.

4.1.3 Rationale

The recent amendment of section 9 of the Food Act 2014 now requires a regulation to declare hemp seed food products (meaning the *Cannabis sativa* seeds and seed products that are permitted by Standard 1.4.4-6 to be food for sale or used as an ingredient in a food for sale) to be ‘food’ for the purposes of the Food Act 2014.

4.2 REVOCATION OF REGULATION

4.2.1 Description of current regulations

Regulation 157 of the Food Regulations 2015 exempts hemp seed oil from certain prohibitions in the Code.

4.2.2 Proposal

Revoke regulation 157 of the Food Regulations 2015 once hemp seed food products are declared to be food.

4.2.3 Rationale

This regulation will no longer be required as hemp seed oil is covered by the amended Standard 1.4.4. Regulation 157 of the Food Regulations 2015 (which exempts hemp seed oil from certain prohibitions in the Code) will be revoked at the same time in which the amendments to Standard 1.4.4 have been adopted and commence in New Zealand.

QUESTION 1:

Do you agree with the proposed changes? If not, why not?

Any other comments?

Part Three: Proposed amendments to the Misuse of Drugs (Industrial Hemp) Regulations 2006

5 Proposed amendments to Regulations 3 and 4 – Object and Interpretation

The Interpretation section of the Industrial Hemp Regulations sets out the meanings of words and phrases contained within the context of the Regulations. There has been some confusion with certain definitions in this section and some definitions need to be added for consistency with new provisions to allow low-THC hemp seed as food.

5.1 PROPOSED CHANGES

Table 1 below summarises the proposals in this section, which are then explained further in the following sections.

Object	Amend to reflect hemp seed as food
Cannabis means <i>Cannabis sativa</i>	Note that only <i>Cannabis sativa</i> seeds are permitted to be used as food
Director-General means the Director-General of Health	Amend to enable administration of the Industrial Hemp Regulations to move to another Ministry in the future
Hemp means cannabis plant, seed, or fruit	Remove and include it in the industrial hemp definition (technical drafting)
Industrial hemp	Amend to include the hemp definition (technical drafting)
Hemp food product (new)	Adding a definition that is consistent with the Food Standards Code.
Hemp product means a product of a kind that is derived, in whole or in part, from industrial hemp	To make a clear distinction between industrial hemp products and products made from hemp for a therapeutic use
Hulled hemp seed (new)	Hulled seeds means seeds from which the outer coat or hull of seeds has been removed and are non-viable (will not require a licence)
Whole hemp seed (new)	Whole seeds means seeds from which the outer coat or hull of seeds has not been removed and includes seeds that are able to germinate (will still require a licence)
THC means tetrahydrocannabinol	Total THC means the amount of delta 9-tetrahydrocannabinol and delta 9-tetrahydrocannabinolic acid

5.2 REGULATION 3: OBJECT

5.2.1 Proposal

We propose modifying the Object of the Regulations to clarify that therapeutic products are not included in the Industrial Hemp Regulations and to include hemp seed as food.

5.3 INTERPRETATION OF CANNABIS

Cannabis has been defined as *Cannabis sativa* in the Industrial Hemp Regulations. Only seeds from *Cannabis sativa* can be used for food. We understand that industry would like to include different species of cannabis so we could change the definition to the genus cannabis.

QUESTION 2:

Is there any specific reason to change the interpretation of cannabis to the genus cannabis, given seeds can only be from *cannabis sativa*?

If so, please give your reasons.

5.4 INTERPRETATION OF DIRECTOR-GENERAL

5.4.1 Description of current regulation

The Director-General has been defined as the Director-General of Health. The Industrial Hemp Regulations are made under the Misuse of Drugs Act 1975, which the Ministry of Health administers. Therefore, some decisions made under the regulations need to be made by the Director-General of Health.

5.4.2 Proposal

We propose widening the definition to the Director-General of the organisation that administers the regulations.

5.4.3 Rationale

There are two reasons for this proposal:

- it provides for future changes within government agencies without having to change the regulations i.e. if the Ministry of Health merged with another department then this definition would no longer be relevant; and
- it enables another government agency to administer the regulations on behalf of the Ministry of Health e.g. many Agriculture Ministries in Australia administer the Industrial Hemp Regulations so the Ministry for Primary Industries in New Zealand could do the same.

5.5 INTERPRETATION OF HEMP FOOD PRODUCT

5.5.1 Description of current regulation

There is no definition in the Industrial Hemp Regulations for hemp seed food products.

5.5.2 Proposal

We propose adding a definition for hemp food products consistent with the Food Standards Code. The Food Standards Code states '*Hemp food product means Cannabis sativa seeds and/or a seed product that are permitted by section 1.4.4-6 of the Food Standards Code to be a food for sale or used as an ingredient in a food for sale.*'

The seeds are of low-THC *Cannabis sativa* and cannot contain more than 5mg/kg of total THC and are non-viable and hulled. Further, any food for sale cannot contain Cannabidiol at a level greater than 75mg/kg

5.5.3 Rationale

The Industrial Hemp Regulations will cover hemp seeds as food so the definitions need to acknowledge this.

Cannabidiol, more recently referred to as CBD, has always been a drug under Schedule 2 of the Misuse of Drugs Act and is now classified as a prescription medicine. The levels of Cannabidiol allowed in hemp seed food products is an exception to the legislation.

5.6 INTERPRETATION OF HEMP PRODUCT

5.6.1 Description of current regulation

Hemp product currently means a product of a kind that is derived, in whole or in part, from industrial hemp.

5.6.2 Proposal

We propose to amend this definition to make the distinction between a hemp product and a therapeutic product clear.

5.6.3 Rationale

There has been much discussion and some confusion around whether cannabis products for therapeutic use meet the definition of a hemp product under the Industrial Hemp regulations. Therapeutic products are different to hemp products and require a different production, testing and monitoring regime. Therapeutic cannabis-based products are regulated under the Misuse of Drugs Act 1975, the Medicines Act 1981 and the Misuse of Drugs Regulations 1977. Amending this definition clarifies the coverage of the regulations. There are pathways under the Misuse of Drugs Regulations to develop products of a therapeutic nature, which are not captured under the Industrial Hemp Regulations.

5.7 INTERPRETATION OF HULLED SEEDS AND WHOLE SEEDS

5.7.1 Description of current regulation

There is no definition in the Industrial Hemp Regulations for hulled seeds or whole seeds.

5.7.2 Proposal

We propose adding a definition for hulled seeds consistent with the Food Standards Code which states *hulled seeds means seeds from which the outer coat or hull of seeds has been removed.*

We propose adding a definition for whole seeds which are seeds that have not had the outer coat removed.

5.7.3 Rationale

Under the new law to allow low-THC hemp food products we need to distinguish between whole seeds with the seed coat on, for which a licence from the Ministry of Health is required, and hulled seeds for which a licence will not be required.

Both whole and hulled seeds can be used to produce low-THC hemp food products, but only whole seeds are viable for cultivation.

5.8 INTERPRETATION OF THC

5.8.1 Description of current regulation

The definition for THC is tetrahydrocannabinol and does not include references to other aspects of THC.

5.8.2 Proposal

We propose to amend the definition of THC to *total THC means the total amount of delta 9-tetrahydrocannabinol and delta 9-tetrahydrocannabinolic acid.*

5.8.3 Rationale

The current definition is limited and we would like the Industrial Hemp Regulations to be as consistent as possible with the Food Standards Code to avoid confusion for industry.

QUESTION 3:

Do you agree with the proposed changes to the definitions in the Misuse of Drugs (Industrial Hemp) Regulations? Why? Why not?

Part Four: Proposed amendments to the Misuse of Drugs (Industrial Hemp) Regulations 2006

6 Proposed amendments to licensing

A licence, issued by the Ministry of Health, is required to cultivate and distribute industrial hemp. This is to ensure that other forms of cannabis are not cultivated and distributed under the guise of industrial hemp.

The Industrial Hemp Regulations govern the nature and duration of licences, eligibility requirements to hold a licence, and applications for, and renewals of, licences.

In the time since the Industrial Hemp Regulations were enacted in 2006, the Ministry of Health has new knowledge and experience in working with the Regulations. Changes are needed so that the Regulations remain fit for purpose, and that the appropriate level of regulatory oversight is applied to hemp licences.

6.1 REGULATION 7 – GENERAL LICENCE

6.1.1 Description of current regulation

Regulation 7 of the Industrial Hemp Regulations sets out the activities that the holder of a general licence can undertake. The current licences specify these activities.

Regulation 7 also relates to a licence holder only being authorised to undertake activities in respect of approved cultivars specified in the licence.

6.1.2 Proposal

We propose adding the importing and exporting of whole hemp seeds as an approved activity.

We propose exempting hulled hemp seeds, and some hemp food products from requiring a licence. This is because hemp food products will come under the food regulatory system administered by the Ministry for Primary Industries and because cannabis plants cannot be germinated from hulled seeds.

6.1.3 Rationale

While importing and exporting whole hemp seeds has never been listed as an activity in the Industrial Hemp Regulations, licences should cover these activities. Import/export licences are currently required under the Misuse of Drugs Act 1975 and this will not change.

Under the new regulations non-viable hulled hemp seeds will not require a licence.

QUESTION 4:

Do you agree with the proposed changes to Regulation 7? If no, why not?

Any other comments?

6.1.4 General discussion point one (general licences)

Regulation 7(2) refers to a general licence holder being authorised to undertake the activities specified only in respect of approved cultivars, or if the licence is limited to particular approved cultivars, the approved cultivars specified in the licence.

We propose not amending this regulation. There has been some confusion about having to list all the cultivars a licence holder may deal in. Therefore, the application forms will be changed so that when an applicant applies for a licence there will be a provision where an applicant can opt to include all approved cultivars listed on the Ministry of Health's list of approved cultivars found at the link below:

<http://www.health.govt.nz/system/files/documents/pages/approved-cultivars-of-industrial-hemp.pdf>

An applicant will still have to state whether they want to grow a cultivar not on the approved list.

QUESTION 5:

Do you agree to allow for the application to include a provision for an applicant to include all approved cultivars, thus not requiring an amendment to regulation 7? If no, why not?

Do you have a recommendation for how this issue could be solved differently?

6.1.5 General discussion point two (general licences)

Regulation 7(1) sets out all the activities a general industrial hemp licence holder can undertake. Regulation 8 sets out all the activities a research and breeding licence holder can undertake. Discussions with industry indicated a change to these regulations was required to make the licence process easier and less cumbersome.

We propose not amending these regulations. The regulations currently allow flexibility for an applicant to specify only one or some activities or to list all licensable activities. There are different requirements on licence holders under the different activities. Some applicants only want to include one activity on their licence so retaining the flexibility in the regulations allows this to continue. Alternatively, an applicant can apply to include all the activities on their licence, removing the need to amend their licence at a later date if they decide to add an activity.

The guidance material accompanying the new regulations will explain how the activities section of the application works.

Please note that the Ministry of Health is developing an IT platform that will allow the application process to become more efficient and simple.

QUESTION 6:

Do you agree to the proposal not to amend regulation 7(1)?

Do you agree that an explanation in the guidance material is sufficient for addressing any uncertainty in the application process?

6.2 REGULATION 9 – INDIVIDUALS WHO ARE ELIGIBLE TO HOLD LICENCES

6.2.1 Description of current regulation

Regulation 9 sets out the eligibility criteria for individuals who are able to hold licences. An individual with a conviction under the Misuse of Drugs Act 1975 or crime involving dishonesty under the Crimes Act 1961 is not eligible.

6.2.2 Proposal

We propose to merge 9(f) and (g) together. They state *an individual is eligible to hold a licence if the individual (f) is familiar with, and has the expertise and the resources to comply with, the obligations imposed, under these regulations, on a licence holder of a licence of the kind sought by the application and (g) has the expertise and resources to undertake the activities for which the licence is sought.*

6.2.3 Rationale

Regulation 9(f) and (g) repeat each other so a simple drafting amendment will make them clearer and easier to understand.

6.3 REGULATIONS RELATING TO LOCATIONS STATED ON LICENCES

There was a proposal from industry to have licences issued to the individual so more than one location could be used for the development of hemp.

Currently, one application fee of \$511.11 for a general licence is paid to the Ministry of Health and may last up to 3 years. The licence fee includes the processing of the application, the assessment of the property where hemp will be cultivated, the police checks of the responsible people, and the checking of the annual reports among other things. Amendments can be made to the licence without any cost being incurred.

If the licence was to include more than one property within it, additional fees would have to be charged to cover the cost of the Ministry of Health ensuring the property is safe and suitable. Cultivating hemp is not a core public service so the regulatory system that allows it to be an industry has to be cost recovered.

QUESTION 7:

What are your thoughts on having more than one property per licence?

Would you agree to incur additional fees to add a property to your current licence? Why? Why not?

Do you have suggestions for how this issue could be addressed differently?

6.4 REGULATION 67 – PERMISSION

6.4.1 Description of current regulation

The permission regulation sets out the permissions for people who do not hold a general or a research and breeding licence for industrial hemp.

6.4.2 Proposal

We propose to make an amendment so that a person who does not hold a hemp licence does not commit an offence if they possess, use or trade in non-viable, hulled hemp seeds or hemp seed food products.

6.4.3 Rationale

This is a consequential amendment so that a person who does not hold a hemp licence does not commit an offence if they possess, use or trade in non-viable, hulled hemp seeds or hemp food products.