

IMPROVING CANADA'S CANNABIS REGULATORY ENVIRONMENT TO ACHIEVE POLICY GOALS

Opening Statement

It has been just over two years since cannabis legalization in Canada; however, the market has been slow to grow with some exceptions. While many issues of legalization have been lauded as a success, there is much to improve upon to ensure that policy goals are achieved. Cannabis amnesty, combatting the illicit market, medical patient access, in addition to research, development and innovation are areas that require the attention of policy-makers.

Background

It has been a little over two years since Canada made history with the legalization of adult-use cannabis. The legislation and regulations have been in place since October of 2018, but the industry has been slow to develop with some exceptions. Provincial and municipal governments have had their hands full with implementing a safe, secure, and successful legalization plan.

The Cannabis Council of Canada embarked on a lengthy and comprehensive review of Canada's cannabis legalization efforts, its successes, and failures. The review included:

- Support for cannabis legalization;
- Keeping cannabis away from children and youth;
- Government leadership;
- Justice and law enforcement;
- Jobs and the economy;
- Consumer awareness;
- Combatting the illicit market;
- Medical patient access;
- Cannabis amnesty;
- Research, development, and innovation.

Among these categories, cannabis amnesty, combatting the illicit market, medical patient access, and research, development and innovation are areas that require the attention of policy-makers.

Cannabis amnesty - Roughly 70% of Canadians support wiping criminal records for cannabis possession but less than three per cent of Canadians have successfully applied for the Cannabis Record Suspension Program.¹

The application process has been criticized for being overly cumbersome and the report states there is a need for a "marked change in approach." Critics of the program have called on the government to automatically remove cannabis possession records. A possession record and remaining in prison is removing a large number of individuals from the workforce. While programs exist for businesses to hire reformed convicts, there remains a record that dissuades people

¹ https://cannabis-council.ca/images/Cannabis_Legalization_after-2-years_Presentation_Oct2020.pdf

Combatting the illicit market – According to the report, the legal market accounts for just over 50 per cent of all cannabis-related spending across Canada. Uncompetitive pricing due to excise taxation and wholesale markups are the largest barriers to further integration of the illicit market. The government has an obligation to reduce these barriers in order for cannabis legalization to be viewed as a successful policy.

Medical patient access – Another reason why the illicit market has not been reduced to the level that would deem legalization a success is because cannabis medicine is subject to an **excise tax**. This contributes to an affordability problem, which resulted in 60% patients purchasing cannabis from the illegal market. The government needs to investigate adding medicinal cannabis products to public and private drug plans.

Research, development and innovation – Research into cannabis is needed urgently in order to maintain Canada’s global leadership in cannabis research. However, the issuance of research licenses is threatening our leadership in this realm. The government should expedite research licenses to ensure that cannabis research, development, and innovation continue, leading to better products.

Part of the policy process is constant evaluation following implementation. We have had legalization in Canada for over two years now, and we need to reassess our execution based on successes and failures. Although the above is not an exhaustive list, we believe it is a good place to start in order to truly realize the policy goals set out in cannabis legalization.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. automatically remove simple cannabis possession records;
2. remove excise taxation and wholesale mark-ups;
3. investigate adding medicinal cannabis products to public and private drug plans, and;
4. expedite research licenses for cannabis research, development and innovation.

Submitted by the Surrey Board of Trade