

BRIEFING

Australia's medicinal cannabis industry could be worth \$100 million per year

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Photo: Uriel Sinai/ Getty.

The University of Sydney Business School has today released a white paper report looking into the potential of the medicinal cannabis industry in Australia.

The report found that initial demand for the product could be as high as 8000kg, worth more than \$100 million per year.

Partnering with medicinal cannabis company MGC Pharmaceuticals, the report has drawn on data from existing markets such as Israel, Canada and the Netherlands to come up with the estimates.

On top of that, it found that up to 51,000 square metres of greenhouse space – almost three times the size of the SCG – would be needed to produce the amount of cannabis needed to meet the demand.

Another interesting note in the report is the eligibility for patients to use medicinal cannabis. The paper looked at the likes of Israel's and the Netherland's criteria, where both required patients to have undergone conventional treatments or be experiencing severe symptoms from a terminal illness. From there, a doctor can apply on the patient's behalf to receive medicinal cannabis.

The research was lead by the Business School's Michael Katz, who said the white paper was the first of its kind to examine both the logistical and medicinal benefits of a medical cannabis industry for Australia.

"There's a lot more to a new industry like medical cannabis than you might immediately think," Katz said. "You've got the technical agriculture side of it, the medical processes such as extraction and dosage, the technology side such as scalable standardisation tools, supply chain logistics and so on."



Michael Katz

“What’s exciting about this white paper is that it has this triangulation between the university, the market and government – which is directly in line with the Turnbull Government’s vision for universities to be more engaged in the innovation strategy for the country.

“We’re not coming up with policy in a vacuum. We’re doing it in collaboration with companies like MGC Pharmaceuticals and government.”