

House of Assembly

September 23, 2009

HYDROPONICS INDUSTRY CONTROL BILL

Mr PEDERICK (Hammond) (17:43): I, too, rise to support this bill, which will require dealers who sell prescribed hydroponics equipment to operate under a full licensing scheme and will introduce a compulsory online transaction monitoring process. In 2005 the Controlled Substances (Serious Drug Offences) Amendment Bill was introduced. That legislation, as well as bringing in serious offences, was designed to deal with the problem of more serious precursor chemicals used for the creation of illicit drugs. I note that everyone within the MFS, SES and the CFS (in the country where I am) is trained now in what to do if they come across an illegal drug lab.

Members may not think that it happens in outlying areas, but several years ago I happened to drive into Tintinara. I was leasing some property down there, and I wondered about the large police presence in the town. It came to pass that a friend of mine, who had a farm closer to the Coorong, had rented out his house but he did not know what was going on inside the house. It was a little embarrassing for him. He was not directly involved, of course. Quite a lot of illegal activity was being done from the rented property. Obviously, the perpetrators were caught, so it can happen anywhere.

In 2007 the Controlled Substances (Possession of Prescribed Equipment) Amendment Bill made it an offence to possess regulated equipment without reasonable excuse. This included equipment related to the cultivation of cannabis, such as metal halide lights, high pressure sodium lights and mercury vapour lights of 400 watts or greater, ballast boxes, devices (including control gear, lamp mounts and reflectors) designed to amplify light or heat, carbon filters, cannabis bud or head strippers, and rotisserie devices for seedlings.

Following this in 2008, the Controlled Substances (Controlled Drugs, Precursors and Cannabis) Amendment Bill acknowledged the difficulties arising from the reliance on police to prove certain intentions with regard to precursor chemicals and prescribed equipment. A specific offence for cultivating cannabis was also created. Both of those bills were supported by the opposition without amendment.

I note that the sandier country of my electorate of Hammond (and it is not something I boast about, but something I want to put on the record) evidently is reasonable cannabis growing country. There have been plenty of cannabis busts up through the Mallee towards Alawoona and Wanbi and, closer to where I live at Coomandook, down the road just north of Coonalpyn there is a patch of scrub where quite a few crops have been grown. The local farmer has discovered this because they tap into his River Murray water supply. River Murray water is pretty precious, especially with the price of water increasing, and these criminals always get caught out tapping into water lines like that.

The hydroponics industry is particularly vulnerable to infiltration by serious and organised crime. I note that there are about 90 hydroponic retail shops in this state, and South Australia Police purports that many have been owned by or linked to serious and organised crime groups.

The main facets of this bill are the licensing requirements and the online transaction monitoring systems that will be put in place. The businesses that are required to be licensed will be retail sellers only who sell prescribed equipment with a prescribed total wholesale value. The prescribed equipment is the items that I have mentioned, and these are already regulated. I note that the State Retailers Association has argued that it has identified over 2,000 sources of prescribed equipment, using hardware stores and electrical suppliers as examples. The capacity for electronic mediums, such as eBay, to be used has also been raised.

The police force is targeting one-stop shops in this bill, and the intent is to lessen the ease of gaining a full hydroponic set-up. The point has been made that most garden centres and hardware stores do not stock all the prescribed items, and specialist stores, such as lighting stores, can apply for an exemption. For the few non-hydroponic stores that stock complete kits, it will be at their discretion to maintain the stock or to go under the licensing regime. It is also noted that the deputy commissioner has not witnessed the prescribed set-up being used

for hydroponic growth of legitimate substances (such as tomatoes) as it is simply too expensive on a broad scale.

While it is the commissioner who will decide on the granting of licences based on criminal intelligence, clause 5 of the bill states that he is subject to the minister's control. This is simply a division of powers, which is strengthened in clause 20, which provides that appeals against the commissioner's decisions go directly to the District Court. He will also approve applications to become a hydroponics industry employee, based on the same assessment as licence applications and attracting an application fee of about \$600, along with a \$150 annual service fee.

The bill outlines the licence application process and the \$20,000 fine accompanying contravention of the licensing requirements. The commissioner will assess applications on the basis of a fit and proper person test; namely, discretion will be used as to the applicant's reputation, honesty and integrity and whether they have committed prescribed offences (and these would include firearm and drug offences) in the preceding five years.

I have mentioned the State Retailers Association. It has some concerns about the costs associated with licensing, but the police are currently considering the same schedule as is used within the security industry. The SRA has also expressed concern with respect to the transitional provisions, which state that, at the inception of the new legislation, a hydroponics business can only carry on business until a licence is achieved or until three months expires, whichever occurs first. The police believe they have the resources to evaluate all licence applications within that period.

With respect to online transaction monitoring, some concerns have been raised about the ability to provide real-time information on transactions. The bill states only that prescribed information will be required of the buyer at the point of sale and that the licence holder will have to transfer such information to the commissioner as prescribed, which would possibly be electronically. It is worth noting that the information system will be controlled by SAPOL, because much of the online system is already in place.

In an information paper put out by SAPOL it is stated that licensed businesses will require a computer (obviously, for the online monitoring), and SAPOL asserts that the changes will be phased in and businesses will be provided with a grace period, training and advice. The paper also states that licensed dealers will not be disadvantaged in any way. At this point, there is no mention of real-time submission of information.

One issue with respect to the bill is that it adds significant red tape to the industry. However, this is required to make the industry less vulnerable to serious and organised crime. The bill will not be perfect, in terms of stopping all transactions for the purposes of cultivating cannabis, but will greatly lessen the ease with which it can be done. It is noted that the Hon. David Ridgway from the other place, who conducted the consultation for this bill, believes that stakeholder concerns have been addressed and will continue to be considered as regulations are introduced in line with the bill.

I can certainly say that this goes part of the way to helping to control the scourge of drugs in this state. As the father of a couple of young boys, it is good to see this legislation being put forward. I have seen the results of drug abuse. A friend of mine, whom I believe was heavily involved in illicit substances, is now basically a blithering mess at age 48, and he has been that way for a few years. It is very sad to see. That is all I can put it down to. This is a bloke I have grown up with in my local area and it is a great tragedy. We all know there are far bigger tragedies involving the use of drugs—many lost lives and many wasted lives. The more we can do as a community to pull up this scourge, the better. I commend the bill to the house.