



LEGALISING CANNABIS BILL 2023

CONSULTATION PAPER

APRIL 2023



**THE
GREENS**

INTRODUCTION

2022-2023

The Parliament of the
Commonwealth of Australia

SENATE

Presented and read a first time

Legalising Cannabis Bill 2023

No. , 2023

(Mr Shoebridge)

A Bill for an Act to provide for the registration of cannabis strains, the regulation of cannabis and the establishment of the Cannabis Australia National Agency, and for related purposes

Greens Senator David Shoebridge has a bill to legalise cannabis which he will present to the Federal Parliament. A copy of the Bill is available [here](#).

Before we formally introduce the bill to Parliament we want to ensure that we have the bill right, that any significant concerns with the proposed model are identified and any drafting errors rectified.

We appreciate all responses and submissions.

We have identified a number of topics below that you may wish to provide feedback on. For each of these we have some questions you may wish to consider in your response.

We are of course interested in hearing any broader issues identified with the proposed Bill so please feel free to add responses that go beyond these topics. Our aim is not to defend our drafting but to get the best laws into Parliament.

At the same time as we are running this detailed stakeholder and industry consultation we are also engaging in broader public consultation with a brief on-line survey available [here](#).

SUBMISSIONS

Please provide your comments on this bill by 9 May 2023 by email to:
senator.shoebridge@aph.gov.au

THE BILL

Long title: A Bill for an Act to provide for the registration of cannabis varieties, the regulation of cannabis and the establishment of the Cannabis Australia National Agency, and for related purposes

It works by creating the Cannabis Australia National Agency (CANA) which is then authorised to licence strains of cannabis which can be sold in Australia.

The strain licensing model is based on the constitutional head of power required to legalise at a Federal level. The constitutional advice relied upon for this is [here](#).

Because it's a Federal law it can override all State and Territory laws to the extent of any conflict. This includes laws that criminalise the possession or sale of cannabis.

Registration of existing and common cannabis strains will be done by CANA. Registration of a cannabis variety by CANA does not impact on any existing or future intellectual property rights.

OFFENCES

- Importation of cannabis remains an offence
- Those who own more plants than permitted under their licence will have excess plants confiscated and pay a fine
- It is an offence to allow a minor to have access to cannabis or a cannabis product, a fine applies and possible prison sentence
- It is an offence to commercially produce cannabis without a licence, a fine applies and possible prison sentence
- It is an offence to advertise cannabis or cannabis products including electronically except as permitted by CANA, a fine applies and possible prison sentence

Penalties for serious offences are set in the bill at 2,000 penalty units or imprisonment for 2 years, or both

WHO CAN GROW AND SELL AND HOW

To grow or sell cannabis, a licence application is made to CANA, the charge for this is determined in the regulations and will be on a cost recovery basis.

Cannabis will be able to be grown for sale by not-for-profit co-ops and small businesses with an explicit prohibition on alcohol, tobacco and pharmaceutical corporations being involved.

Cannabis will also be able to be grown at home with each household allowed to grow up to 6 plants at their home for personal use without a licence.

Cannabis sales will primarily be through cannabis cafes. It's likely that products will include cannabis for smoking and also edibles, drinks, oils and similar products.

The bill prohibits cannabis advertising, including electronically, with the exception of advertisements at licensed venues.

There is an exception for a small on-line presence for cannabis cafes to allow sales only to people in their local area as authorised by CANA. Local sales by cannabis cafes are intended to ensure no one large corporation becomes a monopoly supplier across NSW and ensure connection between cafes and dispensaries and their local community.



COST AND TAX

While not included in the bill, the Parliamentary Budget Office initial costing of the scheme assumes a \$13 per gram cost initially, going down to \$6 per gram after the operation of the scheme for 5 years.

On these rates a 15% tax rate would deliver a total of \$28 billion over 9 years, and a 25% tax would deliver \$36 billion over 9 years. This is money that could be invested in health, education and other public services. Because the Bill is being introduced in the Senate it is not possible to include a sales tax. The second reading of the Bill will call for a matching cannabis sales tax to be introduced.

Australia News > Politics Legalising marijuana could generate \$28 billion as new Parliamentary Budget Office report invigorates Greens Party campaign

Allowing Australians to grow six marijuana plants in their backyards, a new parliamentary body report says.

Australia spends billions 'failing to police' cannabis that earns black market \$25bn a year, Greens say

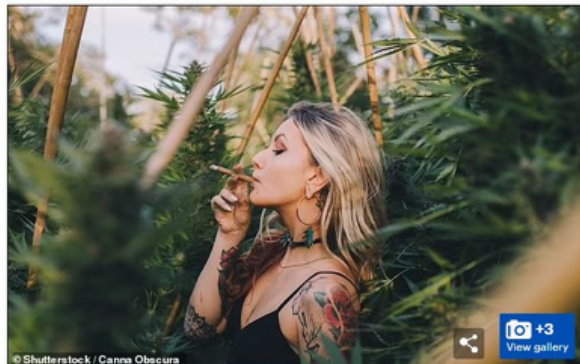
David Shoebridge says legalising the drug would bring in \$28bn in tax revenue in first decade

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© Greens senator David Shoebridge will be introducing legislation to legalise cannabis in Australia. Photograph: Jason O'Brien/AAP

Australia's cannabis industry could be earning the black market \$25bn a year and, rather than policing it, we could be gaining revenue from it by legalising it, Greens senator David Shoebridge has said.



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Legalising cannabis in Australia could raise up to \$28 billion in taxes in a decade. Pictured is a woman smoking weed

The \$28 billion would be raised by GST on sales, plus a 15 per cent cannabis sales tax and company tax on profits.

Senator David Shoebridge, who is the Greens' justice spokesman, said the pot taxes could also be used to fund community housing.

CONSULTATION

Questions for consultation – please answer as many as you are interested in

CANA regulatory model

1. Do you support the creation of a standalone National authority for cannabis licensing and regulation?
2. Is there additional detail required to enable this to work effectively?
3. Is the licensing model via strain workable?

Home grow

4. Do you support up to 6 plants being allowed to be grown at home without a licence for personal use?
5. Should there be zoning or other restrictions on growing to limit access by minors?
6. Should the bill include a licensing or notification requirement for home grown cannabis?

CONSULTATION

Commercial growing and selling

7. Is the focus on keeping growing and selling in the hands of not-for-profit co-ops and small business supported? Is there additional detail we should include here? Should there be a role played by for-profit producers?
8. Do you support prohibiting alcohol, tobacco and pharmaceutical companies?
9. Should Cannabis Cafes be permitted in residential areas?
10. Is the model for 15% sales tax + GST appropriate?
11. What should the labelling requirements be?
12. Is creating a Responsible Service of Cannabis Scheme supported?

Offences

13. Does the model proposed in the bill strike the right balance between deterrence and not escalating police or justice system involvement?
14. What is the appropriate level for penalties for different offences?
15. Is confiscation of plants or product an appropriate penalty for minors or should it be part of a suite of options?
16. Should there be safe storage requirements?

CONSULTATION

Consumption

Our scheme envisages consumption would be able to occur in cannabis cafes where all sales would be subject to “Responsible Service of Cannabis” restrictions.

17. Is it appropriate to apply the same restrictions to cannabis as apply to smoking and vaping of tobacco?
18. In recognition of the risks of combined use we have proposed a ban on cannabis cafes also serving alcohol. Is this restriction supported?
19. Online sales are proposed to only be available in their own limited local geographic areas. Should online sales be geographically limited?
20. Should there be restrictions on cannabis relating to strength?

Other matters

21. Issues including existing convictions, drug driving laws, workplace testing, medicinal cannabis are beyond the scope of this bill but are important to our team – which of these are a key priority for you>?

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