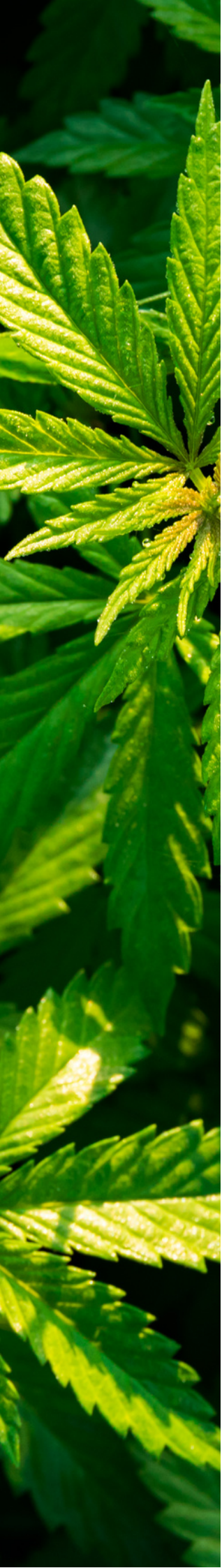




LEGALISING CANNABIS BILL

2023

REPORT



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MESSAGE FROM SENATOR DAVID SHOEBRIDGE

I'm proud to be delivering this report into the first ever bill to legalise adult use of recreational cannabis across Australia.

We have been blown away by the response to our bill with 8,916 individual responses to our survey and 38 detailed submissions in response to our consultation paper.

There is extremely strong support for our plan to legalise cannabis. You have told us you want a legal cannabis market that allows for home grow and prioritises co-ops and small business involvement. You told us you don't want an overly corporatised scheme and how it is important to ensure any tax rate doesn't force up prices and drive people back into the illicit market. The bill delivers on this, with a "grassroots" market that also creates \$28 billion in anticipated public revenue in the first 9 years of operation.

We heard from people who have travelled to other jurisdictions where cannabis is legal or decriminalised and want the experience of these schemes to inform what we do here. You have told us you like experiences that offer a choice of products, clear labelling and knowledgeable service with advice around consumption and dose. Our bill delivers this.

Thanks to the advice you have given us we have been able to make a number of informed changes to the bill and also identified areas where our communications need to be clearer.

Key changes include:

Quality and labelling - we will amend the bill to give powers to the Cannabis Australia National Agency (CANA) to set out labelling requirements for cannabis and cannabis products including safety and dosage information, strength and chemical composition, growing conditions and any other information it determines is relevant.

Independence - we will amend the bill to make it clear that CANA is not just industry funded but also Government funded to ensure it has independence from those it is regulating.

MESSAGE FROM SENATOR DAVID SHOEBRIDGE

Medicinal Cannabis - we will make it clear the legal scheme makes no changes to the medicinal cannabis scheme, we will also amend the bill to specify that the exclusion of big pharma from the scheme is not intended to bar participation of medicinal cannabis companies.

Penalties - we will amend the bill to provide a clear requirement for serious or repeated breaches of licence conditions to result in serious consequences for the licence holder - not just employees.

Home grow and production - we will amend the bill to explicitly allow people to make products like brownies or gummies at home for personal use, we will also explicitly require that grow at home cannabis not be grown in publicly accessible areas.

Young people - we'll add a new requirement to store cannabis product where it's not readily available to minors and give the regulator the capacity to impose other safe storage requirements if needed, for example child safe containers for edibles.

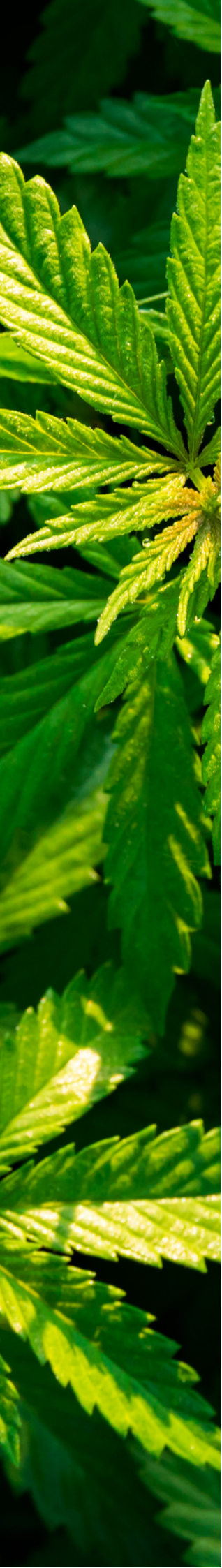
Advertising - we will make clear that the ban on advertising won't stop cafes and dispensaries from point of sale advertising or authorised online presence.

We've heard repeatedly that it's not enough to just decriminalise it, we need a comprehensive plan for legalisation that will provide safe access to cannabis and cannabis products, end over policing and draw people away from the illicit market. From what we've heard in this consultation I believe this model, with the improvements you have asked for, provides just such a plan.

With political courage and public support we can make this law.



Senator David Shoebridge
Greens Senator for NSW and Justice Spokesperson

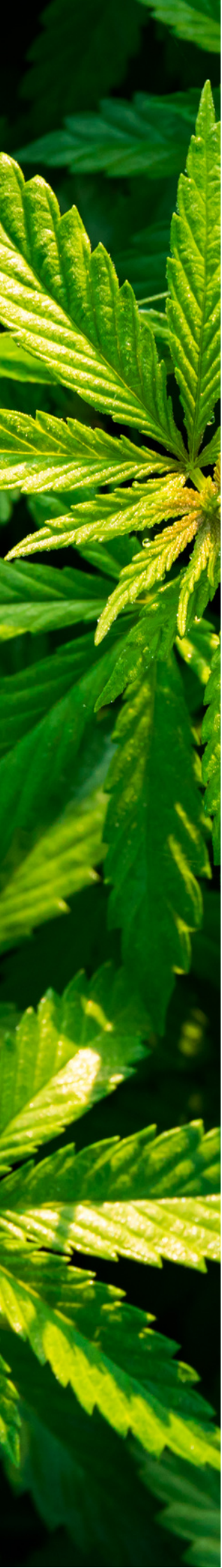


BACKGROUND

The Greens have a bill to legalise cannabis for adult recreational use that we intend to introduce to Federal Parliament for consideration this year. It is based on legal advice which shows legalisation at the National level is constitutionally possible.

As part of considering the draft bill we engaged in two simultaneous consultation processes, an online survey targeted at young people, cannabis users, and those interested in learning more about the bill, and a more detailed consultation paper for those who have a history of engaging in cannabis campaigning and law reform including organisations with relevant expertise around regulation and legal drafting.

Both the survey and the consultation are considered below in detail.



WHAT WE FOUND

The overwhelming response was that stakeholders were excited by the prospect of legal recreational cannabis for adult use, and are keen to be part of making this happen. There was significant agreement between both cohorts about the need for reform and support for a sales and distribution model as part of creating a legal accessible market and simultaneously as a way of minimising harm.



YOU TOLD US

Where weed is legal there is less crime, people are more relaxed and friendlier, greater taxation revenue is available for the states and there is one less reason for colluded and corrupted cops to arrest people under false pretences.

- survey respondent



Learning from the regulation of tobacco and alcohol was repeatedly identified as a critical element of any successful cannabis model. There was strong agreement that cannabis growing and sales should not be overly corporatised and agreement that big alcohol, tobacco and pharmaceutical companies should not control the industry. An exception to this was those who thought existing medical cannabis companies had relevant skills and expertise to contribute.



WHAT WE FOUND

Both cohorts used experience in overseas jurisdictions to inform their position of how an Australian scheme should work. They supported overseas experiences that offered a choice of products, clear labelling and knowledgeable service with advice around consumption and dose. People particularly like experiences they had with dispensaries and cannabis cafes.

It was clear from the responses that smoking was unlikely to be the primary method of consumption with edibles, oils and tinctures very popular in responses. The need to be able to make these at home for personal use was an identified shortcoming with the bill.

Quality control was identified as a particularly important aspect of a legal scheme with a strong desire for regular testing and certainty about products. Labelling was strongly supported with general support for plain packaging as well as labelling for strength, quality, growing conditions and other key metrics.

Most respondents supported the proposed tax rates, the cap of 6 plants per household and the creation of a responsible service of the cannabis scheme.

Our bill proposes a broad ban on cannabis advertising which both groups were divided on. Some agreed this was important to reduce harm and access by minors, while others thought it would stifle the creativity of a local industry.

Reducing contact with police and the justice system was of key importance to both cohorts. Additionally, minimising the role of police under the legal scheme was seen as desirable.

CHANGES WE WILL MAKE TO THE BILL

We consulted, we listened, we understood and we are changing the draft bill thanks to your input. We know that the community has a wealth of knowledge when it comes to legalising cannabis. These are the changes we will be making to the bill before introducing it to Parliament as a result of your engagement and assistance:

Quality and labelling

We are proposing to give an express power for the Cannabis Australia National Agency (CANA) to mandate labelling requirements for cannabis and cannabis products including safety and dosage information, strength and chemical composition, growing conditions and any other information it determines is relevant.

Changes and clarifications to the functions the Cannabis Australia National Agency

The Cannabis Australia National Agency (CANA) should be explicitly tasked with the goal of safely regulating the market and reducing harm. We will add this to the objects of the agency.

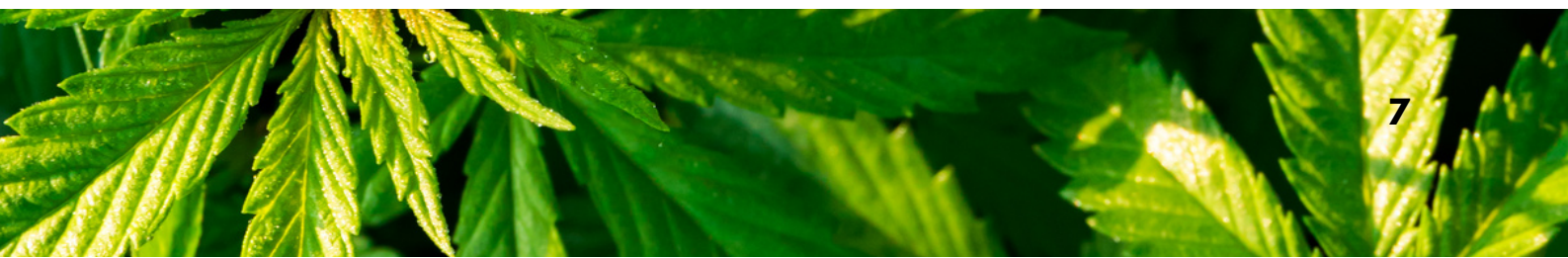
CANA should have the ability to be involved in regular testing of products including for such matters as strength and contaminants. We will make this clear.

We are also proposing that CANA be tasked with evaluating the operation of the scheme over time. This will include a clear requirement for CANA to regularly obtain and annually publish detailed national data on the cannabis industry.

You told us there needs to be a nimble regulator that can provide a positive feedback loop to allow for regulations and licence conditions to be amended as new information comes to hand about the performance of the market - in addition to a 5 year statutory review.

We will be amending the Bill to give CANA this role.

The bill will be amended to make it clear that CANA is not just



CHANGES WE WILL MAKE TO THE BILL

industry funded but also Government funded to ensure it has independence from those it is regulating - this could potentially be achieved by including in the objects a provision about regulating the cannabis market in the broader public interest rather than the cannabis industry.

We will amend to permit CANA to issue a licence(s) to a First Nations person or First Nations controlled entity without the need for a licence fee, so as to provide an incentive for First Nations engagement in the industry in recognition of historical injustices in the policing of cannabis in First Nations communities.

Medicinal Cannabis

We understand that there is experience in the medicinal cannabis industry that would be useful in an emerging recreational cannabis market. Therefore we will amend the bill to specify that the exclusion of big pharma from the scheme is not intended to bar participation of Australian-based medicinal cannabis companies.

We will also permit the list of entities that can be prohibited from engagement in the industry to be expanded in future by regulation. This could, for example, potentially include the soft drink industry given their history of aggressive marketing and expansion against the public interest.

Penalties

In recognition of the concerns about penalties for corporations, we will amend the bill to provide a clear requirement for serious or repeated breaches of licence conditions to result in serious consequences for the licence holder - not just employees.

We will amend the provisions that penalise the unlicensed selling of cannabis products to limit the primary offence of selling cannabis products above the value of \$100 as adjusted for inflation. This is designed to reduce unintended consequences of this catching small

CHANGES WE WILL MAKE TO THE BILL

non-commercial sharing with friends. We will however include an aggregating provision to prevent unlicensed commercial sale to be broken into a series of smaller sales to avoid the penalty. In addition we will provide a separate unlicensed sales offence for product with a value below \$100 adjusted for inflation. This will have a much smaller penalty that provides for the confiscation of cannabis and a maximum two penalty unit penalty fine.

Home grow and production

We will amend the bill to explicitly allow people to make products like brownies or gummies at home for personal use.

Amendments will also be made to require that grow at home cannabis not be accessible to the public.

Young people

For clarity we will amend the offence of selling to minors to specify that the offence is to knowingly allow a young person to consume cannabis.

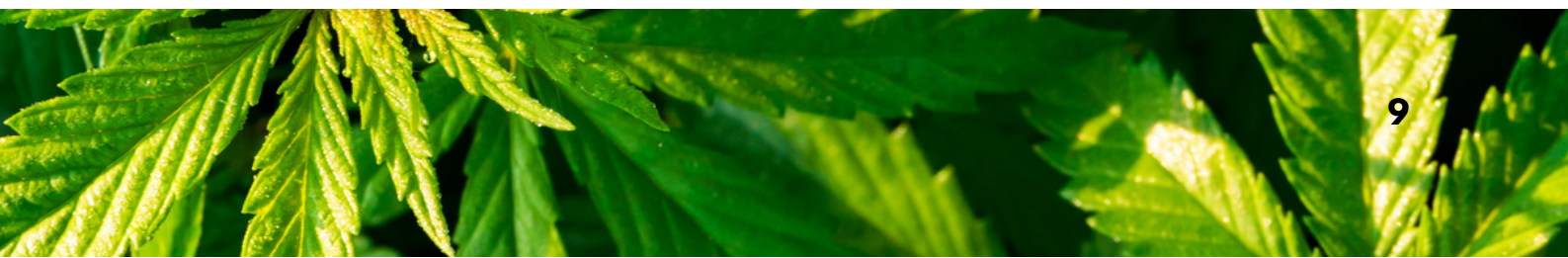
The bill will now also include a general requirement to store cannabis product where it is not readily accessible to minors. There will also be a regulation making power for further safe storage requirements to be implemented if deemed necessary, these could include child safe packaging and storage of products particularly edibles for example.

We will also include an explicit prohibition on packaging that is designed to appeal to minors.

Advertising

The amended Bill will retain the prohibition on all advertising and provide clearer exemptions for:

- Point of sale advertising at cannabis cafes and dispensaries, and
- Regulated on-line presence for registered cannabis cafes and dispensaries.





SURVEY RESULTS

REPORT

METHODOLOGY

The survey was targeted at younger people and those engaged in cannabis use. It was intended to assess support for various potentially contentious aspects of our proposed model including limits on home grow, advertising restrictions, a 15% taxation rate and also get feedback about overseas experiences that people were keen on replicating here.

- The survey was open from 6 April to 10 May 2023
- 20 questions, 19 multiple choice and one free answer
- 8,916 responses
- The survey was shared on David Shoebridge, Australian Greens and Sniff Off social media pages, and by email to 12,063 contacts
- Link to survey was on the “legaliseit” landing page at greens.org.au
- The survey requested identifying information but this was not required to complete the survey

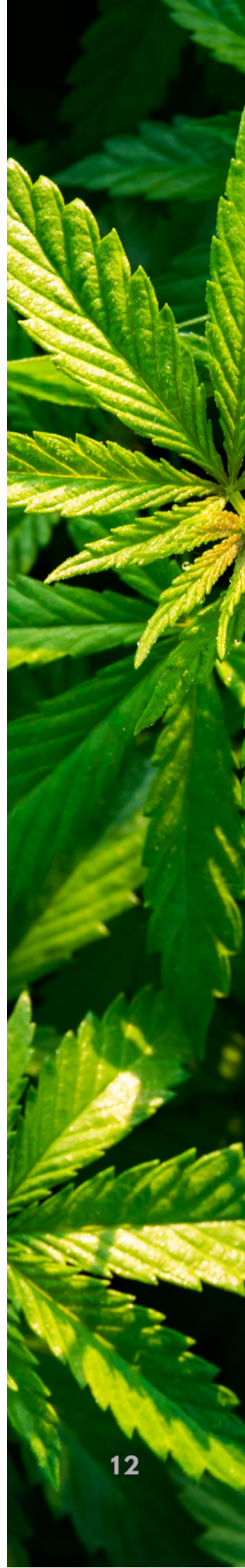
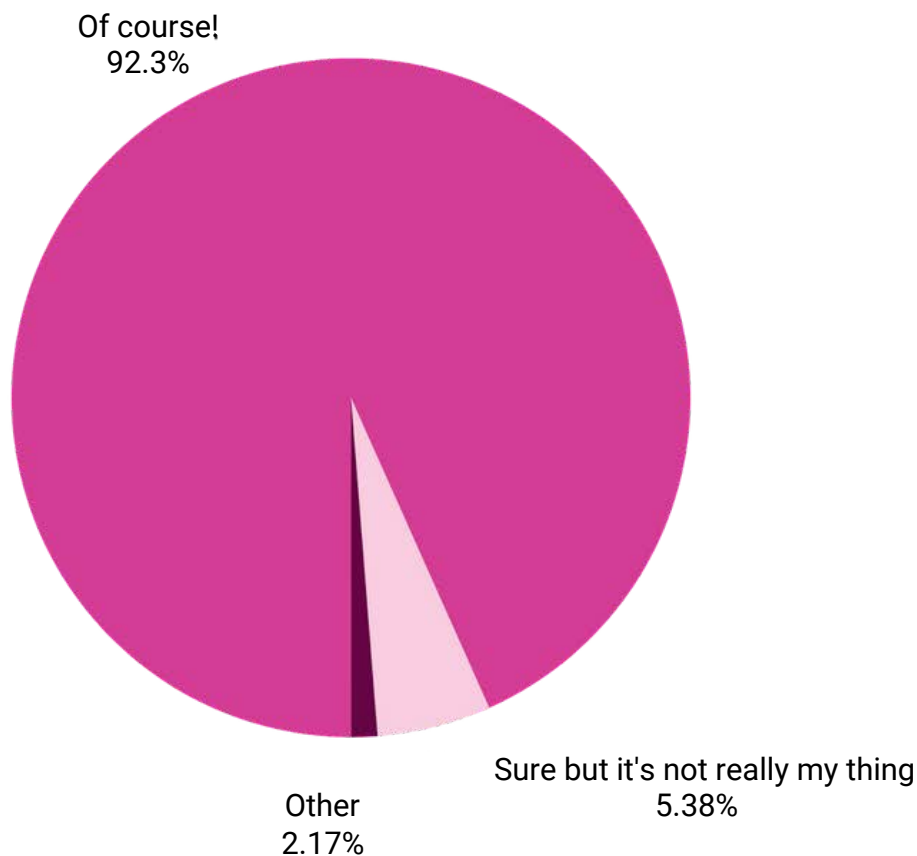


QUESTION 1

DO YOU THINK WE SHOULD LEGALISE CANNABIS?

It is perhaps not surprising that support for legalising cannabis was very high with 97.77% of respondents supporting legalisation, and only 1.5% supporting decriminalisation.

While this represents a strongly self selecting cohort of people interested enough in legalisation to complete a survey, we know that public support is strong and increasing, and it is considered likely that education and exposure would further increase general acceptance.





QUESTION 2

WHAT WOULD BE THE GOOD THINGS ABOUT LEGAL WEED?

This question had a multiple choice response with a possibility to choose more than one response. The responses people could choose were “blazin it”, keeping people out of prison, getting cops out of your life and edibles.

Perhaps surprisingly, the overwhelming response at 91.38% was keeping people out of prison, as compared to 65.44% who supported legalisation to be able to consume edibles and 59.44% of people who wanted to smoke cannabis.

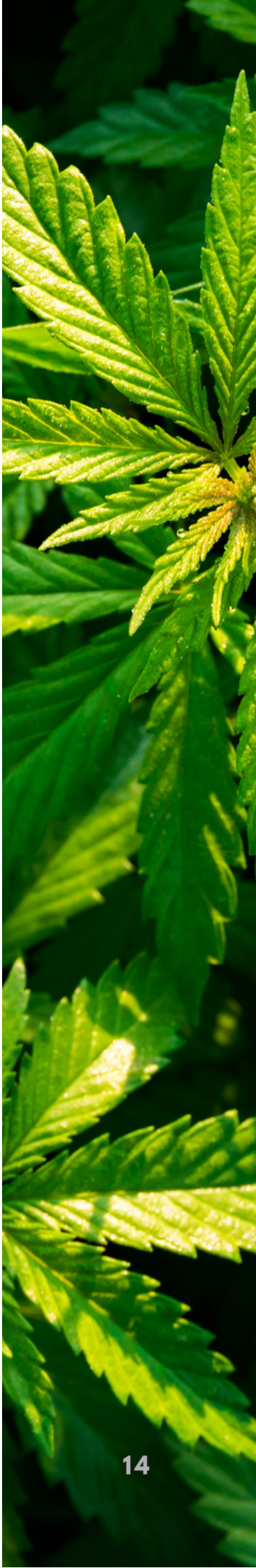
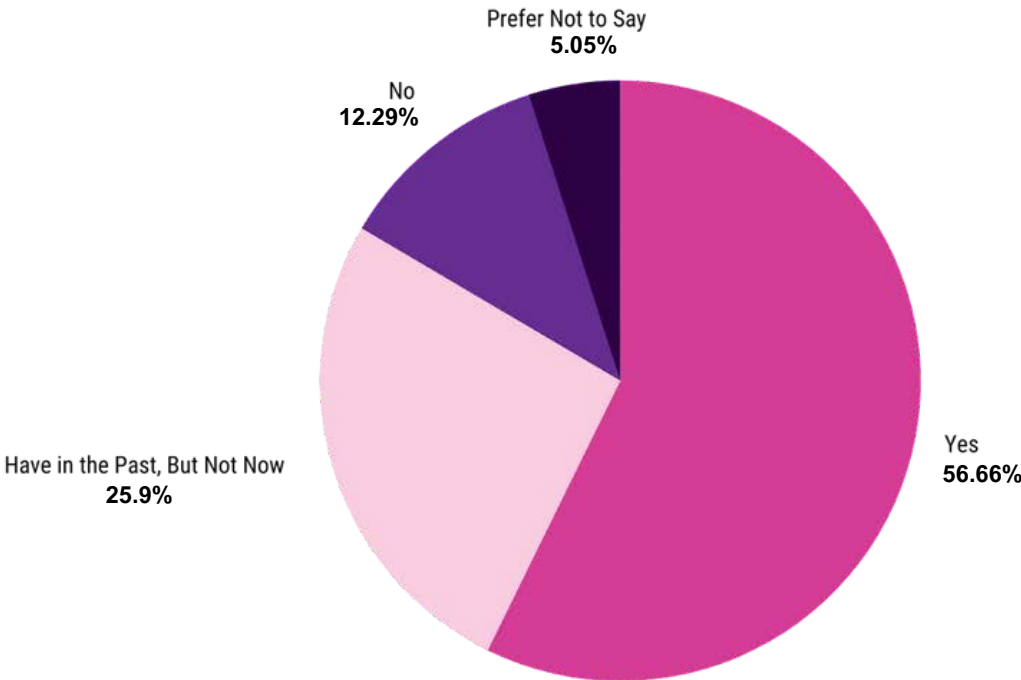
The role of police was also a significant factor chosen by 59.30% of respondents.

QUESTION 3

DO YOU USE CANNABIS RECREATIONALLY?

We had assumed that current users would make up the majority of respondents, which was only just true, with 56.66% of respondents identifying as current recreational consumers of cannabis. Just over a quarter or 25.90% said they had consumed in the past but no longer did. 12.29% of respondents identified they had not ever used cannabis.

This level of engagement with people who do not regularly use cannabis is strongly indicative of a broader community support for the campaign. It also provides greater assurance for the survey data received.



QUESTION 4

DO YOU TRUST THE QUALITY OF THE CANNABIS YOU BUY?

This question was only open to respondents who indicated cannabis use.

Of those who answered this question, only 21.98% of people said they always knew what they were getting. 77.91% of respondents said either that they had had bad experiences in the past, or that they felt the quality of what they were getting was a gamble.

QUESTION 5

DOES CANNABIS CRIMINALISATION DETER YOU FROM GETTING IT?

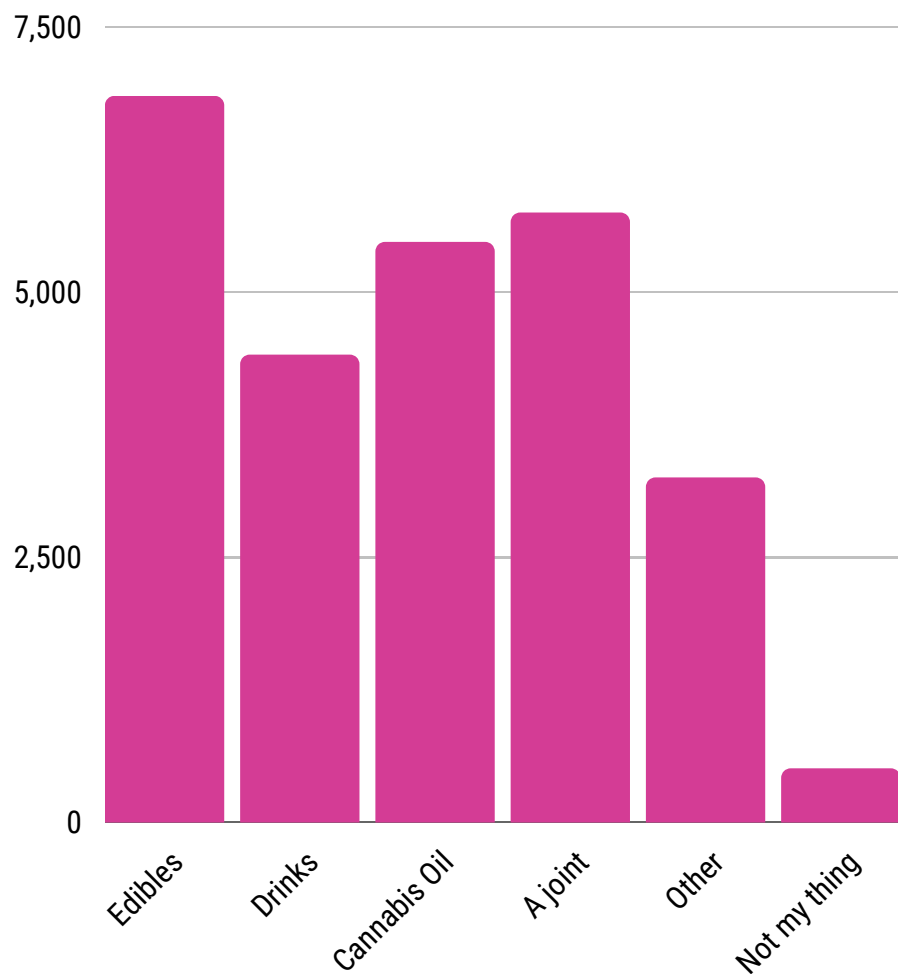
Only 17.68% of respondents said that cannabis criminalisation at least occasionally limited their access to it. In contrast, 82.29% of respondents said it was either easy to buy or could be obtained with little difficulty. This is despite the enormous spending of public money every year on criminalisation by the police and justice system.



QUESTION 6

HOW WOULD YOU LIKE TO CONSUME CANNABIS?

Respondents were given multiple options of how they would like to consume cannabis. The most popular by a long way was edibles, like gummy bears or truffles, at 82.08% of respondents. Traditional consumption methods like a joint were less popular at 69.1% and cannabis oil at 65.19%. Only 6.74% of respondents didn't indicate at least one option.





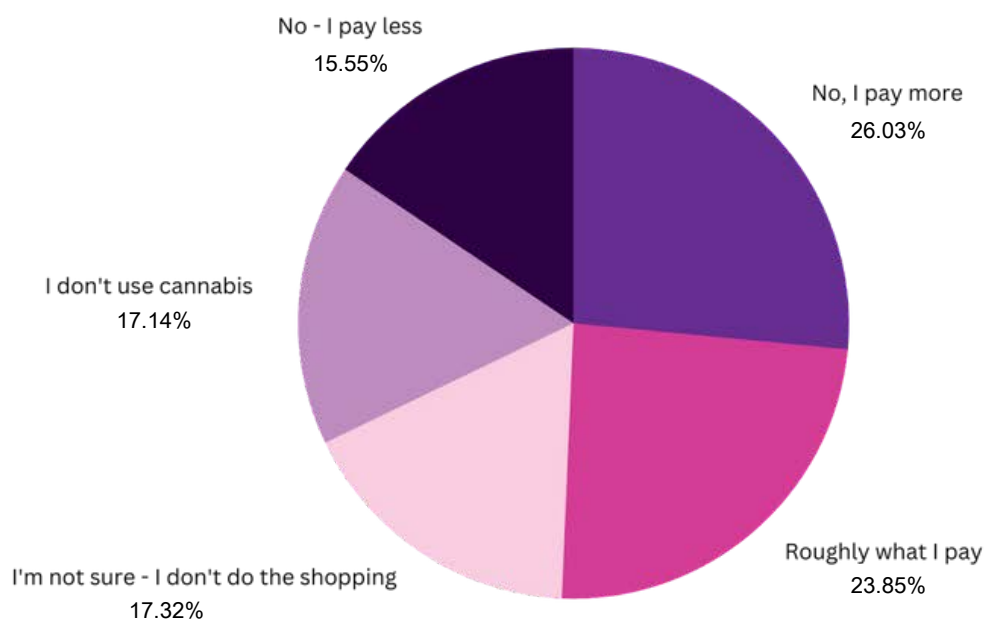
QUESTION 7

IS \$13 PER GRAM AROUND WHAT YOU CURRENTLY PAY FOR CANNABIS?

The proposed model for the bill was costed by the Parliamentary Budget Office (PBO) who estimated the sale price under our model would be around \$13 a gram. We asked people how this compared to what they currently paid.

26.03% of respondents said they paid more, 23.85% said it was around what they paid, and about 15.55% of respondents paid less.

This spread of values strongly suggests to us that we have the sale price correct for our costings on tax revenue and competing with the illicit market.

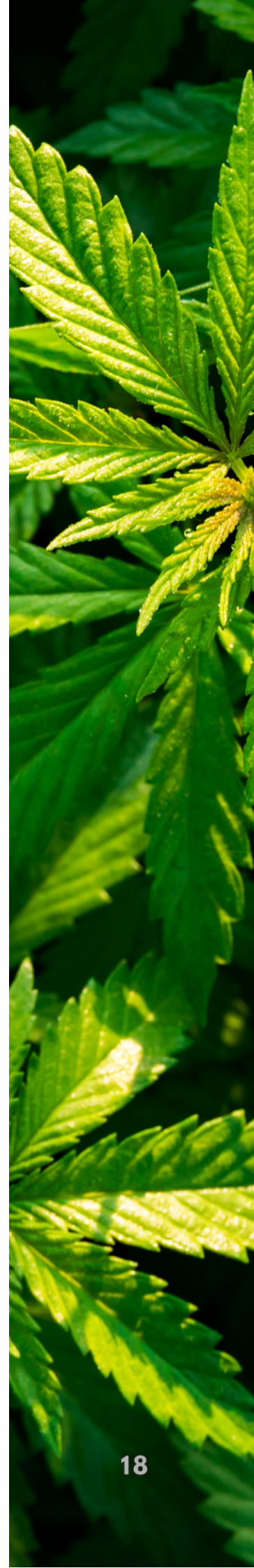
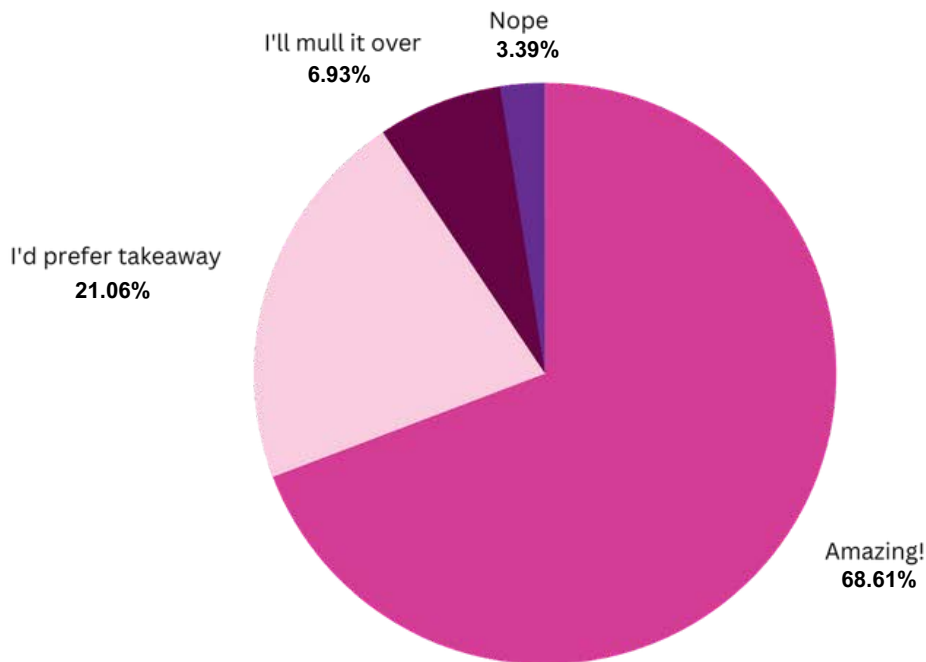


QUESTION 8

HOW DO YOU FEEL ABOUT CONSUMING CANNABIS AT A CANNABIS CAFE?

The option of consuming on site was surprisingly popular, indicating a sophisticated market looking for an appealing cafe culture. 68.61% of respondents identified a cannabis cafe as the place they would prefer to buy and consume products with 21.06% indicating they would prefer to take away.

The almost 0.09% of respondents who were undecided or didn't want cannabis cafes may prefer home grow, or possibly still wouldn't consume cannabis products even if they were legal and regulated.



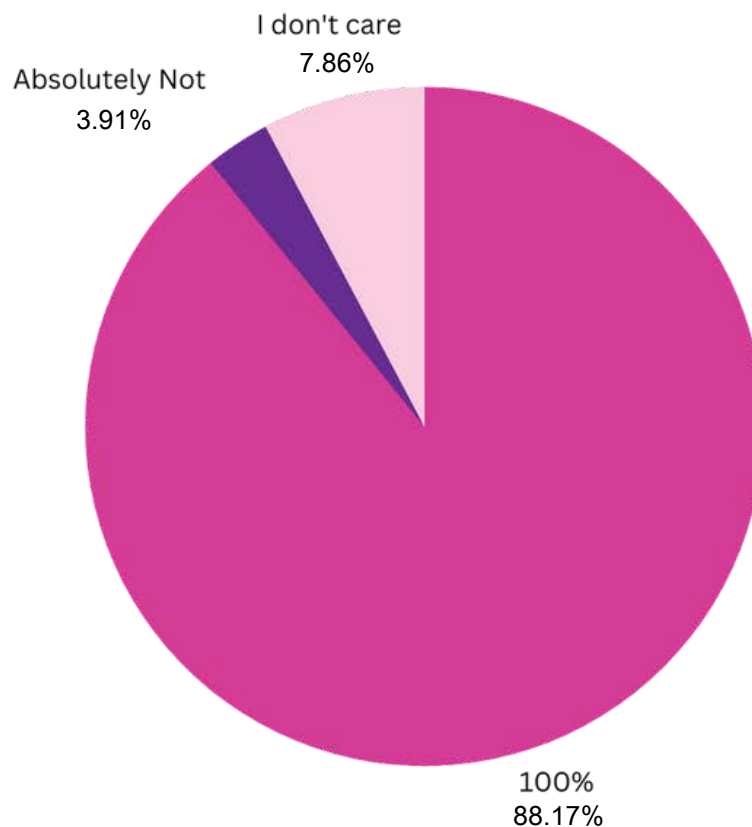


QUESTION 9

DO YOU SUPPORT CANNABIS CAFES, DISPENSARIES & CO-OPS BEING ABLE TO SELL ONLINE?

The options given for this question were "100%", "Absolutely not", and "I don't care". 88.17% of respondents supported online sales with only 3.91% firmly opposed.

Given that most other products including alcohol and tobacco are available for online purchase, it makes sense that cannabis would be as well. It is also reflective of our current reality where such significant parts of our lives are conducted online.



QUESTION 10

DO YOU SUPPORT CANNABIS CAFES, DISPENSARIES & CO-OPS BEING ABLE TO SELL TO THEIR LOCAL AREA ONLY?

Our model proposes a geographical limitation on sales to ensure market monopolies don't develop, to "democratise" the market and keep profits local.

13.39% of respondents opposed this, while 28.43% of people said they potentially supported but wanted to know more. The largest group was still 39.17% of people, who supported the model proposed in the bill.

This data suggests that there likely needs to be increased education around the intention of this limitation and the positive impacts we foresee to get people on board with this.

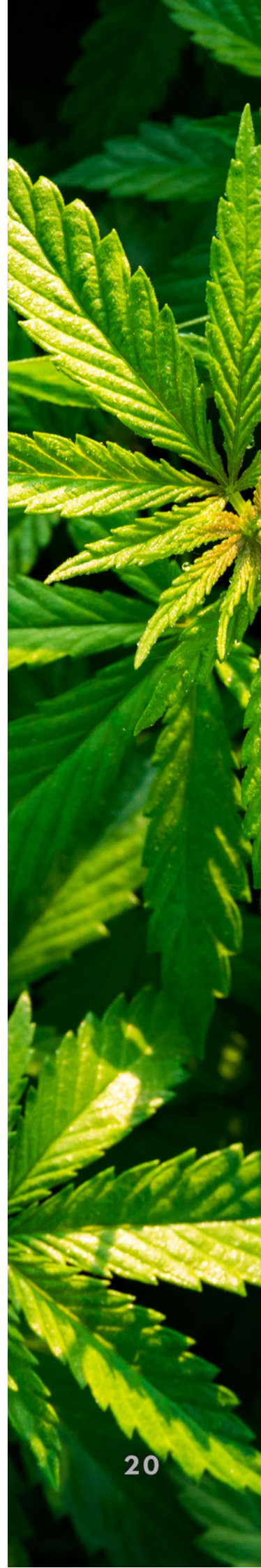
QUESTION 11

WHERE ELSE WOULD YOU LIKE TO BUY CANNABIS?

Respondents were given multiple options of where they would like to purchase cannabis.

The most popular was a dispensary at 85.31% reflecting familiarity with and support for this sales model. Growers co-ops were also popular at 75.86%, and online sales at 70.19%.

Over half of respondents, or 55.6%, indicated they would either mainly home grow or home grow as well as purchasing take away or visiting cannabis cafes.



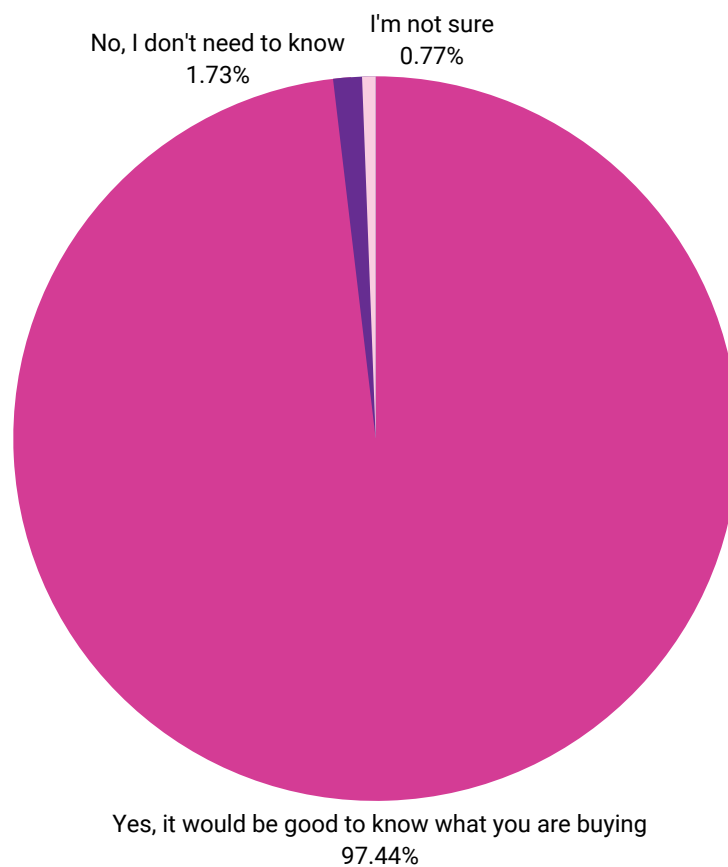


QUESTION 12

DO YOU WANT LABELLING THAT RELIABLY TELLS YOU THE STRENGTH OF CANNABIS AND WHERE AND HOW IT WAS GROWN?

People clearly want to be informed about what they are consuming. The support for truth in labelling of cannabis was overwhelmingly positive with 97.44% of respondents in favour.

Only 1.73% of people didn't see the value of labelling about strength and provenance.



QUESTION 13

DO YOU THINK WE SHOULD BAN BIG PHARMA, ALCOHOL AND TOBACCO PRODUCERS FROM THE CANNABIS MARKET?

The draft bill contains an explicit prohibition on big pharma, alcohol and tobacco producers being involved in the new market. Again the intention here was to reduce the likelihood of monopolies and in recognition of concerns about the actions of these corporations in their existing markets.

This was strongly supported by respondents with 75.52% in support, 19.23% not sure and 0.05% seeing this as not needed.

With more than 19% of people not being sure, this finding suggests this is also a part of the model we need to articulate further in discussions with the community.



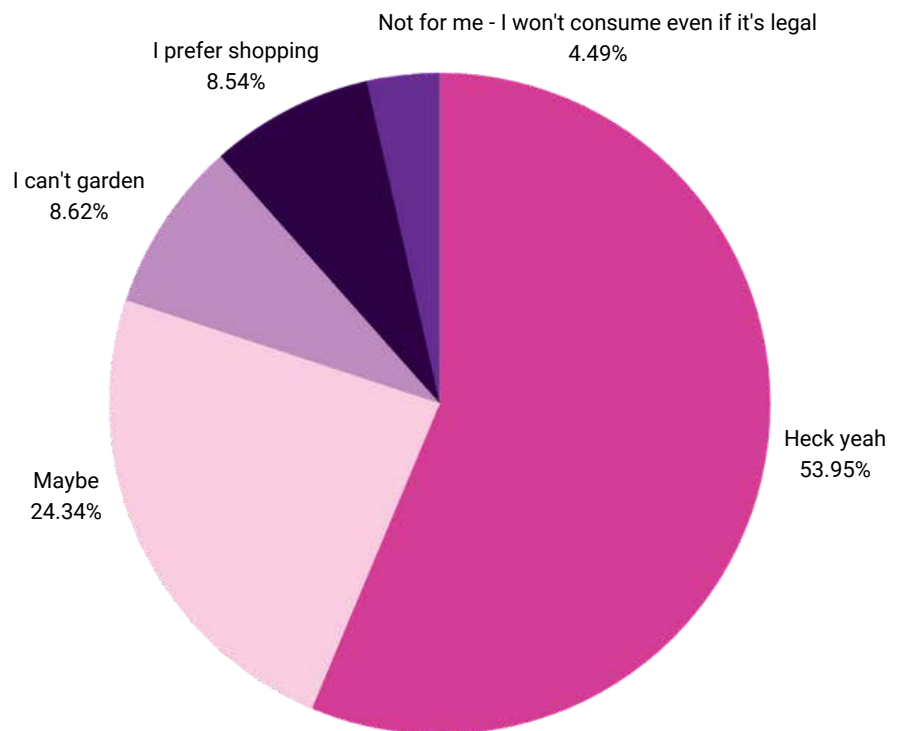


QUESTION 14

WOULD YOU GROW CANNABIS AT HOME?

The model in the bill allows limited home grow for personal consumption, and over two thirds of respondents said they would either definitely home grow or would consider it.

It seems likely that even people engaged in growing a few plants at home would likely combine this with purchases of cannabis products from cafes or dispensaries.





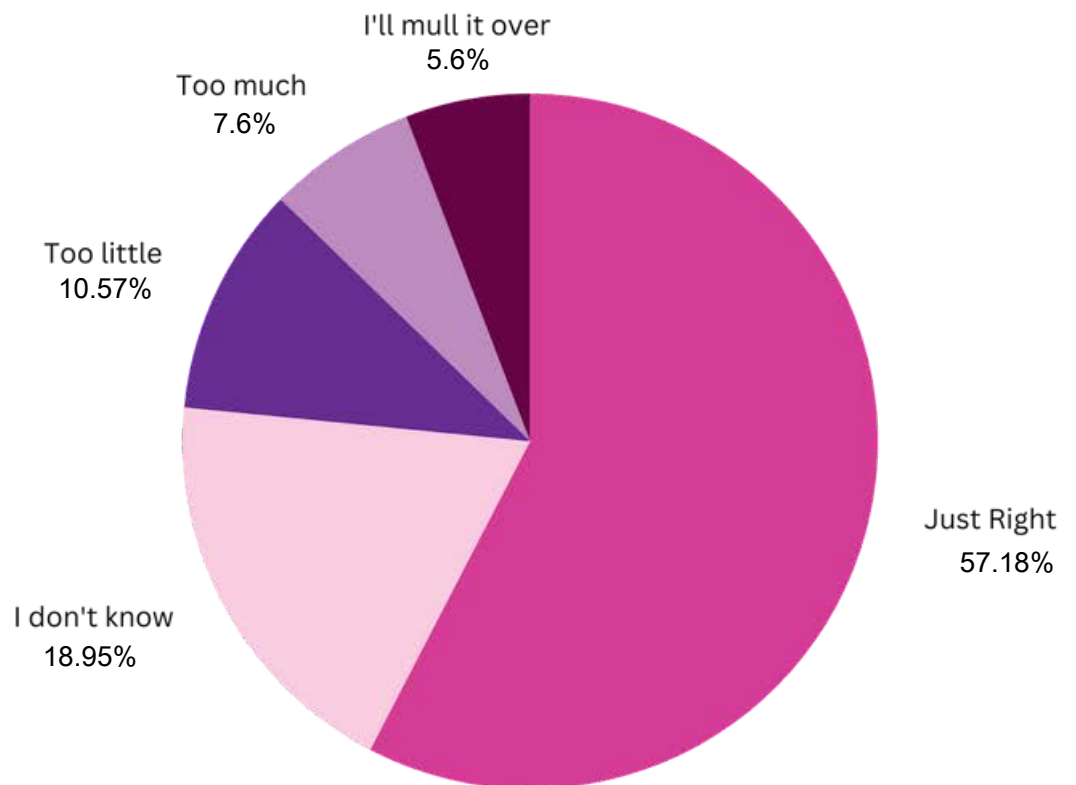
QUESTION 15

IS 6 PLANTS PER HOUSEHOLD A REASONABLE AMOUNT?

We chose a per plant number in the bill rather than a volume or weight limitation which are harder for people to comply with.

There was solid majority support for the cap of 6 per household (rather than per individual) with 57.18% in support. There were 10.57% of people who thought this was too little and 7.6% who thought it was too much, while 18.95% were unsure.

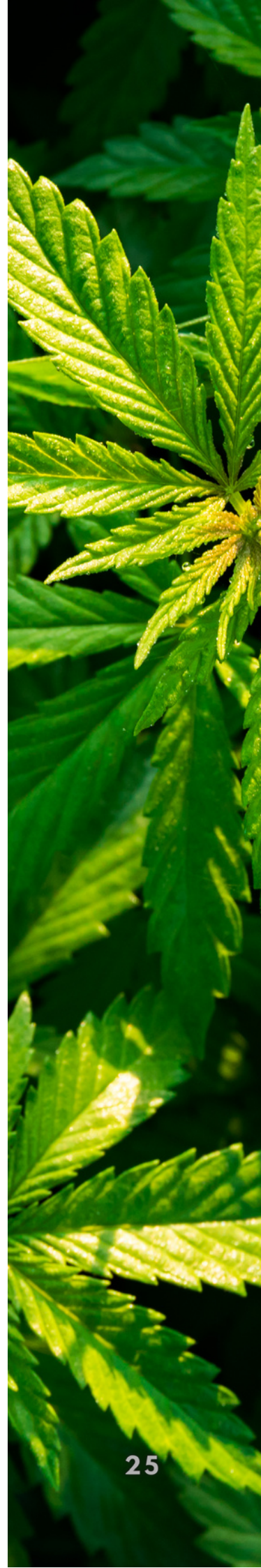
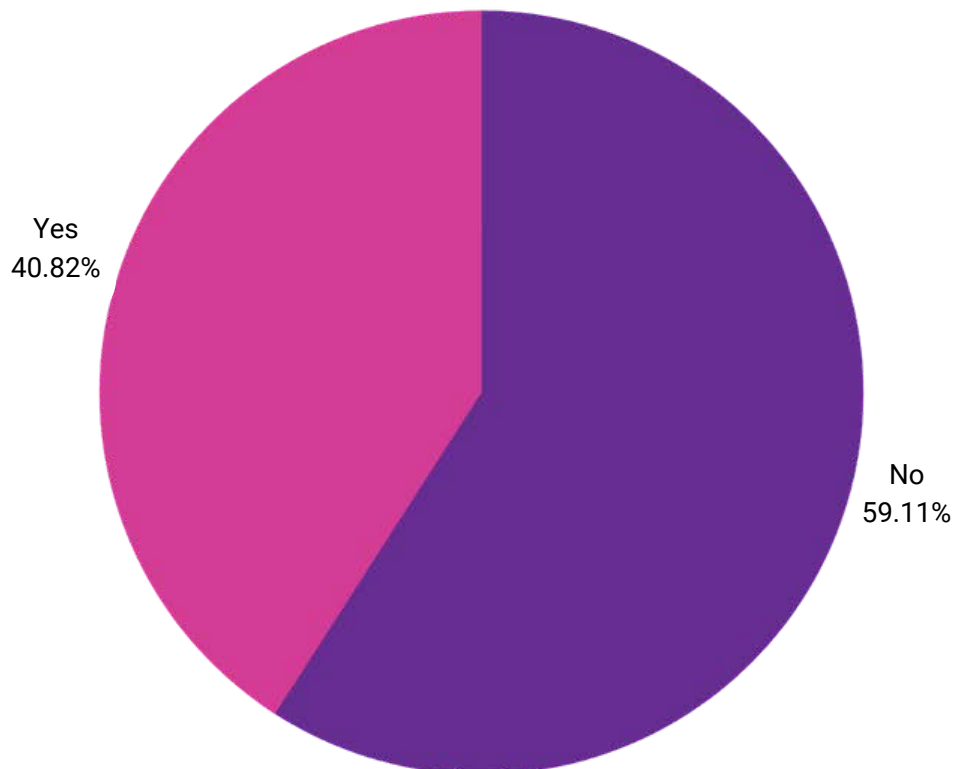
With majority support for 6 plants, some saying this was too generous and others saying it was too restrictive, we believe the model of 6 plants is considered broadly reasonable by the community.



QUESTION 16

HAVE YOU BEEN ANYWHERE THAT WEED IS LEGAL?

Around 40% of respondents had been in places where cannabis is legal.



QUESTION 17

WHAT DID YOU LIKE/DISLIKE ABOUT IT?

This question was only open to respondents who indicated they had been to countries where cannabis is legal.

1. LABELLING

One of the most common themes for respondents that had travelled to countries where cannabis was legal was the positive impacts of accurate labelling, dosing and advice at point of sale. Child proof containers and dosage instructions were also mentioned numerous times.

"I liked how the products were clearly labelled with THC and CBD content (as well as other alkaloids) so I knew what I was getting and how to dose myself appropriately, as I prefer a more mild experience."

“Through legalisation of cannabis, social stigma around the plant dropped. This also impacted the use of cannabis by young people who did not perceive cannabis as a drug or the use of it as a rebellious act, but were more interested in the health benefits of cannabis oils etc.”

"Didn't have to buy so much at one time, I could go back to the dispensary when I wanted more which actually reduced the amount I consume."

"Also the THC percentages were disclosed so that was good especially if you are a beginner or can't handle high levels of THC, or if you just wanted something stronger/weaker."

"You got to be very specific about exactly what kind of weed (experience, strength, effects) you bought, whereas dealers here just have what they have."

"I much prefer edibles as smoking is bad for your health. I was able to purchase very specific edible products which helped me to sleep, some to focus, some that made me giggle."

2. QUALITY AND SAFETY

Quality of product was also identified by many respondents as a very positive outcome in countries where cannabis was legal. The options of purchasing or making edibles in particular was a recurring theme.

“Healthier way to socialise (with edibles, which don't have harming smoke or potential liver damage from alcohol consumption).”

“Seeing the innovation around cannabis products, especially for pain relief and insomnia treatments.”

“There was a much more relaxed atmosphere around drug use. They had a better informed general population and people could make responsible decisions for themselves.”

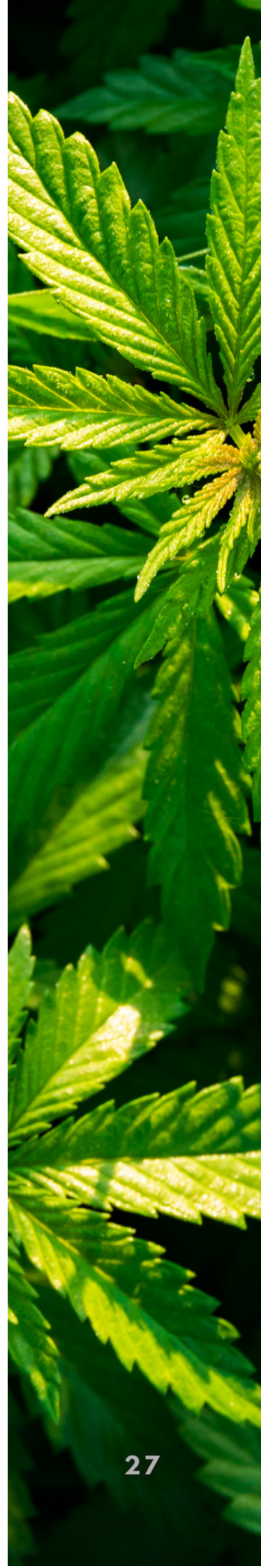
“In dispensaries there were trained pharmacist and chemist who have studied the effects and advise first time users of all the possible side effects.”



YOU TOLD US

Having products dosed makes it much safer and more likely that you will not have ill side affects, and can gauge the dose to the experience wanted.

- survey respondent



3. BUYING OPTIONS

Others appreciated the ability to purchase from legitimate sources in countries where cannabis is legal:

“Being able to know what I was buying and supporting local businesses instead of criminals.”

“Being able to go into a dispensary and know what I'm getting was incredible. The quality was better and I didn't have to ask around and meet up with a stranger to source it. It also took away the fear and anxiety of being caught with it.”

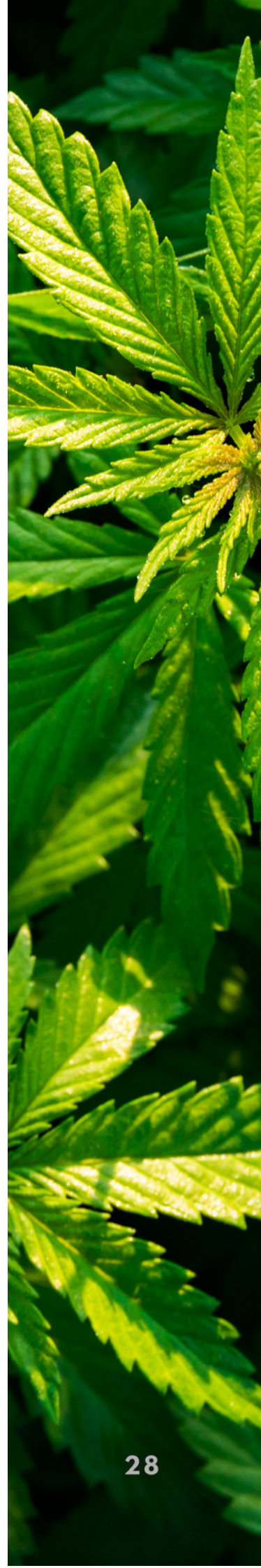
“I've been to Oregon multiple times and honestly, you wouldn't even notice if you didn't know it was legal. There aren't stoners creating clouds in parks, it doesn't stink of cannabis everywhere, there are no noticeable social impacts. I loved how clean and professional the dispensary process is. They checked my ID, led me to a dispensary room and had every product imaginable so I could make a really informed choice, know the strength and be given advice on how to ensure I don't take too much or the wrong strain for the wrong purpose. Legalised cannabis is far more civilised, beneficial and community spirited than alcohol has ever been.”

“Not having to do business with shady types to buy weed where the proceeds support organised crime.”

“Being able to purchase safely, knowing what I'm getting, and being able to select strength and strain.”

“Well run dispensaries with knowledgeable staff and a range of product options suitable. The ability to purchase products such as topical CBD creams and lotions to help with chronic pain in pharmacies and other stores (examples include Lord Jones being available in stores such as Sephora). These products were made with cannabis, not hemp, and were I credit effective for medicinal uses.”

“Dispensaries keep exposure to harder drugs away.”





4. POSITIVE IMPACT ON LOCAL AREAS

The creation of a legal cannabis culture and nightlife was spoken about positively by many respondents with the contrast to alcohol noted by many.

“Portugal has decriminalised all drugs. The night life has a safe vibe despite this and Portuguese people say it has been very beneficial to their country.”

“Going to public events was so much better because instead of lots of drunk people there were many people eating cookies and smoking joints and the general vibe was happier than what drunk people usually are. Also it was great to be able to buy edibles (it greatly enhanced seeing Avatar 2 in 3D at IMAX!).”

“The overwhelming feeling of safety in the community, knowing cops were more focused on public disturbances rather than a happy smoker. A night out feels safer friendlier and more relaxed.”

“Much more positive culture and most people have common knowledge on how to do it safely because it is not taboo. Similar how I could tell someone how to drink safely.”

“The city seemed more relaxed and sophisticated, compared to the drunken, violent mess at our Australian pubs, concerts and clubs.”



4. POSITIVE IMPACT ON LOCAL AREAS (CONT.)

"Those who were high were much less of a danger to themselves and others than those who were super wasted."

"Cannabis is a gateway drug to gardening" most that care about the cannabis they consume start to care about the food they consume and this pushes home gardening, soil health, composting, regenerative agriculture."

“

YOU TOLD US

As a non-consumer, visiting places where cannabis is legal truly didn't bother me. Others getting high or being around people using cannabis or places where cannabis can be bought/sold/consumed had literally no impact on me

- survey respondent

”

5. POLICING AND JUSTICE SYSTEM

There was a strong sense that legalising cannabis reduced the impact of the war on drugs, both in terms of people being incarcerated but also at a street and community level where less policing was seen as a distinct positive:

“Freedom to enjoy all the benefits without being a criminal.”

“Less people locked up for minor offences and greater economic outcomes and benefits.”

“Full legalisation sets a very different tone to decriminalisation.”

“Walked past police while smoking once, they just said hello and smiled. This was peace.”

“My dad lives in NYC where it is now legal, and the reduction in harmless crime and police brutality has changed the city, not to mention the tax revenue.”

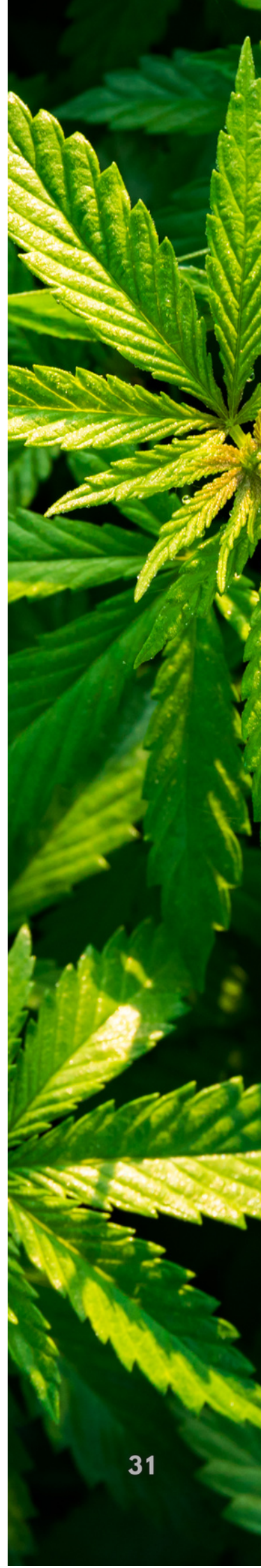
“I deserve not to be afraid of police just because I have a plant inside my pocket. I’m not doing anything wrong. I’m peaceful and like to enjoy life that’s all.”



YOU TOLD US

Not having to be paranoid about drug sniffer dogs while using public transport offers immense piece of mind. As a person who does not have a car it is always a risk purchasing cannabis because there’s always the chance police will be on the train with dogs (NSW) and I could have to face a criminal conviction or fines.

- survey respondent

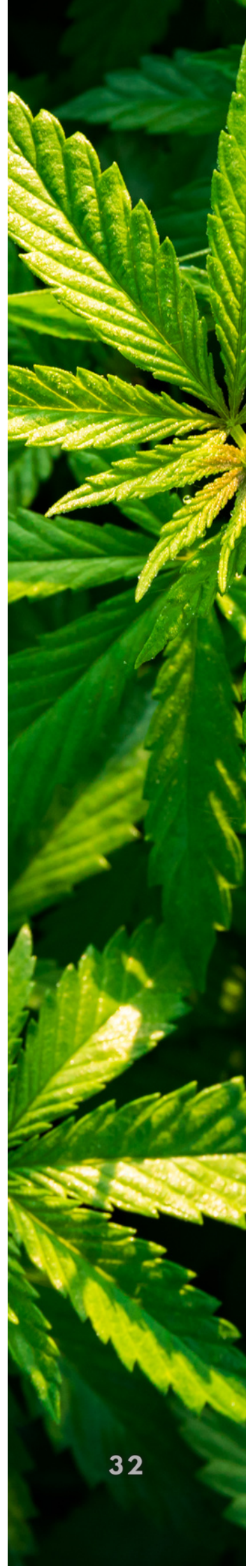


6. ISSUES WITH OVERSEAS MODELS

There were a small number of concerns raised about overseas models, with respondents suggesting these were things that should be addressed in the creation of an Australian scheme.

“The abundance of second hand smoke was equal or higher than that of cigarettes leading me to question health impacts on bystanders”

“USA (California/ Nevada) - was quite expensive - had to hand over a lot of personal information including photocopy of ID docs (Licence and Passport) which made me uncomfortable”



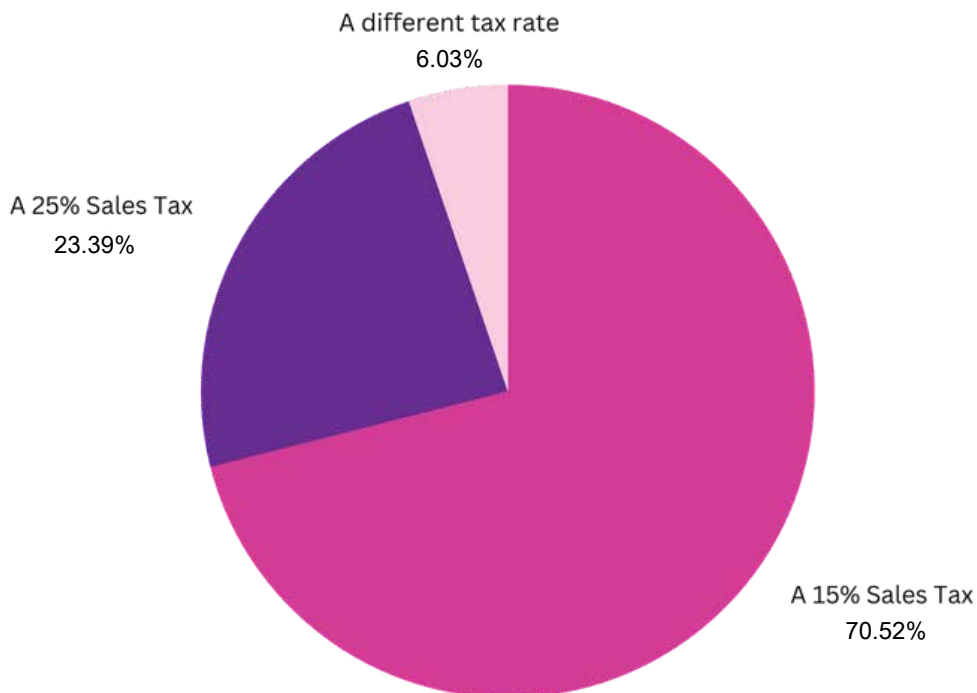
QUESTION 18

HOW SHOULD SALES OF CANNABIS BE TAXED?

The bill proposes a 15% tax rate which was supported by 70.52% of people. 23.39% of respondents supported a higher 25% tax rate.

Having almost a quarter of respondents supporting a higher tax rate was unexpected and counter to most public commentary about how consumers of cannabis feel about taxation.

It's clear those interested in legalising cannabis have an appreciation of the significant public good that can be achieved by the regulation and taxation of sales and are broadly supportive of the rates we have proposed.





QUESTION 19

WHAT RATE DO YOU WANT CANNABIS TO BE TAXED AT?

This long answer question was answerable by respondents who answered "A different tax rate" in the question prior.

There were a wide variety of responses, with some respondents suggesting there should be differential taxation for medicinal vs recreational users and still others opposing any taxation at all. Some saw the potential of increases taxes to deliver social license and public investment in health and education.

Overall, the spread of responses suggests that a 15% tax rate is about the mid point.

We agree that there should be no tax on medicinal cannabis where cannabis is sold exclusively as a medicine.

QUESTION 20

WHAT OTHER ISSUES DO YOU CARE ABOUT AS WELL?

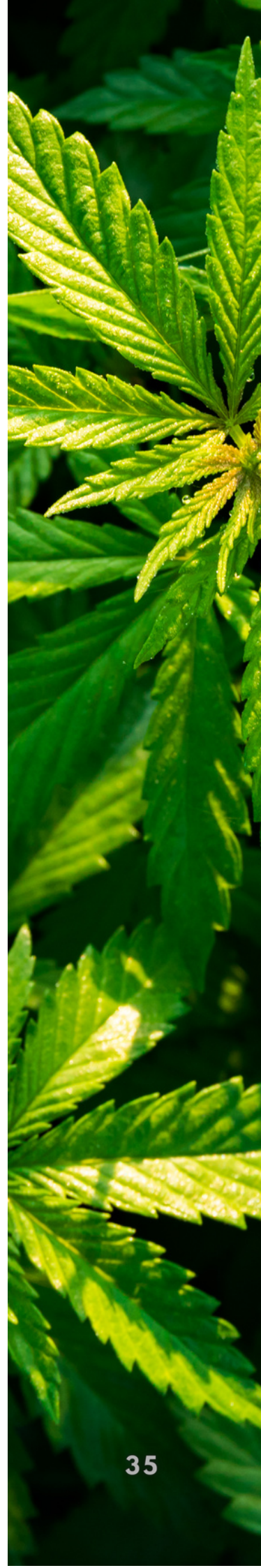
Respondents were able to select multiple responses to this question, with most options receiving support from over two thirds of respondents, including fixing the roadside drug testing regime, removing past cannabis convictions, and fixing the medicinal cannabis scheme.

66.44% supported decriminalising psychedelics and MDMA as key short term goals.

Perhaps surprisingly only 49.85% of respondents said getting rid of sniffer dogs was a key objective, however this could be explained by the fact that random searches undertaken by sniffer dogs are not equally prevalent across Australia.

Some of the comments about medicinal cannabis show many would be looking to legal cannabis as a possible alternative source for medication given the expense and other issues with the medicinal markets. This is something that would have to be monitored closely to ensure the medicinal cannabis market retained clear differentiation and that patients receive the help and education they need.

"I've been taking cannabis oil for 2 years THC for fibromyalgia and nerve pain. It's a miracle drug for me. The cost is ridiculous though. I'd like to see the oil more affordable and possible put on the PBS down the track."



QUESTION 20

WHAT OTHER ISSUES DO YOU CARE ABOUT AS WELL? (CONT.)

"You're able to try small amounts of a product or strain to see what WORKS for you - unlike with medical in Australia, where it can take several goes to find the strains that work well for you, but each time you try a new strain you need to pay for an appointment (\$40-\$150 depending on your doctor/clinic) to get that strain prescribed, then pay to have your prescription dispensed - and of course that's always for a whole tub (usually 10g, usually between \$100 and \$150)."



YOU TOLD US

Medical cannabis has been wonderful, however, still prohibitively expensive for an older person stuck on JS and part time work. \$6 a gram would really change our lives-we older folk with arthritis would struggle to grow it ourselves.

- survey respondent





CONSULTATION PAPER



REPORT

INTRODUCTION

Together with the more informal on-line consultation we had a more comprehensive discussion paper. The response from this consultation to the draft bill was overwhelmingly positive with informed critical suggestions for improvements.

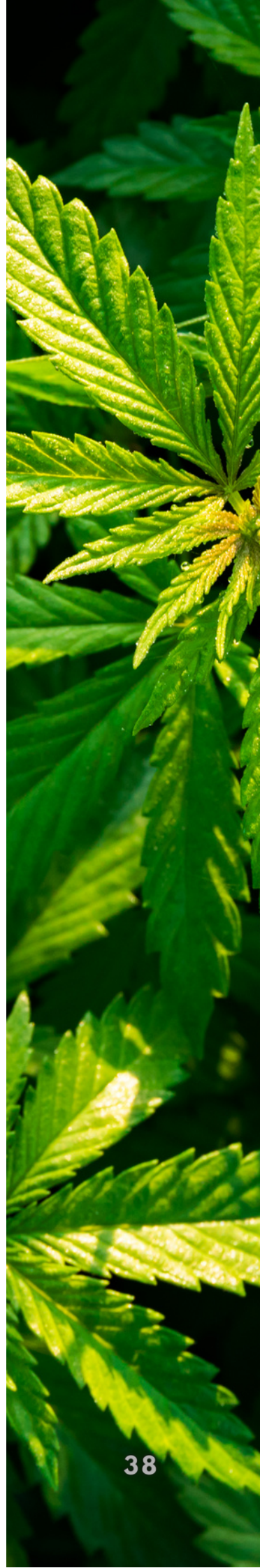
- Emailed directly to list of 140 stakeholder organisations and individuals
- Included detailed exposition of the proposed model, the constitutional advice and a copy of the exposure draft of the bill
- 21 questions to guide feedback and cover key policy issues within the proposed model

We have consulted with organisations and individuals to improve the bill.

Organisations consulted include:

- Alcohol and Drug Foundation
- Austranna - a licensed medicinal cannabis company
- John Reeves of the CPP Cannabis Policy Project
- Medical Cannabis Industry Australia
- Russell Campbell, Mornington Peninsula Hemp
- Victorian Alcohol & Drug Association (VAADA)
- Vitalis Bio-Pharma

31 Individuals also provided detailed submissions. Where these are quoted in this paper, their initials are used.



QUESTION 1

DO YOU SUPPORT THE CREATION OF A STANDALONE NATIONAL AUTHORITY FOR CANNABIS LICENSING AND REGULATION?

There was strong support for a standalone national cannabis authority with many seeing the independence of this agency and the ability to create a positive culture from scratch in the agency as key factors to success. The need for an agency that is distinct from existing bodies was broadly supported.

The Alcohol and Drug Foundation submission specified that the Cannabis Australia National Agency (CANA) should be independent, accountable and the model should locate regulatory powers in this body. The need for it to be truly independent from Government was identified by many individuals as important.

One respondent saw how this could overcome some of the shortcomings in the Thai model: “regulation and in turn a regulatory body is crucial. When you look at the current Thai recreational cannabis legalisation, they are experiencing several issues with both regulation and licensing. Including a lack of support for local dispensaries and shopfronts as well as cultivators. This agency would provide a solid bedrock for advice and support for prospective business owners and cultivators as well as consumer advice on strains and relevant approvals” (JF).

Some saw the independence and narrow cannabis-focused remit of the agency as “a good way to defend the system against hostile interference from competing drug industries” (DS).

VAADA supported the creation of CANA but specified that “there is a need to ensure that any regulatory body does not replicate the weak industry lead regulator of liquor advertising and the existing state funded liquor regulators.”



QUESTION 1

DO YOU SUPPORT THE CREATION OF A STANDALONE NATIONAL AUTHORITY FOR CANNABIS LICENSING AND REGULATION? (CONT.)

A potential alternative suggested was “to regulate generally through state level liquor boards which is which Canada has done” (BM) - respondents were very much divided on the success of this in the Canadian context.

Some like the Cannabis Policy Project argued that rather than creating a new agency it would be better to work within existing structures. This would mean “ODC being renamed as Cannabis Licencing Bureau which is what it actually does and expanded to include recreational Cannabis licencing on all levels”.

This was echoed by medical cannabis company Vitalis Bio-Pharma who suggested using the existing framework of the Office of Drug Control and the Therapeutic Drugs Administration.

Some raised concerns that the model did not grapple with the existing Federal legislative and regulatory instruments that apply to medicinal cannabis (MM) - it’s clear that any implementation process would need to be mindful of this.

Some who opposed the creation of a new agency did so because of a more general opposition for legalisation. Some in the medicinal cannabis industry argued legalisation should not be a key goal at present e.g. MCIA who said that “Australia is bound by the Single Convention and cannot legalise Adult Use without being in contravention of the Convention. This cannot be ignored, and Australia must comply with its obligations if it is to remain in compliance with its international obligations”. This was echoed by Austranna who argued that legal recreational cannabis could compromise or overshadow “the existing model for cultivating, producing, and manufacturing medicinal cannabis, which is still new in the Australian context”.

QUESTION 1

DO YOU SUPPORT THE CREATION OF A STANDALONE NATIONAL AUTHORITY FOR CANNABIS LICENSING AND REGULATION? (CONT.)

This was a sentiment shared by a small handful of individual submissions with one saying: “The legalisation of non-medicinal cannabis should be avoided unless and until there are adequate protections in place to ensure medicinal cannabis patients, prescribers, and industry members are no worse off” (MM).

We anticipate the introduction of legalised recreational cannabis may impact on the medicinal cannabis market, however will also lead to greater efficiencies and a more accessible medicinal product in the longer term. This would be a positive development for both industries.

Overall support for legalisation among respondents was particularly strong however, with the Alcohol and Drug Foundation submission highlighting the need for reform:



YOU TOLD US

Australia has lagged behind other Western countries in its approach to cannabis and continues to have a system defined by criminal justice responses to the use, possession, and production, of cannabis products.

- survey respondent





QUESTION 2

IS THERE ADDITIONAL DETAIL REQUIRED TO ENABLE THIS TO WORK EFFECTIVELY?

VAADA raised the need for evaluation to be built into the scheme which we strongly support.

Some individuals suggested CANA should be involved in regular testing of products on strength and contamination and that this should be available to consumers as well. This is something we also agree with.

The Alcohol and Drug Foundation suggested there should be an explicit goal for the agency of minimising harm. Again this is supported.

A number of respondents highlighted the need for adequate resourcing for enforcement, including the ability to conduct controlled purchase operations. Some suggested that the need for funding, independent of the industry CANA is seeking to regulate, will be critical. We will seek to incorporate this into the bill.

Some respondents like the Cannabis Policy Project suggested different models for legalisation involving “licencing under existing structures and a full scale open market for growing, sales, seedbanks and other associated industries”. Given the existing infrastructure was created to tightly control cannabis as a quasi-prohibited substance we don’t think this is a realistic option to pursue.

On the question of advertising and education a number of respondents thought there needed to be clarification around allowed activities. For instance one individual asked, “How would the marketing restrictions in the Bill affect sites like: <https://cannareviewsau.co/> as a medical cannabis patient, I have found this website to be invaluable.” (JT)



QUESTION 2

IS THERE ADDITIONAL DETAIL REQUIRED TO ENABLE THIS TO WORK EFFECTIVELY? (CONT.)

The ban on advertising was opposed by a number of medical cannabis operators including Vitalis Bio-Pharma. Questions were also raised by individuals about if this would mean farms for instance could not have Instagram pages. Some individuals suggested advertising be allowed on the front of cafes and dispensaries but otherwise not at all. The fundamental principle that “Growers and sellers should be able to distinguish themselves from others” was raised in a number of responses.

Others identified that there were significant workarounds already to deal with marketing prohibitions which meant review videos and sites were often defacto advertising for producers. We will be proposing amendments to allow some point of sale and approved online advertising for approved cafes and dispensaries.

Submissions also identified a need for a strong educational role for CANA, particularly around safe use of cannabis and myth busting after many years of misinformation by authorities including police.

It's clear there needs to be some capacity to educate actual and potential consumers about safe consumption. Creating a model that does not push cannabis is important, but there is a strong feeling among respondents that allowing cafes, dispensaries and farms to brand their operations and products is an important element of the scheme.

QUESTION 3

IS THE LICENSING MODEL VIA STRAIN WORKABLE?

Some organisations and individuals supported this model with one saying: “The licensing model via strain is workable. As it currently is within the Medicinal Cannabis space, there is a table of TGA approved THC flowers. This system should be carried across into the new recreational space. With CANA in charge of all new strain approval and registration. To then compile and maintain a database of all approved and regulated strains within the Australian market. This can provide up to date information for consumers on strains, THC and CBD ranges, therapeutic use (if strains formerly part of medical approvals list)” (JF).

It was suggested we should clarify that licences issued should then enable the purchase and sale of all approved strains.

Some individuals suggested instead legalising the parent strain of all cannabis - *Genus of Cannabis sativa L.* We think this is likely a sensible first step.

Some organisations opposed the strain model based on the understanding that individuals would have to register strains and constantly prove which ones they were using eg Vitalis Bio-Pharma. This concern was shared by the Cannabis Policy Project who said “copyright on custom strains etc is serious business with exponential income patterns that business and consumer's rely on and needs to be very open otherwise illegal strains will easily outnumber registered ones and home grows will ignore it in favour of open market strains”.

QUESTION 3

IS THE LICENSING MODEL VIA STRAIN WORKABLE? (CONT.)

Some individuals shared these concerns saying “using copyright law to regulate cannabis will create complex legal problems, such as whether strains invented under the Black Market are able to be copyrighted. The copyright model also seems to provide a significant advantage to corporations that have the legal resources to obtain copyright and then enforce copyright. Commonwealth Parliament should consider other bases for the regulation of cannabis such as the trade and commerce power or the taxation power” (BM).

There is no intention in the bill to rewrite existing copyright and trademark laws and the intention is for it to operate through open market strains as appropriate. The draft bill expressly states this and that provision clearly must be retained.

There were questions from some experts about the science underpinning the strain concept and a recommendation to seek advice to identify a way of coherently legislating for this in a way that doesn't become a legal mess. This is important feedback, but the concern is minimised when it is understood that the registering of a strain does not provide for any monopoly or restricted rights to licence use and the Bill expressly does not impact any existing IP rights.



QUESTION 3

IS THE LICENSING MODEL VIA STRAIN WORKABLE? (CONT.)

Many individuals sought to clarify that this would work as long as a licence would cover all registered strains. This is the intention of the bill. It is clear that going forward we will need to further clarify this aspect of the proposal in our communications.

Some suggested one option here is the creation of a “risk-based licensing system for cannabis, that ensures higher fees are attracted for higher risk products” (Drug and Alcohol Foundation p4). Others wondered if this could be used to try limit access entirely to some of the strongest and most dangerous strains developed globally.

A role for CANA in monitoring strains was identified particularly in the context where decades of illicit trading has created a number of extremely strong forms of cannabis. Having CANA able to engage with scientific and research bodies with the express power to place restrictions on the strength of licensed product is one way of ensuring this happens.

MCIA raised concerns that not “having standards to produce Adult Use cannabis introduces far too many variables that will affect the quality and composition of the output, from varying (and risky) levels of THC to use of illegal chemicals”. We understand a number of overseas jurisdictions have managed this process without specified standards. If these were identified as being needed they could be achieved by regulations of licence conditions overseen by CANA.

QUESTION 4

DO YOU SUPPORT UP TO 6 PLANTS BEING ALLOWED TO BE GROWN AT HOME WITHOUT A LICENCE FOR PERSONAL USE?

The proposal for a cap of 6 plants for home grow by household was generally supported by organisations and individuals. The Drug and Alcohol Foundation argued this would create a low cost way to move away from the illicit market.

It was noted that in Canada and the ACT the limitation is 4 plants. Some individuals suggested 4 in residential and 10 in rural others asked why a per plant limit was chosen instead of a volume or weight measure. We chose this because it's easier for individuals to comply with a non-technical specification such as number of plants over a more complicated volume measure.

Vitalis Bio-Pharma argued the cap should be 3 plants, with the risk that any more than this and they would likely be supplying friends and family.

Some individual respondents also said 6 plants was quite a generous allowance: "with the yields of indoor grows at over 150+grams per plant, the six max would provide individuals with a large amount of cannabis at any given period. This could then incentivise community circulation of home-grown product, undermining the dispensary or shopfront model and therefore reducing the projected monetary outcomes" (JF).

Quite a few individual submissions raised the inequitable impact of a per household limit on share houses and those unable to afford to live alone or in a couple.



QUESTION 4

DO YOU SUPPORT UP TO 6 PLANTS BEING ALLOWED TO BE GROWN AT HOME WITHOUT A LICENCE FOR PERSONAL USE? (CONT.)

Some suggested plants per resident would be more fair. The need for home growers to legally be able to access seeds was identified in a number of submissions as needing clarification in the final bill.

Some respondents identified a need to distinguish between mature plants and seedlings also noting that with outdoor propagation sometimes seedlings crop up naturally and it is not the intention of the bill that this is a cause for harsh penalties unnecessarily (IW).

Some individuals argued that home grow cannabis ended up creating a patchwork of regulation “Canada had unexpected problems in the early establishment of its regulated market. Many Canadians continued to buy black market/unregulated cannabis from friends who had plants and had been their supplier pre-regulation. This undermined the benefits of regulation, including tax revenue” (BF). They suggest allowing home grow only after a regulated market has been established.

Likewise Austranna raised concerns about home grow: “we have concerns about the bill's proposal to permit small home-grow cannabis cultivation. We believe this may inadvertently encourage self-medication without proper medical guidance and oversight, potentially leading to adverse health outcomes for those who choose to cultivate and use cannabis without the advice of their doctor”. As discussed earlier in this report, this is an area that will require monitoring.

Most respondents strongly supported home grow being available to households, with some saying this was too generous and others saying it was too restrictive. Overall we believe the model of 6 plants achieves a balance between those viewpoints.



QUESTION 5

SHOULD THERE BE ZONING OR OTHER RESTRICTIONS ON GROWING TO LIMIT ACCESS BY MINORS?

There was a strong consensus that access restrictions to growing operations including home grow made sense and should probably be legislated.

The Alcohol and Drug Foundation cited “various jurisdictions in the US and Canada which regulate that cannabis plants must either be fenced (behind a minimum 1.52m fence in New Brunswick) or simply ‘inaccessible to minors’ as in Prince Edward Island. Other regulations may include that the plant should not be accessible to the public (e.g., not in a street-facing garden), or that indoor growing should be in a locked space inaccessible to children.”

VAADA argued that “consideration could be given to limiting the capacity of adults to grow plants if they are residing with children as well as limitations on the proximity of the sale of cannabis to schools.”

Some individual respondents suggested we should clarify for home grow if there are any restrictions on inside or outside growing.

Individuals generally supported existing zoning and restrictions like ensuring cannabis is not grown in front gardens or in other places it is easily visible and accessible.

Some suggested that while residential zoning should not allow commercial growing consideration should be given to a different allowance for rural-residential zoned areas.

It was also pointed out that growing operations should be located to minimise water pollution and other environmental impacts. The smell generated from manufacturing operations was raised by one respondent as needing particular focus.

QUESTION 5

SHOULD THERE BE ZONING OR OTHER RESTRICTIONS ON GROWING TO LIMIT ACCESS BY MINORS? (CONT.)

Others specified that “a ban on disposable cannabis vapes would be a start to limit access by minors, not to mention the save on recycling. Similar to alcohol, a national 18 age limit would be appropriate” (JC).

Taking these contributions on board, modest additional provisions requiring grow at home cannabis not be accessible to the public, appears a reasonable addition to the draft bill.



QUESTION 6

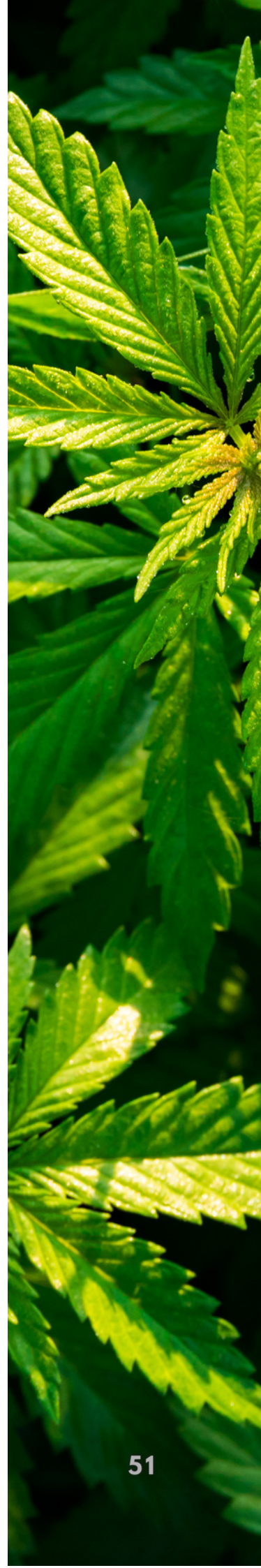
SHOULD THE BILL INCLUDE A LICENSING OR NOTIFICATION REQUIREMENT FOR HOME GROWN CANNABIS?

There was strong opposition to the creation of any form of licensing or requirement for notification for home grow. The Alcohol and Drug Foundation suggested it would be hard to create a scheme that would incentivise individuals to join such a scheme. VAADA opposed licencing or notification on the grounds it would be basically unenforceable.

Most individuals also opposed licensing for home grow as likely to result in non-compliance and being unenforceable. Some individuals were prepared to accept a licensing regime if it helped get the law past parliament.

Some individuals suggested this could be considered in limited circumstances “possibly for people with previous criminal history, drug abuse, family violence, psychiatric issues etc” (CF). Any registration requirement would need to remain private as not to interfere with job prospects. A number of individuals highlighted the need to keep police out of enforcement “what should be avoided at all costs is giving law enforcement the right to kick doors down to inspect home cultivation of all individuals on the CANA list of approved home growers”.

On balance there is merit in retaining the home grow provisions as currently found in the bill with the minor clarification around ensuring is now grown in publicly accessible areas.



QUESTION 7

IS THE FOCUS ON KEEPING GROWING AND SELLING IN THE HANDS OF NOT-FOR-PROFIT AND CO-OPS SUPPORTED? IS THERE ADDITIONAL DETAIL WE SHOULD INCLUDE HERE? SHOULD THERE BE A ROLE PLAYED BY FOR-PROFIT PRODUCERS?

There was strong support for keeping the growth and sale of cannabis away from for-profit entities as much as possible (eg VAADA). The Alcohol and Drug Foundation suggested that “experience with other harmful industries like alcohol and tobacco suggest that a model for regulated cannabis that minimises the role of commercial entities would be preferable. A growing body of research is exploring the commercial determinants of health”. They continued “an overly commercialised model drives harms through heightened availability and promotion, while regime of overregulation drives harm through forcing individuals into black markets and criminalisation”.

A less commercial approach is strongly supported by most individuals with many quoting from positive experiences with less corporate models in other countries: “Germany is looking to implement a system of CSC or Cannabis Social Club. This system is already in play within Spain, it keeps cultivation out of the for profit spaces, but rather shifts the onus to the community” (JF). Some submissions suggest a way of doing this is to define in the legislation or regulations what is considered a small-scale operation (AV) and (PP).

Some suggested banning foreign investment in an Australian cannabis market for the first few years of operation. Others suggest doing the same for alcohol, tobacco and pharmaceutical companies and allowing them into the scheme later. Still others raised other corporate players including soft drink companies as specifically needing to be excluded from the scheme due to the likely negative consequences of their engagement.

QUESTION 7

IS THE FOCUS ON KEEPING GROWING AND SELLING IN THE HANDS OF NOT-FOR-PROFIT AND CO-OPS SUPPORTED? IS THERE ADDITIONAL DETAIL WE SHOULD INCLUDE HERE? SHOULD THERE BE A ROLE PLAYED BY FOR-PROFIT PRODUCERS? (CONT.)

Some small scale farmers and rural property owners submitted that being able to grow and supply local cafes or dispensaries would significantly assist their cashflow:



YOU TOLD US

Ideally, I could add weed to the list of things I grow, and drop it down to a local café when it is ready. With this extra income, I could afford to spend more time in my market garden, and grow more food, instead of having to work elsewhere to actually earn a living.

To make this feasible for small-scale farmers the red tape and license fees would need to be kept low.

- BG



Many individual submissions argued the focus should be on ensuring small business could participate while others thought that coops would be important for ensuring access to home grow for those who don't have capacity to grow at home.

Some suggested if for profit producers were allowed to enter the market they "should have to put certain amount of profit back into local communities" (ML).

QUESTION 7

IS THE FOCUS ON KEEPING GROWING AND SELLING IN THE HANDS OF NOT-FOR-PROFIT AND CO-OPS SUPPORTED? IS THERE ADDITIONAL DETAIL WE SHOULD INCLUDE HERE? SHOULD THERE BE A ROLE PLAYED BY FOR-PROFIT PRODUCERS? (CONT.)

Others argued there should be a restorative element with people harmed by the War on Drugs and over criminalisation to be given special training in how to run a business.

Some medicinal cannabis companies like Vitalis Bio Pharma opposed the attempt to exclude major commercial operators saying “without Commercial Cannabis Operations out there, the choice of Cannabis products will be very limited. All the products mentioned above, require experienced or specialist personnel to make (manufacture). They require medium or large-scale facilities. And they require lots of funding in order to get there. They must comply with food regulations, health regulations, poisons act and be made in a food-grade or pharmaceutical-grade environment. I am not sure a not-for-profit organisation can marshal the expertise to perform these processes.”

While the less commercial approach may come with some limitations on scale and delivery, the benefits in overall public interest appear to outweigh those limitations. We will however amend the bill to clarify that medicinal cannabis operators are not caught by these clauses.



QUESTION 8

DO YOU SUPPORT PROHIBITING ALCOHOL, TOBACCO, AND PHARMACEUTICAL COMPANIES?

The prohibition on alcohol, tobacco and pharmaceutical companies was broadly supported by organisations and individuals with some requests for specific carve outs for medicinal cannabis companies.

The Alcohol and Drug Foundation argued this prohibition would reduce the risk of powerful industries lobbying for changed rules. VAADA also supported the prohibition and argued it should go further to also ban not for profits created by the corporations. The risk of corporations finding loopholes was also raised by a number of individuals.

Some like Vitalis Bio Pharma strongly opposed the prohibition on these industries and argued they should actively be included for their expertise. A few individuals also suggested there may be a role for pharmaceutical companies with the manufacture and sale of CBD products.

We will amend the bill to specify the exclusion of pharmaceutical companies is not intended to bar participation of medicinal cannabis compaies.

Others agreed with keeping big corporations out of it, but saw a role for small for profit operations: "I think for-profit producers are fine, for example I think we should encourage a boutique industry of strain creation, with similar goals and outlooks to what we have with boutique wine and beers producers. I think once you start having big ASX listed cannabis companies mass producing then the spirit of cannabis is lost somewhat" (JC).

The model as proposed allows for small for-profit production by individuals and also by registered associations. Arguably it gets that balance right.

QUESTION 9

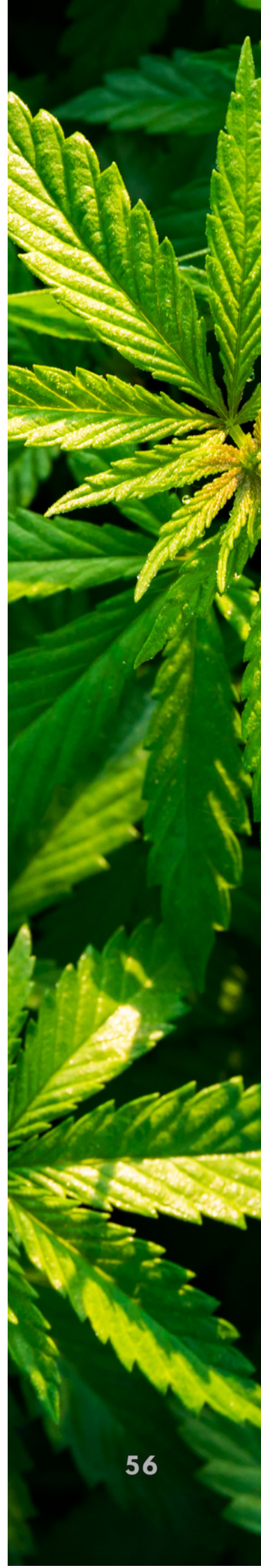
SHOULD CANNABIS CAFES BE PERMITTED IN RESIDENTIAL AREAS?

There was broad general support for cannabis cafes in residential areas subject to local planning and licensing considerations. The Alcohol and Drug Foundation for instance suggested “a risk-based approach to licensing of venues for on-premises and off-premises licencing is most appropriate”.

VAADA argued cannabis cafes should be treated like pubs, bottle shops or clubs in urban planning provisions. Many individuals agreed with one saying: “I would love to see little cannabis cafés like little wine bars. Keep it local, employ local, keep the profits local”.

Some like the Cannabis Policy Project didn’t support separate cannabis cafes, instead proposing a “Green Room licence similar to an alcohol licence that any venue can apply for and host cannabis consumption”.

A small number of respondents thought cannabis cafes shouldn’t be in residential areas at all and should be in industrial or tourist areas mainly. Many individuals suggested regulations re proximity to schools would be sensible.





QUESTION 10

IS THE MODEL FOR 15% SALES TAX + GST APPROPRIATE?

There was strong consensus from respondents that the sales tax rate wasn't the primary issue but that all steps needed to be taken to ensure final sale price was comparable to, or lower than, the illicit market price. The costing we received from the Parliamentary Budget Office suggests this is possible with a 15% tax rate which strikes an appropriate balance between keeping prices low to attract consumers from the illicit market while also delivering strong public financial returns. The PBO costing delivered a final figure of \$13 a gram with this tax included, and reducing over the operation of the scheme.

VAADA highlighted the overall importance of final price for ensuring people would not choose the illicit market saying "price should be consistently below the current illicit market rate, it's price needs to be considered alongside demand factors". The Cannabis Policy Project agreed with the need to keep prices low. Some individuals did not think this was as important with the safety of legal cannabis highlighted by some respondents as something they would pay more attention to than existing street price for.

Taxation was identified by some as a way of driving users towards lower potency products: "As a base I think 15% is a good start, however I think there should be higher taxation based on the strength of the strain and or product. This would concentrate newer users toward the less potent strains and would save a stack of trouble, not to mention bring in more tax. It wouldn't really affect the hardcore users anyway as they'll be likely to grow their own to avoid purchasing" (JC).



QUESTION 10

IS THE MODEL FOR 15% SALES TAX + GST APPROPRIATE? (CONT.)

Tax based on potency and associated risk was also proposed by the Alcohol and Drug Foundation: “a progressive rate of excise is placed on products based on THC content by weight. Higher potency THC content is associated with greater harm. Licensing that limits potency and imposes higher taxes on higher potency products is therefore appropriate within a harm minimisation framework. Encouraging those who are going to consume cannabis to select lower potency products is preferable and in line with Canada’s Lower-Risk Cannabis Use Guidelines”.

Vitalis Bio Pharma and a number of individuals suggested 10% would be a more appropriate rate. Some individuals were happy to consider the 25% cost for a functional scheme and billions more in public revenue. Others suggested exemptions from additional taxes for medicinal cannabis patients.

A number of individuals suggested the results of any such tax should be used to directly benefit local communities. There were a number of suggested hypothecated uses of taxation revenue including schools and education, an Anti Drug program for young people, a transition to renewable energy and grants for net zero projects.

Some asked whether there would be a defined wholesale price to cannabis retailers. This has not been included in the bill but can be considered.

The strong support for a 15% tax rate, provided it meets the related tests of not driving people back into the illicit market is noted. There is a strong potential benefit for allowing the tax rate to be adjusted in the future to discourage higher potency products once the market matures.

QUESTION 11

WHAT SHOULD LABELLING REQUIREMENTS BE?

There was strong engagement labelling of cannabis and cannabis products with agreement from respondents that this would be a core benefit of the scheme. Some supported safety warnings and plain packaging, while others focused more on provenance, quality and strength as key labelling requirements.

The Alcohol and Drug Foundation suggested following the Australian Tobacco labelling model with rotating warnings, and also including inserts with information about side effects and where to seek assistance as needed. VAADA supports plain packaging from the outset. A number of individuals also mentioned labels including a poison control number or overdose hotline, and where to get assistance if needed. Others suggested a specific warning about smoking on smokable products, and warnings about using during pregnancy, driving etc” (CC). Still other respondents suggested warnings should include details of maximum dosage and harm reduction education. Labelling was seen as particularly important for consumers seeking to identify and access lower THC and less strong products.

Some individuals opposed plain packaging on the grounds it did not work. Others suggested sellers should be given some creative license to differentiate product within a plain packaging scheme eg “there should be a standardised cannabis logo akin to what exists in the US to clearly show THC contained in product. But plain colouring for packaging, and then a table clearly showing THC, CBD and other material percentages. This could be complemented by strain name and origin information and the business or company logo. With regards to logos, there should be no limitations, but rather style guidelines created by CANA” (JF).



QUESTION 11

WHAT SHOULD LABELLING REQUIREMENTS BE? (CONT.)

Some individuals suggested labelling strains, strength, where it was grown and how, when it was harvested. Labelling for qualities of product was mentioned by a large number of respondents. Still others suggested very extensive labelling requirements: “strain name, batch harvest date, grower and distributor certificate names and numbers, percentages of top 10 cannabinoid components (of the 200 or so), top 5 terpene percentages, heavy metal and pesticide levels”. One respondent suggested “% strength & THC/CBD Category classification (similar to TGA's medicinal model Category 1,2,3,4,5) for easy interpretation of likely effects” (PP). Others suggested more technical labelling referring to chemical composition, pesticides and heavy metals (DS).

Vitalis Bio Pharma argued that labelling “should be the same as all food-grade products” and use the Food Standards Code already established by the Government.

Provenance is identified as particularly important by MCIA: “Cannabis produced by unlicensed operators using cannabis of unknown origin and composition can lead to dangerous outcomes. These risks are mitigated and controlled under the Narcotic Drugs Act and Therapeutic Goods Act in respect of medicinal cannabis products. It is imperative that if Adult Use is legalised there are the equivalent safeguards for the community as currently provided for in respect of medicinal cannabis products. Without independent licencing, audit and analysis, it will not be possible to guarantee to the community that Adult Use products are safe. Additionally, the public will need to be aware of the level of regulatory oversight in the manufacture and supply of Adult Use products, which may bring a risk of increased potential for poor quality products, misleading claims and adverse health outcomes if a suitable level of quality standards for Adult Use products is not established and enforced”.

Overall there is broad support for requiring trusted product information to be clearly displayed on product and this will be a critical role for CANA in its licensing and regulatory actions.

QUESTION 12

IS CREATING A RESPONSIBLE SERVICE OF CANNABIS SCHEME SUPPORTED?

There was strong support from respondents for the creation of such a scheme with most organisations and individuals indicating support.

There was support for using a similar model to RSA with TAFE training available to those in cafes and dispensaries. Individuals mentioned the desirability of this applying to both retailers and cafes for on site consumption.

The Alcohol and Drug Foundation noted that:



YOU TOLD US

“Training and guidelines on cannabis intoxication would need to be developed based on experiences overseas in licenced cannabis premises. It would also be prudent for limits to be placed on the service of people intoxicated on alcohol in cannabis settings, and that ‘intoxication’ be treated as a general state – rather than substance specific.”

- The Alcohol and Drug Foundation



We welcome the support for this element of the bill.

QUESTION 13

DOES THE MODEL PROPOSED IN THE BILL STRIKE THE RIGHT BALANCE BETWEEN DETERRENCE AND NOT ESCALATING POLICE OR JUSTICE SYSTEM INVOLVEMENT?

Most respondents agreed with the level of penalties available for individuals in the bill.

A number of respondents argued that corporations should face higher penalties. Some individuals suggested more substantial punishment should be available for repeat offenders, particularly corporate ones. The Alcohol and Drug Foundation argued “offences should be structured similarly to offences regarding other regulated products like alcohol or tobacco. In general, a greater focus on organisations bears the greater regulatory burden is preferred for ensuring compliance rather than individuals”. VAADA emphasised that the appropriateness of penalties will depend on implementation and should be part of how the scheme is evaluated once in operation.

We will amend the bill to provide a clear requirement for serious or repeated breaches of licence conditions to result in serious consequences for the licence holder - not just employees.

Some individuals suggested this scheme still involved too many barriers to entry and others wanted a more clearly articulated understanding of what “police *can* get someone in trouble for with this model (JM).



QUESTION 14

WHAT IS THE APPROPRIATE LEVEL FOR PENALTIES FOR DIFFERENT OFFENCES?

There was strong agreement that breaches by organisations should be penalised higher. Some said penalties for individuals should only be fines or loss of licence. Again individuals raised the need for breaches that specifically target repeat breaches particularly by licence holders.

Detailed feedback clarifying the offences under section 20 and 21 were received from a number of submissions.

As a result of this we will amend section 20 re selling cannabis products to limit the offence of selling cannabis products to only where this happens on a commercial scale. It is not the intention of the scheme to create high penalties for a person who buys a few joints or gummies from a dispensary and splits the cost with a friend. This will require more detailed drafting to ensure it is not a broad loophole for unlicensed commercial operations.

Regarding section 21 we will seek to amend this to specify that what is criminalised here is knowingly allowing a young person to consume cannabis.





QUESTION 15

IS CONFISCATION OF PLANTS AN APPROPRIATE PENALTY FOR MINORS OR SHOULD IT BE PART OF A SUITE OF OPTIONS?

There was broad agreement on the need to not impose new criminal sanctions against young people and recognition of the harms caused by existing criminal offences (eg Alcohol and Drug Foundation).

VAADA supports confiscation as a penalty “with options for diversion to treatment and support should it be evident that there are dependence and other issues at play” (page 3).

A number of individuals suggested the penalties should be no more serious than those applicable for alcohol and tobacco and others suggested education should be a key strategy used.

Some distinguished penalty based on age saying that for 16-17 year olds confiscation and a move on order might be appropriate along with minimal fines, but below this referrals should be made to support programs or education.

There were some concerns that Section 24 of the bill regarding possession of cannabis products by minors still allows stigmatisation, and gives police the power to stop, search and seize property from young people.



QUESTION 15

IS CONFISCATION OF PLANTS AN APPROPRIATE PENALTY FOR MINORS OR SHOULD IT BE PART OF A SUITE OF OPTIONS? (CONT.)

One option suggested to clarify this was making it clear in the bill that “if police see young people smoking cannabis they can approach them and ask for proof of age (BM). This would avoid random strip searches and focus on easily observable conduct.

There was a need for a clarification raised about how this scheme works if a minor is working for a cannabis business.

Once cannabis becomes legal, we would expect substantial policy changes from police, which would reduce many of these impacts. The experience of policing underage use of tobacco is illustrative in this regard.

QUESTION 16

SHOULD THERE BE SAFE STORAGE REQUIREMENTS?

There was some support for safe storage requirements, this included in the form of child safe packaging while some individuals suggested this could work like storage of medication.

General support for the existence of safe storage requirements also included consensus on the difficulty of storage, and the fact these requirements don't exist for alcohol and tobacco.

The Alcohol and Drug Foundation suggested “an option for safer storage may be the use of child proof packaging, like is used for certain medications. This could be a regulation for both store-bought and home-made cannabis products”.

Some suggested this should exist not for cannabis plant but for other consumables and in particular edibles where the risk of consumption by children is significant.

A general requirement to store cannabis product where it is not readily accessible to minors is a sensible inclusion.





QUESTION 17

IS IT APPROPRIATE TO APPLY THE SAME RESTRICTIONS TO CANNABIS AS APPLY TO SMOKING AND VAPING OF TOBACCO?

Overall strong support for restrictions on public consumption of cannabis including ensuring workers aren't exposed to it in the course of their work. The Alcohol and Drug Foundation support rules that strictly limit public consumption of cannabis products, in line with alcohol licensing more than tobacco or vaping. This is in recognition of the risks created by public exposure to substance abuse particularly by young people. VAADA suggests this is an appropriate starting point but should be evaluated for efficacy.

Alcohol and Drug Foundation also highlight the need, as with public drinking offences for example, to consider some people may not have a safe private place to consume cannabis products and enforcement should be managed accordingly.

Others suggested a clear distinction between smoking and consumption via edibles which should not be subject to such harsh rules (ML). There was also a suggestion that the bill should provide explicit prohibition on smoking in cars with kids (TH). We think this is likely covered by existing laws but will seek further advice.

Potential restrictions for smoking cannabis in places of high public use may be appropriate. There seems no basis to limit non-smoking use.

QUESTION 18

IN RECOGNITION OF THE RISKS OF COMBINED USE WE HAVE PROPOSED A BAN ON CANNABIS CAFÉS ALSO SERVING ALCOHOL. IS THIS RESTRICTION SUPPORTED?

There was strong support from most institutions and individuals for this restriction. The Alcohol and Drug Foundation supports this given the risk of polysubstance use as does VAADA. Those individuals who supported this said it would mean “Businesses should instead focus on food and non-alcoholic beverages” (JF).

Some respondents noted that tinctures may be prepared with alcohol making it hard to make a clear distinction between products.

Vitalis Bio pharma argues that banning pubs from selling cannabis products is a waste of time and that there should be the option to access both at the same venue. Some individuals suggested an outright ban would restrict a necessary income stream for those running cafes. Some individuals suggested there could instead be strict limits to alcohol consumed alongside cannabis at venues.

On balance it seems appropriate to retain the existing provisions that clearly separate cannabis from alcohol sales.



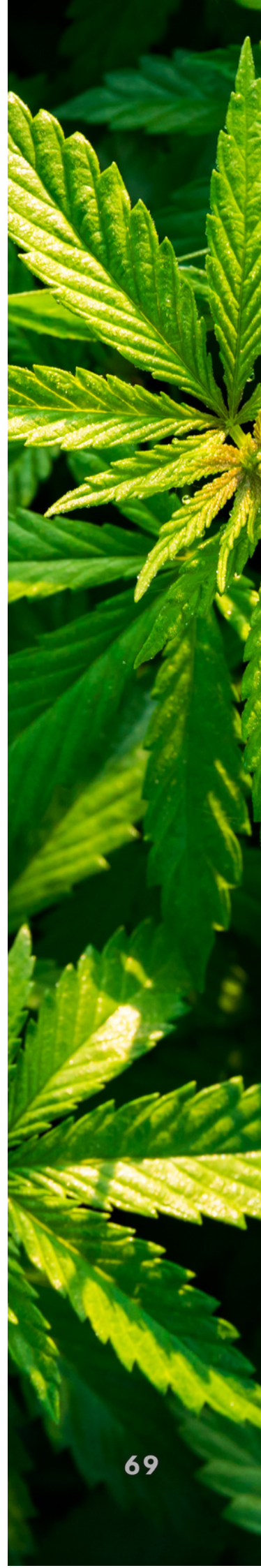
QUESTION 19

ONLINE SALES ARE PROPOSED TO ONLY BE AVAILABLE IN THEIR OWN LIMITED LOCAL GEOGRAPHIC AREAS. SHOULD ONLINE SALES BE GEOGRAPHICALLY LIMITED?

Answers to this were quite divided. Some organisations supported the provisions, like VAADA which said: “Online sales should be conducted through a single site overseen by CANA which requires registration from retailers to use”. Individuals who supported this argued the value of “keeping it in the community” (JB). Others saw this as a useful part of safe sales where purchasers would go into a dispensary with their ID and sign up to a club for delivery, with audiovisual arrangements for those unable to attend in person. Some individuals suggested a limitation via state to ensure all areas are covered.

Those who supported local sales also mentioned outlet density as something that should be monitored by CANA. There was a proposal for deidentified sales data to be provided to CANA to allow oversight and identification of potential issues.

The need for meaningful age verification was raised by a number of respondents as essential to this process. Learning the lessons of where alcohol delivery created problems was also key with restrictions on time of delivery and prohibition of rapid delivery, responsible service training for delivery drivers and a ban on buy now pay later for cannabis products.





QUESTION 19

ONLINE SALES ARE PROPOSED TO ONLY BE AVAILABLE IN THEIR OWN LIMITED LOCAL GEOGRAPHIC AREAS. SHOULD ONLINE SALES BE GEOGRAPHICALLY LIMITED? (CONT.)

A significant number of individuals opposed any geographical limitation on online sales, but made clear online sales needed to involve ID checks and age verification at a minimum. A number of individuals opposed localised sales primarily through concerns that those in remote and regional areas would miss out or that this limitation was unnecessarily restrictive.

One individual argued not only should there be no geographical limitations in Australia on sales but the scheme should actually allow international sales. The commercial possibilities of this were seen as significant.

Clearly there needs to be some form of online sales to allow for equitable access, and the general support for the draft provisions indicate the Bill may have the balance right between equitable access and avoiding excessive commercialisation and centralisation.

QUESTION 20

SHOULD THERE BE RESTRICTIONS ON CANNABIS RELATING TO STRENGTH?

The responses about strength restrictions were very mixed. The Alcohol and Drug Foundation cited US evidence which shows that “commercial markets that do not regulate product strength have led to more potent products”. They therefore supported at least initial limits on THC potency. VAADA supports limits on strength but notes these should not be so prohibitive that they drive people to the illicit market.

Some individuals who supported strength restrictions articulated that the primary goal should be to encourage people to use less strong cannabis. This was identified as something that would also improve consumer experience with options for products that are more relaxing, and less likely to cause side effects like paranoia.

Some proposed not restricting by strength but more by dose: “I think there should be absolute limits on the total THC content per volume of any refined cannabis product, e.g. oils, edibles. There should be no such thing as 1000mg of edible gummies, for example, in one package. Limits should be designed to compensate for human ignorance and stupidity” (DS).



QUESTION 20

SHOULD THERE BE RESTRICTIONS ON CANNABIS RELATING TO STRENGTH?

Some individuals who worked in agricultural settings identified lower THC cannabis as a particularly appealing option saying: “My colleagues and I would love the opportunity to explore further low-THC cannabis opportunities such as CBD or other currently underutilised cannabinoids (for example CBG), however with the current state of over-regulation this remains virtually impossible. For example, the down-regulation of CBD products by the TGA in 2021 allowed for over-the-counter sale of low strength CBD oil, however due to the excessive demands set out by the Australian Register of Therapeutic Goods, no product is yet to meet these strict requirements”.

Some thought strength limits in the beginning would likely be useful to counter cultures of overconsumption: “Aussies love to go too hard to fast. The law already regulates products to certain strengths (e.g. drinks), weed will need that to promote safe consumption. Overdosing can too result in “greening out” (JR).

Some individuals were concerned restrictions on strength would drive the black market while others said strength controls would be achieved by labelling, saying this approach has worked in the US. Vitalis Bio Pharma opposes strength limits and argues it should be up to consumers to make these choices.

This is an issue that will almost certainly require ongoing regulatory responses and calibrations. The appropriate response is to empower CANA to include provisions on strength in its licensing and registration powers.

QUESTION 21

ISSUES INCLUDING EXISTING CONVICTIONS, DRUG DRIVING LAWS, WORKPLACE TESTING, AND MEDICINAL CANNABIS ARE BEYOND THE SCOPE OF THIS BILL BUT ARE IMPORTANT TO OUR TEAM – WHICH OF THESE IS A KEY PRIORITY FOR YOU?

There was broad consensus among respondents that reform needed to include progress on past convictions, drug driving laws that only test for impairment and the unfairness of workplaces testing regimes which also don't test for impairment. VAADA supports reform of all of these and adds consideration of the need to properly resource harm reduction.

In fact MCIA argues obstacles including drug driving laws, workplace testing etc are so significant that legalisation of recreational cannabis should wait until after they are resolved.

Drug driving was identified by many respondents as an issue that needed to be addressed with a clear focus on impairment. There was universal agreement that laws that punish presence of trace elements instead of impairment are doing little to keep people safe and are resulting in unfair outcomes.

The overly restrictive and expensive medicinal cannabis scheme was also raised by most respondents as in need for urgent change. It was suggested by some individuals that lower dosages of medicinal products should be available over the counter to remove barriers.



QUESTION 21

ISSUES INCLUDING EXISTING CONVICTIONS, DRUG DRIVING LAWS, WORKPLACE TESTING, AND MEDICINAL CANNABIS ARE BEYOND THE SCOPE OF THIS BILL BUT ARE IMPORTANT TO OUR TEAM – WHICH OF THESE IS A KEY PRIORITY FOR YOU? (CONT.)

Many individuals on the other hand mentioned a key feature they sought from legalisation was the ability to grow their own medicine and not pay the prices within the existing medicinal cannabis scheme.

Significant concerns expressed by some individuals about medicinal cannabis included corporate influence in the space. A number of respondents asked for clarification for how this scheme would interact with medicinal cannabis and suggested a specific role for cannabis clinics in educating patients.

On drug-driving, there is a strong likelihood that a national legal cannabis market will be the impetus needed for States and Territories to instantly reform drug driving laws to focus on impairment not presence which would be a major success for evidence based law making.

The Bill is expressly designed to operate in parallel with the medicinal cannabis scheme. While we acknowledge that the significantly lower price of high quality recreational cannabis may impact on the medicinal cannabis in the short term, legalisation is anticipated to lead to greater efficiencies and more accessible medicinal product in the longer term. This would be a positive development.



QUESTION 22

OTHER ISSUES IDENTIFIED WITH THE BILL

The prohibition on manufacture at home in the bill in Section 19 was identified as a particular concern. Many were keen to ensure people were still able to make edibles and tinctures for personal use at home. We will be seeking to amend the final bill to allow this. The bill's definition of cannabis product explicitly specifies it is for human consumption, some respondents asked how this would work for those people who give their pets CBD products.

The broader need for investment for communities harmed by the War on Drugs and mass incarceration including First Nations communities was raised by a number of respondents. This is likely beyond the scope of the current bill but is a clear benefit from removing cannabis offences from the law.

Some respondents wanted to know the likely cost of licences and if there would be a cap on licences issued as well as if there are specific categories of licence. The bill provides for categories of activities in section 10 that are permissible with a licence. It is intended that licences will allow for persons to engage in any one or more of these activities depending on their capacity and the licensing scheme adopted by CANA. The more finely tuned aspects of the licensing scheme are quite properly matters we believe should be left to CANA to assess based on all available evidence.

There was a concern about the greenhouse footprint of cannabis grown indoors. The focus on ensuring small scale cultivation was seen as an important way of limiting the impact of this.





**THIS REPORT WAS PRODUCED BY THE
OFFICE OF GREENS SENATOR DAVID
SHOEBRIDGE**

**OUR OFFICE IS ON THE LANDS OF THE
GADIGAL PEOPLE AND WE PAY RESPECTS
OF THE TRADITIONAL OWNERS OF THIS
LAND PAST AND PRESENT**

**WE ALSO WORK ON THE LANDS OF THE
NGUNNAWAL AND NGAMBRI PEOPLE ON
WHOSE LAND AUSTRALIAN PARLIAMENT
HOUSE IS SITUATED**

**WE RECOGNISE THE HARMS THE WAR ON
DRUGS HAS HAD ON FIRST NATIONS
COMMUNITIES IN AUSTRALIA AND AROUND
THE WORLD**
