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## High Growth? Is Medicinal Cannabis Australia's Next Boom Export?

**By George Hazim**

Through lack of understanding or insufficient information about its benefits, cannabis comes with a set of challenges – it polarises perceptions with the mention of its name.

And as much as medicinal cannabis is maligned, it has now entered a realm where its acceptance continues to grow throughout the public and business. Now more than ever, it has commenced a transition process of redefinition, taking a major step towards what it means to Australia economically.

As an industry, Australian medicinal cannabis contains such enormous potential to become a significant sector within the Australian economy – servicing not only Australian patients and the increasing demand for medicinal cannabis, but expanding its focus to be a global exporter of a premium Australian grown and made medicine.

But first, it's critical the industry strategically transforms itself and ensures Australian patients, regulators, the medical and broader community trust the product produced is of a high standard – delivering on promises of integrity, quality and safety.

To help the sector achieve its objective, a leading Australian supply chain integrity business with extensive experience in working with new cannabis frameworks, partnered with the Medicinal Cannabis Industry Australia (MCIA), the peak industry organisation for Australia's licensed medicinal cannabis industry in 2019.

**Source Certain International (SCI)**, has long held a reputation for using the proprietary technology it has developed – TSW Trace®, to provide forensic services to international law enforcement agencies and scientific supply chain integrity programs to global companies and industry groups.

It's involvement in the cannabis industry stems from work, its Managing Director and co-founder, Cameron Scadding and SCI have undertaken with the MCIA in recognising how valuable the sector could be to the Australian economy.

But it's been the combined strategic efforts of Scadding and SCI's outstanding **CFO, Grant Erskine**, a man well known along with Scadding for their strategic brilliance, that has seen a greater game plan to incorporate more than just medicinal cannabis as a tool to manage pain and other medical conditions.

The focus is now on the potential and value that underpins how the Medicinal Cannabis Industry in Australia (MCIA) views itself as a sector.

According to Erskine, Australia has a strong reputation in the primary production of agricultural goods and the mining of raw materials, however, it often loses the rest of the value chain in those industries as raw materials are processed and value added by overseas economies.

"The medicinal cannabis industry is a great opportunity for the Australian economy to reverse the trend and own the entire value chain where leading Australian businesses grow, process and manufacture world leading medical cannabis products for the global market," Erskine says.

"Australia's has the natural resources for cannabis cultivation, a strong reputation for safe, clean and sustainable products, and the innovative capability to process and manufacture pharmaceutical grade products and therefore the medicinal cannabis industry is a great opportunity for Australia to develop new jobs, new businesses and a fast growing component of an ever diversifying economy that lessens its reliance on the primary production of food and minerals."

In an effort to build sector-wide trust, SCI helped the MCIA develop a Code of Conduct that governs members' promises of quality and safety around their product, to deliver an industry built on transparency and integrity that can gain the confidence of doctors and trust of patients.

Erskine's clear vision of where he sees the industry positioning itself – is where medicinal cannabis is a trusted tool to manage pain and other medical conditions of Australian patients.

“People like the idea of cannabis but that doesn't translate into trust. An example being doctors and the broader healthcare sector where skepticism. The opportunity to partner with the MCIA is the creation of a single voice.”

Australia's medicinal cannabis market has the potential to become one of Australia's leading export sectors, which is why SCI has worked with the industry body to get Australia's products up to standard.

As the CFO and a key player behind the push to redefine the industry's global export value, Erskine says, “the industry is committed to serving Australians before considering export opportunities.”

“Most patients,” Erskine says, “aren't interested in self-medicating with a non-medical product. Doctors need to access information. They don't need educating but they need the right information in a form that they are comfortable with – that's the challenge.”

“The challenge is to obtain the sector's trust, that requires information mediated between the medical industry and the general community.”

Part of that trust requires the industry to do what it says it will and the confidence to ensure the industry is focused on protecting itself.

“What Australia has and most other countries don't, is its reputation, access to advanced technology and qualified workforce, and most importantly the Australian brand is trusted,” Erskine says. “We have existing high standards for production but this need be harnessed into a disciplined, industry-wide approach that is governed by an industry body to add value to the export product.”

The need to establish a scale larger than demand in Australia must be met before global exports are considered, and the TGA must be confident the needs of Australian doctors and patients are met first.

Erskine agrees that scale is required if Australia is to mount its campaign as a leading exporter of medicinal cannabis. “You can’t build scale without a market. “Scale has to come from a global opportunity and Australian businesses must think globally.”

“Providing confidence to investors requires scale and Australia has the capacity to reach this scale.”

“Australia’s cannabis industry has sprung to life very quickly”, Scadding says.

“There aren’t too many start-up industries, certainly in the medical area that have gone from a standing start to there being a new medicine on the market and accessible to patients – all within four years. It has felt slow at times and to industry stakeholders it has felt like there have been too many barriers, but the position the medical cannabis industry has here in Australia with a global opportunity is exciting and I commend the industry for its commitment to building out a strategy, which I am confident will lead to more sector wide trust and a strong Australian Cannabis brand”.

According to Erskine, the move to position Australia as a global exporter sees the stars aligning; when Australian patients and doctors have confidence they’re being treated with an outstanding product the industry will be primed to take advantage of global export opportunities as they arise.

“The value of the market,” Erskine says, “lies not in the pharmaceutical grade of the product, but the difference it makes to people’s lives. The biggest percentage of people using medicinal cannabis are patients using other medications.”

“If the market achieves its growth potential, it will become an export market worth \$40bn annually.”

If Erskine is right, the strategy SCI are undertaking places medicinal cannabis in Australia’s top three export earners, leapfrogging education and natural gas almost overnight.

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