

# TRANSCRIPT

## LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

### **Inquiry into the Industrial Hemp Industry in Victoria**

Melbourne – Thursday 7 September 2023

#### **MEMBERS**

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Gaelle Broad

Georgie Crozier

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Renee Heath

Sarah Mansfield

Rachel Payne

**WITNESS**

Andrew Meseha.

**The CHAIR:** I declare open the Legislative Council Economy and Infrastructure Committee's public hearing for the Inquiry into the Industrial Hemp Industry in Victoria. Please ensure that mobile phones have been switched to silent and that background noise is minimised.

I would like to begin this hearing by respectfully acknowledging the Aboriginal peoples, the traditional custodians of the various lands we are gathered on today, and pay my respects to their ancestors, elders and families. I particularly welcome any elders or community members who are here today to impart their knowledge of this issue to the committee or who are watching the broadcast of these proceedings. I also welcome any other members of the public watching via the live broadcast.

Thank you for appearing today, Mr Meseha. Is that correct?

**Andrew MESEHA:** That is right. Thank you for having me.

**The CHAIR:** Great. Thank you. I will just get committee members to quickly introduce themselves.

**Renee HEATH:** My name is Renee Heath, and I am a Member for Eastern Victoria Region.

**Bev McARTHUR:** Bev McArthur, Western Victoria Region.

**Sarah MANSFIELD:** Sarah Mansfield, Western Victoria Region.

**The CHAIR:** Georgie Purcell, Northern Victoria Region.

**John BERGER:** John Berger, Southern Metro.

**Rachel PAYNE:** Rachel Payne, South-Eastern Metropolitan Region.

**Andrew MESEHA:** Hi.

**The CHAIR:** Thank you, Mr Meseha. All evidence taken is protected by parliamentary privilege, as provided by the *Constitution Act 1975*, and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing, and transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record, can you please state your full name and any organisation you are appearing on behalf of.

**Andrew MESEHA:** My name is Andrew Meseha, and I am appearing on behalf of Urban Green Farms, Happy Soils and Urban Vertical Gardens.

**The CHAIR:** Beautiful. Thank you. We now welcome your opening comments and ask they be kept to about 10 minutes so that we have plenty of time for questions.

**Andrew MESEHA:** Sure. First I will give a bit of background. My name is Andrew Meseha. I am the founder and CEO of a group of businesses which are quite successful here in Victoria: Urban Green Farms, Happy Soils and Urban Vertical Gardens. Over the last decade I have dedicated my entire career to the hydroponics industry and spent significant years in the United States and Canada working in the hemp and cannabis industry. I was primarily in cannabis at that point, but I gained a lot of interest in the hemp industry. During that time I had the privilege of collaborating with some of the brightest minds in the United States and Canada – from microbiologists, engineers and agronomists to, more importantly, entrepreneurs and farmers. I

think it is important to really set the scene here for our farming nation. Farmers are the backbone of this country. They are the hardest working people in this country, and I think they need to be acknowledged and treated with the respect that they deserve – a lot more than we currently give them.

Now, my journey through this essentially led me to believe that hydroponics will be the alternative for cultivation, including for food and fibre production, into the future. However, I had a pivotal moment when I sat in a seminar which was driven by global leaders in regenerative agriculture, Kiss the Ground. I am not sure if you have seen the documentary; it is on Netflix. I would advise you to see it if you ever have the opportunity. It was during that time I gained a profound understanding of the critical importance of our soil, and it made me realise why our national anthem says, ‘We’ve golden soil and wealth for toil’ – the basis for an economy. Gold is the basis for a currency and soil is the basis for an ecology. The word ‘economy’ comes from ‘ecology’, so if we do not have healthy soil, we do not have an economy.

That brings me to another point and why Franklin D Roosevelt said, ‘A nation that destroys its soil destroys itself.’ We have some of the oldest soil in the world here in Australia, and with approximately 60 years of tillable soil left, we have got a problem. It is going to result in major food shortages, resource shortages and economic hardship, not just for Victoria but for Australia in general – and globally. You may be wondering what the purpose is of the message and how it relates to hemp. Since I founded the company, I have been actively involved in the private sector, assisting over 6000 farmers across the country – from bankruptcy issues, litigation issues, chemical fallout issues and drift from particular organisations and corporations that I will not mention today, all the way through to detoxing their soil and recovering it. I come back to the fact of the soil – because the soil is life; it is the only thing that binds us. It is biologically almost identical to the human gut, so when we look at soil, we are interconnected with it.

In addressing this, I sat down with Fiona Patten about three years ago when she was running the Victorian hemp task force – and what a fantastic job she did. It was not until that point that I asked the question, ‘What is causing the lag? What are your biggest barriers, Fiona?’ The biggest barriers were primarily the lack of uptake and clarity in the application process. That is further exemplified with a lot of the conversations that I have had with farmers: the application process is far too convoluted, far too difficult to understand and there is so much ambiguity. So I tested the system. The first thing I did was I looked at the issues, barriers and opportunities, and I have addressed the terms of reference in this discussion today. The existing Drugs, Poisons and Controlled Substances (Industrial Hemp) Regulations 2018, SR number 102/2018, which is the current version enforced, are in themselves perplexing – and, more importantly, for farmers, who barely have a moment to breathe, let alone sit there and go through complex legislation to understand what they are actually applying for. There needs to be a very distinct demarcation between medicinal cannabis and hemp. When you look through the actual information here – and I have printed off two copies here for you guys; here is the primary industries, New South Wales, here is Victoria. I have highlighted it, so if you would like to have a look at it at any point, I will pass that over to you, Georgie.

**The CHAIR:** I will grab it and pass it around. Thanks very much.

**Andrew MESEHA:** You will notice within there that New South Wales runs an industrial hemp Act. They call it low-THC hemp. Then you have a look at the Victorian application form in itself: it speaks of cannabis, cannabis, cannabis, and then at the very end of both section 8 and section 6, it says ‘hemp’. For a farmer, and I deal with farmers every day, they are going to look at this and go, ‘I don’t understand.’ So I tested the system myself. I called 136 186 and I was sent to customer service. I provided all my details, the licence and more, and felt like I was actually being interrogated like a criminal. After finally providing my details and email I received an email 48 hours later, which, astonishingly, was about manufacturing medical products – cannabis. They sent me to the TGA. Clearly there is a disconnect between the system and the applicant’s needs, where our own departments are confused. So I responded by clarifying, ‘Hi’ – I will not say her name – ‘sorry if there was some misunderstanding here’ – and I have actually printed these off for you guys as well, just in case, with the case number, so you can sight them and document them as well, which are also here. Now, in there I noticed, and I said:

[QUOTE AWAITING VERIFICATION]

I am seeking the application for low-THC hemp production for fibre and industrial purposes. There should be two differing applications and processes. May I request the industrial hemp low-THC application forms? Thank you.

Unfortunately I did not receive a response for another 48 hours. It was only after that that I picked up the phone, called the call centre and said, 'Read me out every application you've got,' and finally I was sent the right application after I told her which one it was. So this experience for me highlights that if our own departments cannot differentiate between the demarcations of hemp and cannabis, how the hell are our farmers supposed to be able to even download the forms? It takes time, so we did it ourselves. We set up a portal on Urban Green Farms, a farmer support portal, by which now they download the forms. We deal with everything from their business plans and their applications all the way through to even their seed and grows, which is where Happy Soils comes into play.

In saying that, I have been blessed with the opportunity to work with some of the brightest minds who are advising the Victorian government as well, including – some of you might know her – Sarah Rees, who is part of the great forest national park initiative, who I think is one of the most brilliant human beings in this state, being able to end some of this logging. I will not say I am anti-logging. I am not; I am definitely for the economy and I am definitely for making money, which I am sure Bev would appreciate.

**Bev McARTHUR:** I love wealth creators. They pay tax and they employ people.

**Andrew MESEHA:** Bingo. So this is going to speak to you in a very powerful way, I think, this entire session.

**Bev McArthur** interjected.

**Andrew MESEHA:** There you go. Then let us have a look at the application for New South Wales. It is well crafted, distinguishes the difference and clearly creates differentiation. Further, then we have a look at the 2022 agricultural Bill that was introduced, and it creates an additional barrier to entry, allowing our own chief police commissioner to overrule the secretary in certain circumstances. This grants enforcement and what I consider to be excessive power, which actually should be addressed at some point.

There are significant opportunities in this industry, particularly in light of the recent developments like the end of logging. Hemp has the potential to generate substantial revenue, create jobs and significantly contribute to reducing our carbon emissions, and I am going to actually bring this in with some figures and facts today. We also have a team of leading industry groups as well as equity groups, superannuation funds and global equity funds that are willing to jump on board, as long as the government gets out of the way. Deregulate, get out of the way and let the private sector do what it does best. The private sector will drive the regeneration of industry in this state. It is not going to be government led, I can tell you that.

In saying that, we need to address the regulatory framework, the environmental benefits and the industry development to harness the full potential of the industry itself, and for the sake of this exercise I am going to compare the current status quo and the financial performance – with potential comparisons. Let us look at VicForests for a moment, and this is directly from the 2022 financial report. Net loss of continuing operations after tax: \$54.2 million. Compensation payments to customers due to inability to supply minimum allowable under timber supplier agreements: \$7.5 million. Compensation payments to external contractors due to chip unavailability: \$6.2 million. Expenditure to defend litigation by environmental groups: \$10.4 million. Impairment in the value of native timber biological assets: \$17.7 million. Carrying value of biological assets at 30 June 2022: \$14.7 million. Let us have a look at the estimated hemp industry figures based on reality – Canada, the United States and what we currently do. Acres versus yield versus carbon sequestration per cycle – let us say for the sake of the exercise we are looking at 1 million acres, which is 404,000 hectares of high-grade hemp fibre with an 11 megaton per hectare sequestration of carbon: estimated carbon sequestration per cycle of 33 million tonnes of carbon annually. The entire nation's carbon emissions sit at 400 million tonnes at the moment. We are the largest emitter of carbon per capita in the world.

**The CHAIR:** Sorry, Mr Meseha. I just wanted to note we have only probably got another minute left for your introduction.

**Andrew MESEHA:** Okay. Now, all in all we are looking at a carbon value here, and we will go through it, of \$667 million per cycle. We can actually knock out a quarter of Australia's entire carbon emissions on a million acres estimated – do not hold me to that – at this point. It contributes to our economic complexity, which is dismal. We currently sit at 82 on the global hierarchy of 131 for economic complexity. We are basically a banana republic.

From there I have got a whole bunch of recommendations here that I would like to vent at some point, which include our next steps. And to be honest, I listened to Tim Schmidt in there; I agree with some of the stuff he says, but I disagree with the fact that government needs to be included. I think we need to deregulate. Get out of the way and let us do what we do best. Thank you.

**The CHAIR:** Thanks, Mr Meseha. We have about 5 minutes each for questions. I will start down the other end with Dr Heath.

**Renee HEATH:** Thank you. With these documents first of all, you have highlighted that New South Wales uses the wording ‘hemp’ and this one ‘low-THC cannabis’. Aren’t they the same thing?

**Andrew MESEHA:** Yes.

**Renee HEATH:** Yes.

**Andrew MESEHA:** Yes, they are. But the difference is this: when you speak to a farmer, they go, ‘Oh, am I growing dope? Can I smoke the stuff?’ No, you cannot, mate. You could smoke this stuff all day; you are only going to give yourself asthma and a heart attack – essentially all they are doing. So there has to be a distinction, and it is in the nuances of the word. Especially with our older generation of farmers, the moment you say cannabis, they go ‘Oh!’ and put their hands up – ‘I’m not dealing with it.’ We need to be realistic.

**Renee HEATH:** Okay. Thank you.

**Andrew MESEHA:** Sorry, Renee, I kind of just barged at you. I am sorry about that.

**Renee HEATH:** No, thank you. I did not feel threatened. That is okay. Thank you.

**Andrew MESEHA:** I am passionate. Sorry.

**Renee HEATH:** No, no, that is good. Why do you think there is a stigma associated with cannabis?

**Andrew MESEHA:** I think there is a stigma associated since – and I look at this from a historical point of view. Let us look at the 1940s and 50s and post the United Nations being formed. We have a situation where people think that hemp was prohibited due to cannabis. In actual fact it was the other way around. We are talking about a revolution in industry that happened during that era where petroleum led the way, and now we are looking at an industry where they wanted to essentially tie up, link in everything with petroleum. If we are looking at cotton, for example – we spoke about cotton – cotton requires a lot of petroleum processing, hemp does not. You are talking about cotton that requires pesticides, herbicides, glyphosates, all sorts of chemical inputs which further degrade the soil and cause more carbon right into the atmosphere, whereas hemp draws down carbon and nitrous oxide emissions three times faster than any other source and any other plant in the world. If you couple that with the correct biostimulants and biology in the soil, we can turbo boost that to about 300 per cent. We have seen it in some of our own case studies, which I will share privately after this, where we have been able to draw down significant amounts of carbon. Previous to this you were talking about carbon itself and how we measure it. It has already been done, and as Bev said, we do not need to do more research. The research is there. It has been done. The plant has been used for 4000 years. We do not need to do more research and development. We need to move on it.

**Renee HEATH:** My last question, I guess, is: you spoke about government getting out of the way – what regulations does the Victorian government currently have that are harming the industry?

**Andrew MESEHA:** I think it is the execution of the legislation. I think it is more so, as I showed you here in terms of me having to do this entire process, to get even the application forms it took me a week. I was sent on a goose chase to the TGA instead. The moment you do that with a farmer – they do not have the patience. They going to go, sorry to say it, ‘Piss off. Get off my farm. I’m done. I’m not doing this,’ and it ends there for it. You have completely demoralised them from any form of consideration in it, which is why we do a lot of stand-ups.

**Renee HEATH:** So the problems –

**Andrew MESEHA:** The problems stand with the process. But more importantly, I think it is just: get out of the way and just deregulate the entire sector.

**Renee HEATH:** Deregulate the entire sector?

**Andrew MESEHA:** I think it should be deregulated. It should be like tomato plants, like cucumber. I do not need a permit to grow tomatoes. I would go as far as that, but that is me personally. You guys are running the show.

**Renee HEATH:** We are not running the show.

**The CHAIR:** Thanks, Dr Heath. Mrs McArthur.

**Bev McARTHUR:** Well, yes of course it is music to my ears – get government out of the way of enterprising individuals and producers. And I can sympathise with your farmers – absolutely. They have not got time to be filling out copious forms which are clearly not accurate.

**Andrew MESEHA:** And business plans, Bev.

**Bev McARTHUR:** And business plans. So if your recommendation to us would be: ‘Copy the New South Wales form for a start.’ Was that any good, or can we make that better too?

**Andrew MESEHA:** I think it can be streamlined a lot more; it is almost a one-pager. And a business plan example – most of these farmers have never written a business plan.

**Bev McARTHUR:** Correct.

**Andrew MESEHA:** You ask most university students who are studying business, commerce or economics to put a business plan together and they still could not do it. You are asking a farmer who is on the tools every day to write a business plan. It is never going to happen. So they just go, ‘I’m not doing it.’

**Bev McARTHUR:** Yes. Okay, so perhaps on notice you could give us your one-page streamlined application form.

**Andrew MESEHA:** Sure.

**Bev McARTHUR:** And we could consider it.

**Andrew MESEHA:** Is it billable? I am joking. I am not going to bill you for it.

**Bev McARTHUR:** No, we are going to give you a free leg-up here.

**Andrew MESEHA:** Okay. Cool. We’re talking business, right?

**Bev McARTHUR:** We make it a recommendation and you are on a winner, mate. So clearly government is the problem in this industry.

**Andrew MESEHA:** Absolutely.

**Bev McARTHUR:** It is as you have just said. We do not need more taxpayer investment in research and development. Somebody else has done it somewhere. We will just google it and we will find it.

**Andrew MESEHA:** You do not have to google it. I will provide it for you.

**Bev McARTHUR:** You will provide that free as well. That is fantastic. So the purpose of this inquiry, as I understood it, was to see how government could help. Well, clearly in your view government can help by getting out of the way, streamlining the application process to get involved in the industry and removing the roadblocks to entry and activity. Would that be a correct assumption?

**Andrew MESEHA:** The government can help by not helping.

**Bev McARTHUR:** Yes. Usually they are the problem. You did make mention, and I would just be interested if you could provide the evidence, maybe on notice, of the 60 years left of tillable soil – the evidence for that.

**Andrew MESEHA:** You can find that under the UN environmental – there is a whole section on it, but there is also a –

**Bev McARTHUR:** Some of us might be a bit suspicious of any UN activity.

**Andrew MESEHA:** Look, I would be suspicious as well of much of the data that comes out. I am not sure whether or not some of it is just scaremongering or whether or not there is an agenda in place for it, but let us not get into that today. We are not going to get into that today. But more importantly, I am looking at this from the point of economic viability. We have 200 families who have lost jobs in the logging industry; we need to be able to redeploy those members into jobs. Jobs is primarily the most important thing that we need to do as a state. Now, these figures are based on just bast, hurd, seed and carbon sequestration – I am not even talking about supply chain potential and manufacturing potential. If the government got out of the way and allowed us to do what we could actually do, properly, and provided the bast fibre that we need, we would even be able to supply our mining remediation sites. For example – I will not mention their name, but we are in talks with them at the moment, and we have provided some samples to the Nottingham university in I think it is Cambridge or whichever one it is in the UK – our hemp fibre. They came back and said, ‘This is the best fibre we have seen on the planet; how did you guys produce it?’

If we are talking about large mining corporations saying, ‘We want to jump on board with this; we want to turn all of our old mining sites that we are now paying carbon taxes for’ – some of them are paying an enormous amount of carbon tax to offset. Shift them over into hemp plantations and regenerate. It will turn them into profit and allow our blue-chip organisations to rise at the same time and play in the same market, while allowing our farmers to work with our unions – the CFMEU, our farmers federations and our manufacturing industry. We need to be able to provide a blueprint for a green industrial revolution in this country. I think Victoria can actually do it.

**Bev McARTHUR:** I asked Mr Schmidt before about whether there is any involvement with the farmers organisations; he said no.

**Andrew MESEHA:** There should be.

**Bev McARTHUR:** You are saying there should be.

**Andrew MESEHA:** Absolutely there should be.

**Bev McARTHUR:** You are an agricultural product –

**Andrew MESEHA:** Yes, absolutely.

**Bev McARTHUR:** but not involved with the agricultural organisations.

**Andrew MESEHA:** And I completely agree with that. If we allow our unions to work in collaboration with our farmers unions and we allow our farmers unions to work with our manufacturing industries, we could essentially supplement the logging industry and provide enough fibre, bricks and mortar. It is not an enormous undertaking to retrofit even some of the older machines that are sitting at VicForests for processing into high-grade fibre. If we are running at a \$52 million loss at the taxpayer’s expense for the logging industry, why not throw in \$50 million and add some infrastructure instead for the hemp industry and see what that does? We are already losing the money.

**Bev McARTHUR:** We will give it back to the taxpayer, perhaps.

**The CHAIR:** Thanks, Mrs McArthur. Dr Mansfield.

**Sarah MANSFIELD:** Thank you. I might change tack a little bit.

**Andrew MESEHA:** Sorry.

**Sarah MANSFIELD:** I am really interested in understanding a bit more about the role hemp can play in addressing some of those soil-health issues you were talking about earlier.

**Andrew MESEHA:** Yes. So – and I will share this with you after – we run an organisation called Happy Soils. It is about to launch into the media right now, and we are about to launch it actually into health food chains to teach people about the awareness of the interconnection between gut health and soil health. We are proudly associated with Kiss the Ground – 2.5 per cent of all of our sales go to that organisation, the advocacy group in the United States.

When we talk about hemp and soil, we are talking about not necessarily carbon but nitrous oxide emissions, which are 300 times worse than carbon in the atmosphere, and they last for 120 years. It is what you call the ozone killer. Seventy-five per cent of them are produced by agricultural pesticides and herbicides and conventional farming methodology, which is proving to cause havoc amongst our ecosystems. Combine that with the illegal application of particular pesticides via aerial application – and we are talking about our own backyard here. Look at the Moondarra Reservoir, which is sometimes running at a pH of 4.5 and an EC of 3000; it is basically salt in the water. What that does is, when you start seeing run-off at 3000 EC, completely deplete the soil. It is like you are drinking salt water every day. You cannot drink salt water; it is going to deplete you. It is the same thing with our soil. I am not here to sell products today, and that is why I am trying to avoid talking about businesses, but when you combine these products and hemp, you draw down nitrous oxide emissions, which belong in the soil, and then you convert. We can convert toxic chemicals. It is not a problem. Even with contaminated soils, we can turn them into carbohydrates, amino acids and protein, using a particular type of beneficial bacteria and bacillus strains, which can actually then convert and store the carbon back where it belongs. The problem has never been the carbon, it is actually keeping it in there. That then reduces water consumption, tilling requirements, pesticide requirements and herbicide requirements. It reduces the farmer's expenses, thus increasing their bottom line. Farmers should be the richest people in this country for all I care.

**Sarah MANSFIELD:** That lactobacillus and that particular, I guess, benefit of hemp being able to draw down the nitrous oxide – is that something inherent to hemp as a crop, or is it to do with a particular style of farming practice or additional things that you have to do in growing that hemp?

**Andrew MESEHA:** Well, it is both. It is a combination. Like, if we had a regenerative agricultural Act, then we would be seeing a lot more regeneration. But how do you incentivise our farmers to actually do it? Cash is king for them. The bottom line – yields and clean, healthy food. We were talking about how you bank carbon and how you monitor it. The technology is there. They are called CEC exchange probes. They go 3 metres underground. We network them into a complex grid. It is like Facebook, but for soil. These carbon probes are linked to a centralised database, which then calculates carbon credits and issues them out directly to the farmer via a blockchain, which is a style of platform which is run by Carboncoin, which you could ask Sarah about. It is already readily available. It was signed off by the Australian government a couple of years back. The infrastructure is there. We can issue our carbon credits directly to the farmers, and they can actually redeem them or, if they want to, they can sell them directly to, say, the mining industry to offset their mining emissions. Instead of them buying them on the international market for 150 bucks a metric tonne, they would be paying \$21. You know, I am sure our billionaire club would really enjoy that, considering the amount of money they have got to pay in carbon taxes. Sorry.

**Sarah MANSFIELD:** Is that my time?

**The CHAIR:** You have got about 1 more minute.

**Sarah MANSFIELD:** Okay. I am just trying to get clear on some of the points that you were making there about the benefits around carbon and the drawdown of nitrous oxide. I am trying to understand: is it that the hemp crop is particularly good at doing those things in and of itself?

**Andrew MESEHA:** Yes, in itself it is three times more effective than almost any other plant in the world in doing that.

**Sarah MANSFIELD:** Okay.

**Andrew MESEHA:** Sorry, I just went on a ramble.



**Sarah MANSFIELD:** No, I am just trying to understand why we should be, I guess, trying to develop the hemp industry in order to see these benefits. So the hemp in itself can deliver all of those things.

**Andrew MESEHA:** Yes. I call it an alien plant. It has even got what they term genetic elasticity; it remembers its own genetic coding.

**Sarah MANSFIELD:** Okay.

**Andrew MESEHA:** It is bizarre.

**Sarah MANSFIELD:** Okay. Is there a risk that with, say, more conventional farming practices, as opposed to regenerative farming practices, hemp may not deliver some of those environmental benefits?

**Andrew MESEHA:** No. It will indeed, but the problem is what happens after, when you pull the crop out. Are you mulching it straight back into the soil? Are you reducing your tillage? Are you using the beneficial bacteria that actually breaks down and composts very quickly and returns it back to the earth so you can create a Glad Wrap effect and keep the carbon there? That is the biggest challenge, but we know how to fix it. All the tools are there at our disposal, and more importantly, as I said, we just need the government to get out of the way.

**Sarah MANSFIELD:** Thanks.

**The CHAIR:** Thanks, Dr Mansfield. Mr Meseha, I am aware that you were keen in your opening remarks to tell us some of the things you would like to recommend, and I know that deregulation is one of them.

**Bev McARTHUR:** We are pleased to hear that.

**The CHAIR:** Scaling it back, could you tell us what other things you would recommend to the committee?

**Andrew MESEHA:** Obviously part of that is deregulation, which is regulative and legislative review. If we cannot do that, it needs to be clearer and more streamlined. We are opening negotiations here. It is like I am coming in at the top.

**The CHAIR:** Bit of an ambit claim.

**Andrew MESEHA:** Whoever opens negotiations loses the battle, as they say. I think there needs to be an educational program implemented – educational programs for our farmers, more importantly, and workshops – where our entrepreneurs and stakeholders can ensure all this knowledge and skills are available and accessible to our farmers.

**Bev McARTHUR:** You do not need governments to do that, do you?

**Andrew MESEHA:** No, absolutely not.

**Bev McARTHUR:** They will give you a complicated form.

**Andrew MESEHA:** I will give you 16 people to go across the state, and we will teach them everything they need.

**Bev McARTHUR:** Yes. Good idea.

**Andrew MESEHA:** You pay for the petrol, though, Bev.

**Bev McARTHUR:** No, there will be an EV provided. Georgie will fix that.

**The CHAIR:** Correct.

**Andrew MESEHA:** The infrastructure investment will need to come from the private sector or be subsidized. We will take old equipment if we need to, if it is there, so we can actually start retrofitting these for fibre extraction and manufacturing. At that point, if the government is still willing to be involved or wants to be involved, we need to be able to collaborate easily. There needs to be almost a point of contact who is an expert

so people can actually go, ‘Yep, cool, this is the person that we can speak to in there who knows everything about it, who knows how to put these applications through and can quickly help us with our processing and actually help our farmers with their business planning,’ which is partly why they are in a lot of the mess that they are in. Farmers are struggling. I deal with them every day. I had a 14-year-old girl in Colac a couple of years back say to me that she wanted to be a dairy farmer, but her dad would not let her because there was no money in it anymore. And that comes back to cows and methane and the rest of it. If we look at cows that consume hemp – methane reduction. Hay is not right for cows anyway – they should not be eating hay; they should be eating grasses. As it hits the third rumen, they start farting. It is like you eating beans every day – what is going to happen? You just keep farting all day. And that is the thing with cows – cows are not the enemy; it is where the cows are at and what they are eating at the moment, which comes back to their health, which then in turn is human health if you consume that beef. I do know if you are a vegan or eat meat.

**The CHAIR:** I am a vegan. Bev eats meat.

**Andrew MESEHA:** Bev, you eat meat.

**Bev McARTHUR:** All the way with beef.

**Andrew MESEHA:** I do not know if you go to markets to get your beef or if you get it from Coles or Woolies. There is a big difference.

**Sarah MANSFIELD:** Restaurants.

**Andrew MESEHA:** Restaurants. I will leave you with that one. From there I think there needs to be an independent economic analysis – not through Deloitte, not through current agencies; it needs to be an independent.

**Bev McARTHUR:** PwC.

**Andrew MESEHA:** PwC. It cannot be any of them, because we have got to have a look at the reality of whether there are potential conflicts of interest in terms of their portfolios and the superannuation funds that push for particular things. We need an independent – an independent group of people that can actually do this and set the record straight without us having to ask a thousand questions every time.

The next thing is an international benchmark, and we talk about this through our – I sit down with the organics industry quite regularly about this, where we have got an organic standard but we do not have a regenerative organic certification standard. I do not know if that has been done on purpose to avoid the fact of farmer fairness, because part of the regenerative – they call it ROC – certification in the United States is that you cannot sell the product for four times more than the farmer is earning, which I think is fair. When farmers are being paid 20 cents a litre on milk, it is an absurdity.

Then you talk about the benefits of this. When you put hemp next to a farm that is cropping, for example, tomato, you see the benefits. All that carbon that draws down, all the benefits from – as you are drawing down carbon you are also drawing nutrient back into the soil. You are reopening communication pathways within the soil which have previously been switched off. What we are doing is switching on what we switched off in the past. It is like your immune system, and that is the relationship between soil and the human gut. So in turn you are looking at healthier humans, which is why we look at this from the point of what Kiss the Ground say – healthy soil, healthy planet, healthy human.

**The CHAIR:** Thanks, Mr Meseha. Mr Berger.

**John BERGER:** Thank you, Andrew, and thank you for your appearance and presentation. I have got a couple of comments, and probably a question at the end of it.

**Andrew MESEHA:** I am ready for you.

**John BERGER:** I do not disagree with a lot of what you are saying, but just in terms of the application process, I looked at the Victorian one and then looked at the New South Wales one. One is 12 pages; one is 14 pages. Surely an astute farmer who wants to get any – as you say, cash is king – benefit out of this, they will get it done, right? They will do whatever it is if there is a commercial benefit in it for them. So I put that little

argument aside; I do not think that is really a barrier or something that is really going to knock people around, but –

**Andrew MESEHA:** I noticed you said ‘astute’.

**John BERGER:** I am more interested in where you say how the investors, that being superannuation funds, would get around the ESG issues that might surround it, being the crop that it is – how they might take that on board.

**Andrew MESEHA:** That is something else we need to actually have a look at as well. I do not know the answer to that, and I am honestly telling you I do not know.

**John BERGER:** Because if you are talking about private investment at that level, that would be significant.

**Andrew MESEHA:** Absolutely.

**John BERGER:** I would say you would have to be able to get around those ESG issues, and they are not easy to navigate around, given some of the things that superannuation funds have as a tick-off list to get it.

**Andrew MESEHA:** Well, I look at it from this point of view, but where you are talking ESG, let us talk about: if we can get around it with the logging industry, I am sure we can get around it with hemp – simple as that.

**John BERGER:** I think they are two totally different propositions in thinking.

**Bev McARTHUR:** Yes: one industry we closed; this one we are trying to open up, mate.

**John BERGER:** I am thinking more along the investor side of it, Bev. I do have a little bit of experience, being a former director of a superannuation fund, so I know what these barriers can bring into play. So I just think –

**Andrew MESEHA:** There you go. You have been appointed to the hemp taskforce.

**John BERGER:** I just think you need to remove quite a few barriers, and I look at your education programs that you are putting in place. I think if that is where you are going to head, that is –

**Andrew MESEHA:** That is something we have to sort out as well. Yes, of course. I will take that.

**John BERGER:** So you are talking about a million acres.

**Andrew MESEHA:** That is the target.

**John BERGER:** That is significant.

**Andrew MESEHA:** Yes.

**John BERGER:** Again, you have got to get that buy-in from the farmers to say, ‘Yeah, this is going to be a viable crop for us,’ and take it forward.

**Andrew MESEHA:** There is also a bridging period for farmers. The problem is they are just treading water, so if they shift over to something new right now, they need that breathing space. Some of these farmers – I meet farmers who are in \$3 million or \$4 million worth of debt to chemical fert companies, and as soon as they try to shift off it or do anything different, they call in the debt. They call in the debt on them and they foreclose on them. So there has to be a way that we can bail out some of these farmers during that transition period. What happens is that as soon as the farmer loses his farm, who comes in and sweeps in? Corporates come and sweep in and turn it into either pine plantations or large-scale potato plantations, where you have got zero biodiversity. This is something else: Victoria has got the highest loss of biodiversity in the country. We do not even know whether or not our mapping is correct. That is something where our datasets need to be re-evaluated, because we are losing biodiversity at an extraordinary rate – and it comes down to the fact that we are not even able to track it properly.

**John BERGER:** So in terms of markets, where does it sit internationally or, let us say, in Canada? I think that is your experience. We know with farmers that are cereal farmers, they can sit on their grain for a period of time until the price comes up. How will it work for them?

**Andrew MESEHA:** The good thing about hemp is you cannot do that. You need to process it quickly. So as soon as it is slashed, you have got to process it to avoid mould and mildew. Once that is done, the processed fibre goes out from there as your fibre or your hurd, and then your seeds are collected as well. And, you know, I look at it from this point of view as well: why is Tasmania ahead of us? We are supposed to be 'Victoria: the place to be', the Education State, but we are not very –

**John BERGER:** Well, I think it might have a little bit to do with also their environment down there, even with some of the other –

**Andrew MESEHA:** It is cold.

**John BERGER:** opioids that they grow down there. So, you know, they have got the island, if you like, that sort of protects them with a lot of things.

**Andrew MESEHA:** But we have got the food bowl. We have got the Gippsland region. We have got all of these great nutrient-dense regions, but also we have a lot of unusable land that can be used. We know we can turn it into tillable soil. Contaminated soils – look at Heatherton itself. Let us look at Werribee. Why is Werribee suffering? Look at the irrigation district, the farm gates there. The water that is hitting those farms is sometimes sitting at 1500 or 2000 EC. It is salt. So then farmers are forced to rent out their farms to corporations, and they pin them up against each other, and the only thing you can grow there is the same crop. So if we want to be successful in this, we need to support our farmers not necessarily the entire industry. It is the farmers.

**John BERGER:** So can you take me back to the markets and where they sit internationally?

**Andrew MESEHA:** Yes. So the markets internationally right now – funnily enough, China is the leader. And this is based on 2021. It is based on 2021 figures, so do not hold this against me. 250,000 acres is what they are producing on right now: 1.1 million tonnes yearly, 2.57 million tonnes of hurd, 370,000 tonnes of seed, the total tonnage of 4,000,040 adding an annual GDP to the country of – sorry, there are too many zeros here – \$385 million. That is just in China. So we are looking at a global industry right now, as of 2021, which was sitting at around \$3.5 billion. It is marginal compared to what we could be producing even just here in Australia, even just in Victoria. If we could get to a million acres – that is my personal target. I would like to see a million acres, and across our portfolio of farmers I am sure we can achieve that without too much government intervention. Then on top of that there is the other aspect: farmers do not trust you guys. That is the bottom line. I am being honest.

**The CHAIR:** Thanks, Mr Berger. Ms Payne.

**Rachel PAYNE:** Thank you. And thank you, Andrew, for appearing today.

**Andrew MESEHA:** Hi.

**Rachel PAYNE:** Hello. Good to see you.

**Andrew MESEHA:** You too.

**Rachel PAYNE:** We understand that hemp is incredibly good at recovering soil, detoxifying and soil rejuvenation. You mentioned Sarah Rees and that you have collaborated. There is opportunity for investment from the private sector. I just wanted to discuss with you what industries are interested in opportunities for, you know, pulling that carbon, soil rejuvenation and detoxifying in the private sector – if you could just expand on that for me.

**Andrew MESEHA:** This will touch almost every sector in our market. We do not really have much of a textiles industry left; we have outsourced almost everything. Unfortunately, we are at a point now where we are at the whim of international markets. In terms of fibre and hurd, I look at it from the point of – let us start with the most important industry that we need to subsidise right now – timber, lumber, paper, our construction

industry. The price of timber has gone up 35 per cent in the last year, 40 per cent. We are talking about our union members here. Our unions that also, outside of farmers, are the backbone of construction. We are so heavily invested as a country and as a state in real estate that we need to actually be able to continue to support them because the costs are only going to go up. And if we do not start figuring out ways to bring it back down and providing alternative sources for expansion of our complexity as a state and as a country, I think we are going to be in big trouble. I honestly believe this is potentially one of the easiest ways out for our current economic issues as a state as well. You know, we are currently running a deficit of \$200 million or \$200 billion or whatever it is – some ridiculous amount.

**A member:** Billion.

**Andrew MESEHA:** Is it billion? Great one. All right. We need to be able to fix that without completely burdening our taxpayers as well as investors. If entrepreneurs and businesspeople are able to invest without such heavy burdens, then we will see a regeneration of the economy very quickly. It is just a matter of, as I say, getting out of the way, put bluntly, sorry. So we are talking textiles, potentially steel, lumber, paper, animal feed and bedding all the way through to even potentially antifungal, antibiotics and anti-mould. Then you are looking at it from the point of – I am not going to go through that it can be used on 20,000 different varieties and it can be used across this. It is all fluffy; I am not going to go into that. Let us stick to our most important industries – lumber, paper, millage – and how we can redeploy our union members as well into regional development zones and create a green industrial revolution in the state.

**Rachel PAYNE:** I think you mentioned in your contribution earlier that the mining industry – is there sort of an uptake of looking at hemp as a way of detoxifying soil? Is that what you are –

**Andrew MESEHA:** Yes.

**Rachel PAYNE:** Can you talk a little bit more about that?

**Andrew MESEHA:** I will talk about it as much as I possibly can without breaching my NDAs.

**Rachel PAYNE:** Sure. Okay.

**Andrew MESEHA:** You are talking about some mining sites that have been obliterated. When you destroy a micro ecosystem, it impacts the entire macro system. So when we talk about bushfires as well, we talk about the logging of a section and the next section, and what that does by the end of it is it changes local rain cycles. And when you change the local rain cycles, you start to deteriorate the soil itself as well. And when soil is bare, you start to create fluctuations in weather – extreme cold, extreme heat – and that is why we have these bushfire issues as well. The mining industry, all kudos to them, are our biggest export markets. They provide a lot of the profit. I am neither here nor there on mining. I completely agree we do need it, but we need to consider how we restore these sections, and we can.

**Rachel PAYNE:** And it can provide opportunity.

**Andrew MESEHA:** Big opportunity. So you are talking about the redeployment of people into these regions now and into mining sites that have been completely obliterated. They are offsite and you cannot use them, yet mining companies have to pay carbon taxes on them to offset the destruction year in, year out. We can turn them and they can start yielding a profit out of there, but then on top of that is where you can start to shift those industries – for example, steel – into now a high-grade production of hemp steel. The first car was produced out of hemp.

**The CHAIR:** Thanks, Mr Meseha. That is all we have time for today, but we really appreciate you coming along and appreciate your passion for this topic.

**Witness withdrew.**