

October 2024

Five-Year Review

*Cannabis Control and
Regulation Act*




Yukon

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1. Minister's message

I am pleased to present the Yukon Liquor Corporation's comprehensive Five-Year Review report on the *Cannabis Control and Regulation Act*. The five-year review is a legislative requirement under the Yukon's cannabis legislation.

Since the legalization of cannabis in 2018, the Yukon's cannabis industry has demonstrated consistent growth year-over-year. Over the past five years, the corporation has focused its efforts on displacing the illicit market for cannabis, protecting public health and safety, and ensuring that Yukon youth are shielded from potential harms. These efforts have been central to our policy and legislative developments.

Initially, the corporation operated the first retail cannabis store in the Yukon, and closed the government retail store once the private retail market was well-established. Furthermore, in May 2022, the Government of Yukon implemented regulations allowing private retail e-commerce and delivery. Since October 2022, the corporation acts solely as a distributor for a fully privatized cannabis retail sector.

Sales in the legal cannabis market have grown significantly from \$2 million in 2018/19 to \$13 million in 2023/24, according to retail statistics. This impressive growth in legal sales has undoubtedly contributed to a reduction in illicit cannabis sales, ensuring that those who choose to consume have access to a regulated and high-quality supply.

The *Cannabis Control and Regulation Act* is guided by key principles designed to regulate access to legally produced cannabis responsibly. These principles aim to:

- ▶ Protect public health and safety;
- ▶ Protect young persons from access to and consumption of cannabis; and
- ▶ Provide government oversight through its distribution and retail model.

Our current framework strongly enforces these principles, contributing to a safer and more regulated environment for cannabis consumption.

This five-year review was not only a legislative requirement but also comprised a vital listening exercise. We engaged with a wide range of stakeholders, including the public, First Nations, local governments, various government departments and agencies, and other interested parties. Additionally, the review incorporated research and statistical data to better understand cannabis-related trends over the last five years. This comprehensive review has provided valuable feedback and highlighted areas for improvement of our cannabis framework.

We have learned much from this process and look forward to reviewing the findings and recommendations resulting from the review.

I would like to extend my thanks to all who participated in this review. As we look forward, the corporation will continue to work closely with local retailers to ensure Yukoners have access to cannabis products, while ensuring public safety and protecting the Yukon's youth from accessing cannabis products.

I look forward to the continued success and development of the Yukon's cannabis industry.

Sincerely,



Sandy Silver

Minister responsible for Yukon Liquor Corporation

2. Executive summary

Mandated in legislation, the Yukon Liquor Corporation has undertaken a five-year review of the *Cannabis Control and Regulation Act* which came into force on October 17, 2018.

Since the legislation is still relatively new, the engagement component of the review was designed as a listening exercise to receive feedback from a wide range of stakeholders and to determine any concerns or issues related to the legislation and legalization of cannabis in general. The engagement heard from the public, First Nation and local governments, other stakeholders as well as from various government departments and agencies.

The review also included analysis of research data and statistics related to cannabis legalization and patterns of use at the territorial level as well as national level. Finally, the review looked into the economic effects of cannabis legalization and its contribution to the Yukon economy. The full scope of the review provides insight into cannabis legalization in the Yukon.

The review focused on the purposes of the Act, which is regulating adult access to legally produced cannabis in a responsible manner to:

- ▶ Protect public health and safety;
- ▶ Protect young persons from access to and consumption of cannabis; and
- ▶ Provide government oversight through its distribution and retail model.

The review yielded the following key findings:

1

Normalization of cannabis is a top concern for Yukoners who participated in the public engagement. The attitude of “it’s legal so it’s harmless” is of concern to many stakeholders and the public in general.

2

Ongoing high rates of consumption among youth in the Yukon despite the protective measures are concerning to engagement respondents.

3

Pre-legalization, Yukoners were known to consume cannabis at higher per capita rates (21%) than the national average (14%). Five years into legalization, Yukoners still use cannabis at a higher rate (41%) but the difference compared to Canadian provinces (35%) is similar to pre-legalization.

4

Cannabis-impaired driving rates in the Yukon are similar to national rates and are a concern for safety on Yukon's roads and highways. Enforcement of cannabis-impaired driving is challenging and time consuming.

5

Upon legalization, Yukoners have made a strong transition from purchasing cannabis through illicit channels to purchasing cannabis from licensed cannabis retailers. While the large majority of consumers buys from local retailers in store, there seems to be public misunderstanding and confusion around which online sites are legal versus illicit. Legal online orders in the Yukon can only be made through Yukon's licensed retailers.

6

Addressing illicit market activity poses issues for law enforcement for various reasons including Yukon's geographic isolation, proximity to international borders and transportation corridors.

7

Cannabis wholesale-to-retailers in the Yukon is strong and has increased year-over-year, indicating the transition from illicit purchasing to a solid local legal cannabis industry that contributes to the Yukon economy. Cannabis wholesale-to-retailers grew from \$2.03 million in 2018-2019 to \$9.2 million in 2023-2024.

Analysis of all data collected has resulted in several conclusions and recommendations for consideration to further improve the Yukon's cannabis framework. Preparation of an implementation plan to determine the path forward will be the next step.

3. Background on cannabis legalization

October 17, 2018, marked the official date of legalization of recreational cannabis in Canada, the second country in the world — after Uruguay — to do so. The intent of legalizing recreational cannabis at the federal level was to switch from prohibition to a public health approach to reduce negative public health and safety outcomes related to cannabis.

Pre-legalization, cannabis was one of the most commonly used controlled substances in Canada with youth and young adults consuming cannabis at rates among the highest in the world. People who came into contact with the criminal justice system due to cannabis-related activity faced negative and lasting consequences, and this disproportionately affected marginalized and racialized people. In addition, organized crime profited heavily from the illegal sale of cannabis. The cumulative effect of these trends forced the need to adopt a new public health approach to minimizing harms posed by cannabis.¹

The main objective of legalization of recreational cannabis was to keep cannabis away from children and youth and cannabis profits out of the hands of organized crime.

As of October 17, 2018, under strict rules and control, legal sales of dried and fresh cannabis, cannabis oils, cannabis seeds and plants were allowed. As of October 2019, the sale of new product categories of edible cannabis, cannabis extracts and cannabis topicals were added to the list of authorized products for retail sale.

The cannabis legislation consists of a federal component — the *Cannabis Act* — and a provincial/territorial component in each of Canada's 13 provinces and territories. The Yukon's territorial component is the *Cannabis Control and Regulation Act*. While the territorial cannabis legislation is aligned with the federal *Cannabis Act*, there are differences in responsibilities. At the federal level, the main responsibilities include licensing and oversight of legal cannabis production including packaging, labeling, taxation, restrictions to flavours, ingredients, etcetera. Promotional restrictions and overall enforcement of the *Cannabis Act* are also federal duties.

For provinces and territories, including the Yukon, jurisdictional responsibilities are authorization and oversight of wholesale distribution and retail sale of recreational cannabis through either

a government-run, hybrid or privatized cannabis framework. Establishing ground rules about where cannabis may be consumed (private/public locations) and enforcement of licensed retailers fall under provincial and territorial authority.

While the federal Cannabis Act was reviewed by an external Expert Panel appointed by Health Canada after a three-year cycle, the five-year review of the Cannabis Control and Regulation Act is a separate process and was undertaken by the Government of Yukon.

The five-year review is mandated in the Cannabis Control and Regulation Act and serves as a mechanism to ensure that the Act and regulations meet the needs of Yukoners in the ever-evolving cannabis landscape. As part of the review, in addition to the current rules and measures in place, the review also looked into health, social-economic indicators and trends across Canada and in the Yukon. The comparison between national trends and Yukon-specific data will provide an impression as to how five years of legalization have played out in the territory.

Input from the public and various stakeholders through public engagement was an important component in gathering data to inform the review and to represent the public perspective. As cannabis legalization in Canada is still relatively new — and the cannabis industry continuously evolving — the engagement component was designed to function as a listening exercise to understand the effects the legislation has had for the territory.

There were no known serious concerns with the Act or regulations prior to the review. The engagement process focused on the purposes of the Act while allowing other issues to surface. Any findings that may warrant amendments to the Act or regulations are put forward for future consideration through the regular legislative process and can be found in the recommendations section of this report.



¹ Health Canada, *Taking stock of progress: Cannabis legalization and regulation in Canada*, October 2022.

4. Purposes of the *Cannabis Control and Regulation Act*

The Act lays out the framework for adult access to cannabis while regulating the importation, sale, distribution, possession, purchase, cultivation, production and consumption of cannabis with the objective to:

- a) protect public health and safety;
- b) protect young persons and discourage their access to, and consumption of, cannabis; and
- c) ensure that cannabis is sold by or through a government corporation to protect the health of Yukoners by providing supply sourced from federally Licensed Producers only.

Cannabis legislation serves multiple, sometimes seemingly conflicting objectives, such as providing access to a controlled substance while simultaneously restricting its consumption to support public health or safety.



4.1 Protection of public health and safety

Upon legalization of recreational cannabis, the Government of Yukon committed to protecting public health and safety. As cannabis legalization was new on the world stage, there were significant concerns and uncertainty around the health impacts rising from cannabis use and therefore strict measures were developed to reduce harm where possible. This commitment ensures that Yukoners who choose to consume cannabis can make safe and informed decisions regarding their consumption habits.

Social responsibility initiatives such as the mandatory Be A Responsible Server – Cannabis (BARS-C) training program for cannabis retailers is an example of this. The Government of Yukon is equally committed to ensuring that those who choose not to consume cannabis are protected against any potential harms.

Federal and territorial cannabis legislation are closely aligned, specifically in the area of public health. Protective health measures include health-warning labels on cannabis products, age-restrictions to keep cannabis away from youth, restrictions on the promotion of cannabis use, and prohibitions on where cannabis can be consumed.

Since legalization began, the Government of Yukon has maintained that one of the main ways of protecting public health and safety is displacing the illicit cannabis market. The *Cannabis Control and Regulation Act* requires the government to only source cannabis products from Licensed Producers whose products have been tested and verified to meet standards set by Health Canada. The Yukon Liquor Corporation, as the regulator, wholesaler and distributor of cannabis products, aims to ensure that a variety of products are available at a range of price points. This helps to displace the illicit market and support the success of licensed retailers.

4.2 Protection of young persons

A main pillar of the cannabis legalization is the recognition that the effects of cannabis on young persons are not the same as its effects on the adult population due to the sensitivities of developing brains². The Government of Yukon put in place specific regulations and policies to support the protection of young people (under the age of 19). Young people are not allowed to possess, purchase or consume cannabis and are not allowed to enter cannabis retail stores.

Some of the regulations to protect youth work in conjunction with local municipalities. For instance, setting the minimum distance from a school that a licensed retail store can operate can be linked to the zoning authority of Yukon communities. Other regulations, such as the legal age for consumption, are standard across the territory to provide a consistent regulatory environment that protects young people. Additionally, cannabis retail products must be kept away from public view so that young people are not encouraged to start using cannabis due to exposure to cannabis retail activity.

By including regulations that limit the promotion of cannabis consumption and promote public awareness of the potential harms and health consequences of consumption, the Government of Yukon aims to bolster youth protections.

4.3 Distribution and retail model

Legislation requires a government-run distribution model with cannabis bought solely from federally Licensed Producers. This ensures government oversight and safe and high-quality supply. Some flexibility was included through provisions that allow variations in the retail model through regulation.

Yukon's model started out with government-run wholesale, retail and distribution by designating the role of distributor corporation to the Yukon Liquor

²Yasmin L. Hurd et al., *Cannabis use and the developing brain: highs and lows*, National Center for Biotechnology Information, August 2023.

Corporation (YLC). The first government-run cannabis store opened on October 17, 2018 — the day of legalization — with the commitment to transfer cannabis retail sales to the private sector once private retailers were sufficiently established.

In April 2019, the first private-sector cannabis retail store opened in Whitehorse, leading to the closure of the brick-and-mortar government store in October 2019. In May 2022, private retailers were authorized to offer online sales and delivery and in fall 2022 the government e-commerce site was shut down. With that, the transition from government-run retail to private cannabis retail in the territory was complete.

The Yukon Liquor Corporation continues to be designated as the government-run wholesaler from which the Yukon's cannabis retailers buy their product. The corporation supports the local legal cannabis industry by providing sourcing and supply services, sales and distribution, managing supply agreements with federally-licensed cannabis producers (vendors) and operating a central warehouse. Regulation, licensing and inspection of licensed premises are functions of government undertaken by the corporation.

Wholesale inventory carried by the corporation is determined in close collaboration with cannabis licensees. The corporation regularly meets with retailers and has implemented a core product and special-order process to tailor inventory to meet Yukoners' preferences based on input from the industry.

To date, the Yukon has six licensed retailers located in Whitehorse (4), Dawson City (1) and Watson Lake (1) and one federally Licensed Producer, located in Whitehorse.

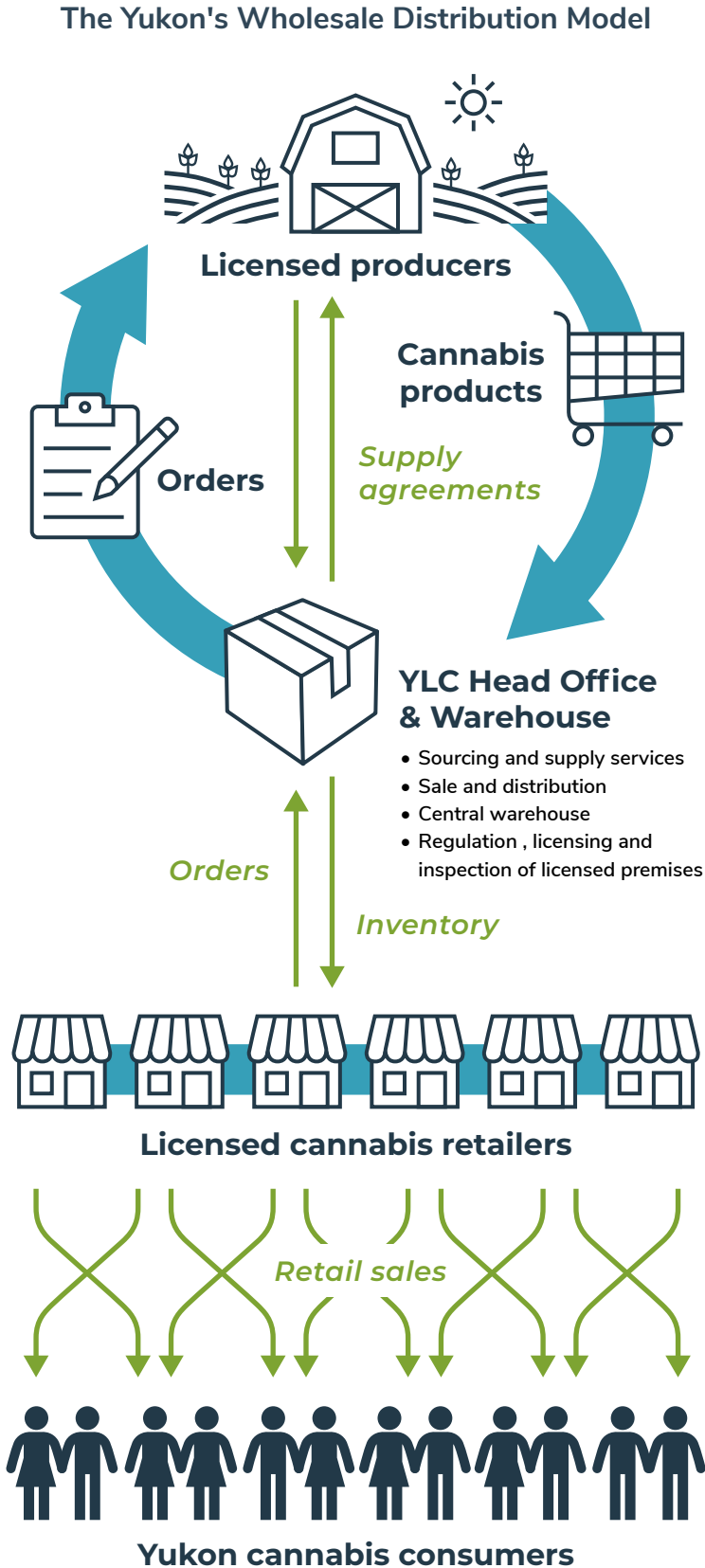


Figure 1: Model for cannabis wholesale, distribution and retail in the Yukon

5. Data-gathering process

Data for the five-year review was collected from a variety of sources. Upon legalization, collection of Yukon-specific health indicators was started by the Department of Health and Social Services, providing data on issues such as hospital visits and motor vehicle accidents since 2018. The Yukon Liquor Corporation (YLC) also kept track of, reviewed and analysed a range of research reports that illustrate the various dimensions of cannabis consumption patterns, sources of purchase, age distributions and other trends.

For this purpose, YLC compared national data covering all Canadian jurisdictions to Yukon-specific data — where available — to have a sense, and illustrate, how the Yukon compares to the rest of the country. The statistical reports were mainly authored by Statistics Canada, Health Canada and University of Waterloo/Public Health Ontario. Also included are surveys undertaken by the Yukon Liquor Corporation, Yukon Bureau of Statistics and the Department of Health and Social Services.

The statistical reports included are, among others:

- ▶ Yukon Addictions Survey (2005)
- ▶ Yukon Liquor Corporation Social Responsibility Survey (2021)
- ▶ Canadian Cannabis Survey (years 2019 to 2023)
- ▶ Cannabis Policy Study in the Territories, Yukon Report (years 2022 and 2023)
- ▶ International Cannabis Policy Study (years 2022 and 2023)

In addition to research papers, the review collected data through internal engagement with the Government of Yukon departments of Health and Social Services, Justice, Highways and Public Works and through public engagement. Engagement included an online survey, in-person meetings, virtual meetings and written responses.

The Yukon Liquor Corporation collaborates with other Canadian jurisdictions and Health Canada through official working groups on an ongoing basis. Relevant data obtained through these networks since legalization also contributed to the overall data set used in the review and analysis of this report.

5.1 Data limitations

Areas of cannabis data and valid Yukon-specific research data are limited for a number of reasons. Firstly, five years of legalization is still relatively short and there remain a number of data gaps in the research around cannabis, at local as well as (inter)national levels.

Secondly, due to the Yukon's relatively low population numbers, the Yukon is not always properly represented in surveys. For example, the Canadian Cannabis Survey 2023 included only 245 participants for all three territories combined and they are represented as one category in the study results. A majority of studies and news articles only include Canada's provinces while excluding the territories. Some studies include partial data for the Yukon while suppressing other data categories for privacy reasons due to a limited number of respondents. Variations in research methods between studies can also lead to what seem to be discrepancies in data as different measures are applied. It should further be noted that cannabis research data is based on self-reported consumption through surveys.

The most comprehensive research data for the Yukon consists of the two waves of the Cannabis Policy Study in the Territories, Yukon version which reached respondents at over 14,000 physical mailbox addresses. This cross-sectional population-based study provides the three territories with feedback in the early stages of cannabis legalization and evidence on the longer-term public health considerations. The number of Yukon respondents the study data is based on was 1415 in 2022 and 1405 in 2023.

The Social Responsibility Study (2021) undertaken by the Yukon Liquor Corporation through the Yukon Bureau of Statistics yielded a sample of 1505 households with 646 respondents completing the survey.

For the reasons mentioned above, it is difficult in some scenarios to draw conclusions based on solid evidence. Caution in interpreting study results is warranted.



6. Engagement process

The Yukon Liquor Corporation engaged with a range of stakeholders to ensure a comprehensive scope of experiences and opinions regarding the implementation of the *Cannabis Control and Regulation Act* in the Yukon informed this review.

YLC held meetings with officials from the different branches within the Yukon Liquor Corporation as well as with the departments of Health and Social Services, Justice, and Highways and Public Works.

YLC invited all 14 Yukon First Nations and the Council of Yukon First Nations, municipalities and local advisory councils, Association of Yukon Communities, RCMP, MADD Whitehorse and three Chambers of Commerce, industry representatives and various government agencies.

As a result, YLC held meetings with:

- ▶ The Chief Medical Officer of Health
- ▶ The Child and Youth Advocate and representatives of Communities Building Youth Futures
- ▶ Leadership from a Yukon First Nation
- ▶ Municipalities through a board meeting with Association of Yukon Communities (AYC)
- ▶ Each of Yukon's six licensed cannabis retailers and one local Licensed Producer

The online public survey provided us with feedback from 307 respondents.

YLC reached out by email and mail to a range of stakeholders inviting them to answer customized questions or referring them to the online survey. YLC received written feedback from the RCMP, MADD Whitehorse and two Local Advisory Councils.

More details on the public engagement undertaken for the review can be found in the Five-year review Cannabis Control and Regulation Act – What We Heard Report.

7. Review findings

7.1 Public health and safety and legalization

7.1.1 Patterns of use

Since well before legalization, Yukoners have been consuming cannabis at a higher per capita rate than the national average. According to the 2005 Yukon Addictions Survey, the proportion of Yukoners who reported using cannabis in the 12 months prior was 21%, compared to 14% of Canadians overall³. The Canadian Community Health (CCHS) survey in the 2015/16 cycle showed this number to be 20%. These figures demonstrate that cannabis use in the territory was common and consistent from year to year, prior to legalization.

Data from the 2021 Yukon Social Responsibility Survey confirmed this overall trend. The survey showed that almost 37% of respondents indicated that they had consumed cannabis in the past 12 months. According to the Canadian Cannabis Survey 2020, 27% of Canadians reported having used cannabis in the past 12 months, an increase from 25% in 2019⁴.

Research through the Cannabis Policy Study shows that by 2022, 46% of Yukon respondents reported using cannabis in the last 12 months, compared to 35% of Canadians overall. In the same period, daily/near daily use in the Yukon was 18% versus 12% for the ten provinces⁵.

The same research methodology repeated in the fall of 2023 generally found a lower cannabis prevalence in 2023 compared to 2022 for the Yukon.⁶ The results are shown in **Table 1**.

³ Government of Yukon, Department of Health and Social Services, Yukon Bureau of Statistics, Yukon Addictions Survey (YAS), *Preliminary Results 2005, A survey of Yukoners' use of alcohol and other drugs*.

⁴ Health Canada, Canadian Cannabis Survey, 2020.

⁵ Hobin E, Poon T, Schwartz N, Steiner M, Sathiyamoorthy A, Corsetti D, Fataar F, Hammond D. *Cannabis Policy Study in the Territories: Yukon 2022 Report*. August 2023.

⁶ Hobin E, Schwartz N, Forbes S, Poon T, Mayorga-Bernal V, Yu L, Iraniparast M, Fataar F, Hammond D. *Cannabis Policy Study in the Territories: Yukon 2023 Report*. June 2024.

Table 1: Cannabis use frequency in the Yukon and Canada in 2023 and 2022

Yukon self-reported cannabis use	2023	2022
Past 12 months	41%	46%
At least monthly	27%	30%
Daily/near daily (5 days/week)	16%	18%
Canada’s self-reported cannabis use (Provinces)	2023	2022
Past 12 months	35%	35%
At least monthly	26%	25%
Daily/near daily (5 days/week)	13%	12%

While overall prevalence of cannabis consumption has increased, the number of Yukoners and Canadians who report using cannabis daily has not increased since legalization. Results from the Canadian Cannabis Survey – undertaken annually since 2017 – shows daily users at a rate of 18-19% up to 2022 and decreasing to 15% in 2023.

The majority of cannabis users in Canada use cannabis three days per month or less. This rate has remained unchanged between 52%-55% over the 2017–2023 period. While there are more cannabis users since legalization, their use of the product appears to be relatively infrequent, and the proportion of daily users has remained stable over time.

Health Canada indicates an increasing trend across sex and all age groups except for 16-19 year olds since 2018. The highest use is among males and youth/young adults (16-24 year olds).⁷

Data from Health Canada varies in the area of cannabis prevalence across Canada and reports 22% past 12-month cannabis use in 2018 increasing to 27% in 2022 and 26% in 2023. The statistics discrepancies between the studies are due to differences in research methodology. The Canadian Cannabis Survey (CCS) reports on non-medical cannabis use only, while the International Canadian Policy Study (ICPS) asks about cannabis use overall (including cannabis use for medical purposes). The CCS includes respondents aged 16 and older, while the ICPS includes respondents age 16-65.

⁷ Health Canada, Canadian Cannabis Survey, Findings from 5 years of data, February 2023.

7.1.2 Product preferences and consumption methods

While cannabis dried flower used to be the main product pre-legalization, since legalization the range of cannabis products has expanded into a variety of categories. In the Yukon, the most popular cannabis product categories are dried cannabis (flower and pre-rolls), edibles, vape cartridges and inhaled extracts (see **Figure 8**).

A five-year comparison of consumption methods by Health Canada led to the following key findings:

- ▶ While smoking cannabis has decreased, it remains the most common consumption method overall in Canada. Smoking cannabis decreased from 89% in 2018, to 70% in 2022 and 63% in 2023;
- ▶ Eating/drinking cannabis increased from 43% in 2018 to 55% in 2023 and remained stable between 2022 and 2023; and
- ▶ Vaping cannabis (dried, liquid or solid extracts) was unchanged between 2018 and 2023 and decreased between 2022 (36%) and 2023 (33%). Yukon trends align with national trends with no real differences.

Various consumption methods and differences in THC, CBD and other cannabinoid potencies may lead to different health risks, with low potency products considered to be safer than high potency products. More insight into the Yukon's product preferences and sales figures can be found in section 7.3 Economic effects.

7.1.3 Polysubstance use

Combining consumption of cannabis with other substances, such as alcohol, tobacco cigarettes, or e-cigarettes/vaped nicotine on the same occasion is common, with alcohol seeing the highest co-use in the Yukon (53% of past 12-month cannabis consumers in 2023).⁸ At a national level, co-use of cannabis with alcohol was 40% according to the Canadian Cannabis Survey results in 2023.

Another trend is a reduction in alcohol consumption as a result of cannabis legalization. In 2023, 25% of Yukon respondents who used cannabis and alcohol in the past 12 months reported drinking less alcohol as a result of legalization, while 66% drank the same amount.⁹ In 2022 this rate was 24%, while 67% of respondents indicated that they drank the same amount of alcohol.

7.1.4 Problematic use

Based on World Health Organization (WHO) methodology, 6% of Yukon respondents were considered at 'high risk' of problematic cannabis use, while 30% were 'moderate risk' and 64% at 'low risk' in 2023. Key findings by Health Canada indicate no change in problematic cannabis use, with 3% of Canadian cannabis users being identified as 'high risk'.

A high-risk score means that consumers at this level are at a high risk of dependence or are dependent on cannabis and are probably experiencing health, social, financial, legal and relationship problems as a result of their cannabis use. Similarly, a moderate-risk score means that consumers using at this level are at a moderate risk of health and other problems and may be experiencing some of these problems now. Continuing use in this way indicates a likelihood of future health and other problems.

^{8,9} Hobin E, Schwartz N, Forbes S, Poon T, Mayorga-Bernal V, Yu L, Iraniparast M, Fataar F, Hammond D. Cannabis Policy Study in the Territories: Yukon 2023 Report. June 2024.

7.1.5 Use at work

The Yukon version of the Cannabis Policy Study in the Territories asked respondents if they had used cannabis at work or within two hours of starting work in the past 30 days. 9% of cannabis using respondents reported this behaviour in 2023, unchanged from 2022. For workers engaged in hazardous/safety-sensitive or care-related tasks these rates were even higher at 8% in 2022 and 13% in 2023.

An article published by the National Library of Medicine reported similar rates for cannabis use in the workplace among Canadian workers. According to the study 9.4% of respondents reported using cannabis in the workplace in mid 2018. Close to a year after legalization this rate had dropped to 9.1%.¹⁰

7.1.6 Cannabis and vehicle use

At the time of cannabis legalization, there was general concern that this could result in increased rates of driving under the influence. This issue was also expressed multiple times by various stakeholder groups during the public engagement for the five-year review in response to risky behaviour on highways as well as within city limits and communities.

In 2023, 11% of Yukon respondents who used cannabis in the past 12 months indicated that they had driven a vehicle within 2 hours of cannabis use, down from 15% in 2022. This percentage was similar (12%) for the ten provinces. In the Yukon, 17% of respondents reported having been a passenger with a driver who had used cannabis within 2 hours, similar to the ten provinces (14%). This measure was higher outside of Whitehorse (37%) compared to within Whitehorse (15%).¹¹

Yukon RCMP data indicates that cannabis-impaired driving represented 3.4% of reported impaired driving offences in 2023.

Enforcement of cannabis-impaired driving is challenging and time-consuming for a variety of reasons, one of them being that currently no roadside devices exist that quickly and accurately measure cannabis impairment in a manner comparable to how breathalyzers measure impairment due to alcohol.

Challenges in addressing impaired driving in the Yukon include the wide-spread availability of drugs, social attitudes towards substance use and limited awareness regarding the consequences of driving under the influence, Yukon's expansive geography, and limited law-enforcement resources.

Recognizing the need to make the Yukon's roads safer, the Department of Highways and Public Works is working on new measures to address cannabis and alcohol impairment through future updates to road safety laws.

7.1.7 Legal market share

The legal market continues to grow in terms of dollars spent. Sales figures demonstrate that the Yukon retail market has grown from just over \$2 million in 2018/19 to \$13 million in 2023/24.¹² Part of this growth is due to increases in territorial population and cannabis consumers transitioning into a more mature legal market with more retail licensees, and a growing variety of products. With legalization also comes a larger portion of the population that is comfortable to admit that they use cannabis, while they may have been reluctant to do so prior to legalization. As reported by stakeholders, tourists in the Yukon also contribute to the growth of the legal market as they boost sales during the summer season.

The market for legal cannabis products has grown steadily as Yukoners turn away from the illicit cannabis market to purchase legal cannabis from licenced retail stores. Data from the YLC 2021 Social Responsibility Survey showed that of those who consumed cannabis in the 12 months prior to taking

¹⁰ Nancy Carnide et al., *Cannabis use and workplace cannabis availability, perceptions and policies among Canadian works: comparison before and after legalisation of non-medical cannabis*, December 2022.

¹¹ Hobin E, Schwartz N, Forbes S, Poon T, Mayorga-Bernal V, Yu L, Iraniparast M, Fataar F, Hammond D. *Cannabis Policy Study in the Territories: Yukon 2023 Report*. June 2024.

¹² Monthly retail trade sales by province and territory (statcan.gc.ca), cannabis retailers/unadjusted Apr 2023 to Mar 2024.

the survey, roughly 72% acquired their cannabis from legal sources within the territory.

The remaining 28% of cannabis consumers purchased from various sources, some of which may have been legal, but the data is not specific enough to make a determination on whether these sources were legal or illicit. Subsequent research indicates that sourcing from legal retail sources by Yukon consumers increased to 79% in 2022 and 82% in 2023.¹³

The Yukon Liquor Corporation’s public engagement survey undertaken in the fall of 2023 confirmed this statistic with 84% of respondents indicating that they sourced their cannabis from local licensees.

These numbers indicate strong support for the Yukon’s legal cannabis industry as it increases its market share steadily year-over-year.

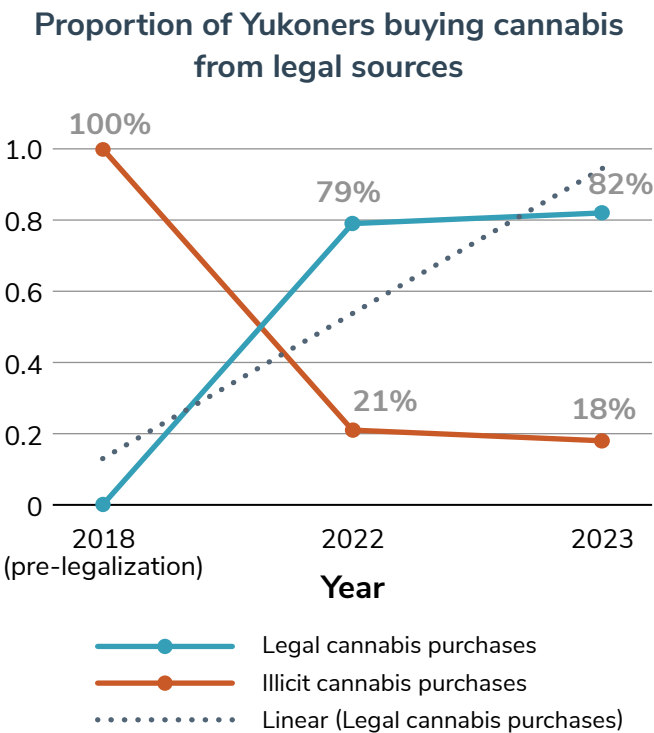


Figure 2: Transition legal and illicit cannabis purchases in the Yukon

7.1.8 Illicit market activity and other cannabis violations

The Yukon’s small population and geographic isolation contributes to its distinct market dynamics and influence and characterize illicit market activities. Proximity to international borders and transportation corridors can influence the flow of illicit cannabis, distinguishing the Yukon market from other jurisdictions. Comparison with other jurisdictions is therefore difficult as informed by the RCMP “M” Division Yukon.

Prior to legalization, cannabis charges laid by law enforcement were mainly focused on violations related to trafficking. **Table 2** below provides insight into this illicit market activity for the years 2016-2018.¹⁴

Table 2: Illicit market activity in the Yukon 2016-2018

Year	Total cannabis-related occurrences	Trafficking violations - Yukon	Violations possession for the purpose of trafficking Yukon
2016	54	16	20
2017	44	18	9
2018	37	11	2

¹³ Hobin E, Schwartz N, Forbes S, Poon T, Mayorga-Bernal V, Yu L, Iraniparast M, Fataar F, Hammond D. Cannabis Policy Study in the Territories: Yukon 2023 Report. June 2024.

¹⁴ RCMP M Division data, 2024.

Law enforcement after legalization focused on a variety of breaches related to the federal Cannabis Act as well as the territorial Cannabis Control and Regulation Act. **Table 3** provides an overview of the most prevalent violations.

Table 3: Cannabis-related charges in the Yukon 2019-2023

Cannabis offence	2019	2020	2021	2022	2023	Total
Possession > 30 gram in public space	1				1	2
Possession of illicit cannabis		4				4
Distribution > 30 grams			1			1
Distribution of illicit cannabis		3				3
Possession for purpose of distributing – trafficking	1		1			2
Possession for purpose of selling – trafficking	2	9	4			15
Unauthorized possession of cannabis or cannabis plant				1		1
Possession > 30 grams in public or vehicle				1	1	2
Budding/flowering plant in public or vehicle		1				1
Unauthorized possession/care and control in vehicle	1	3	9	10	17	40
Public consumption					1	1
Adult selling without licence		1				1
Total violations	5	21	15	12	20	73

Analyzing the data pre- and post-legalization shows a reduction in cannabis-related charges laid and reduced illicit market activity. It also shows that the vast majority of charges laid are related to impaired driving or unauthorized possession of cannabis in a vehicle (see green highlight in table).

7.1.9 Yukon health indicators

Upon legalization, the Government of Yukon, through the Department of Health and Social Services, started collecting health indicators to measure whether the newly established cannabis rules were having the intended effects to protect public health and safety.

Over time, not all chosen indicators yielded timely accurate data, as data gaps in cannabis research still exist. For example, the indicator for pregnancy and reproductive health – measuring the percentage of women who used cannabis during pregnancy – through hospital data has not been available for the Yukon in the 2018-2023 data collection period. In addition, some indicators were measured in different manners between years, making comparison difficult or invalid. Going forward, determining the collection of an alternative suitable and consistent set of indicators is important. Therefore, for the purposes of this report, only the most relevant health indicators are discussed below:

- ▶ Cannabis-related emergency department visits and hospitalizations
- ▶ Overdose
- ▶ Motor vehicle collisions and fatalities

The Yukon Liquor Corporation has reported on these indicators on an annual basis through the corporation's Annual Reports. Comprehensive data on patterns of use can be found in sections 7.1.1–7.1.6 of this report, while market and economic information can be found in 7.3.

7.1.10 Emergency department visits and hospitalizations

As recreational use of cannabis became more prevalent, an increase in emergency department visits and hospitalizations for cannabis-related harms might be anticipated. In the years preceding legalization (2013-2018) the territory saw 275 emergency room visits related to cannabis use. The number of visits per year varied from a low of 27 in 2013 to a high of 86 in 2018. Between 2018 -2023 there were 471 emergency visits in total with a peak of 104 visits in 2021 (Figure 3).

Cannabis-related emergency department visits (excluding poisoning) 2016-2023

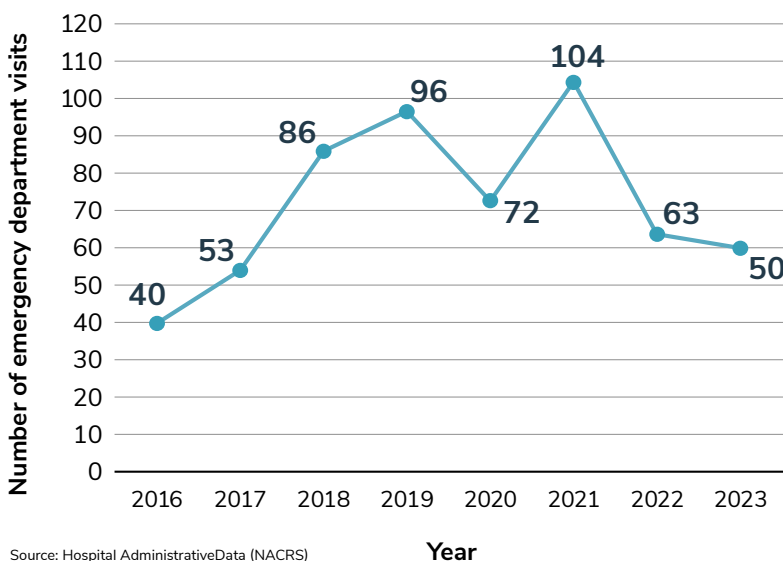


Figure 3: Cannabis-related emergency department visits

The years following legalization saw numbers rise slightly: with 96 visits in 2019, 72 in 2020 and a high of 104 in 2021. While the rise might be attributable to an increase in access to cannabis, it might also be a result of individuals feeling that it is more socially acceptable to seek help because cannabis consumption is no longer illegal. In the years 2020-21, the dip and then spike in hospitalizations is consistent with the trends seen for other substances.

¹⁵ Yukon hospital data, 2023.

In 2023, 40% (20 cases) of cannabis-associated emergency department visits was for people under the age of 25.¹⁵ This is an important age group to monitor since they are most affected by the negative effects of cannabis use due to developing brains. Younger age groups report higher use of cannabis than older generations.

Similarly, the number of hospitalizations due to cannabis use might be expected to rise with legalization. However, the number of hospitalizations has remained fairly stable for the years surveyed, with the exception of 2023 which saw an increase to 45 hospitalizations over the year. Male users and those under the age of 25 are the largest demographic in terms of both hospitalizations and emergency room visits; however, this is as true for the periods prior to legalization as it is for those after legalization.

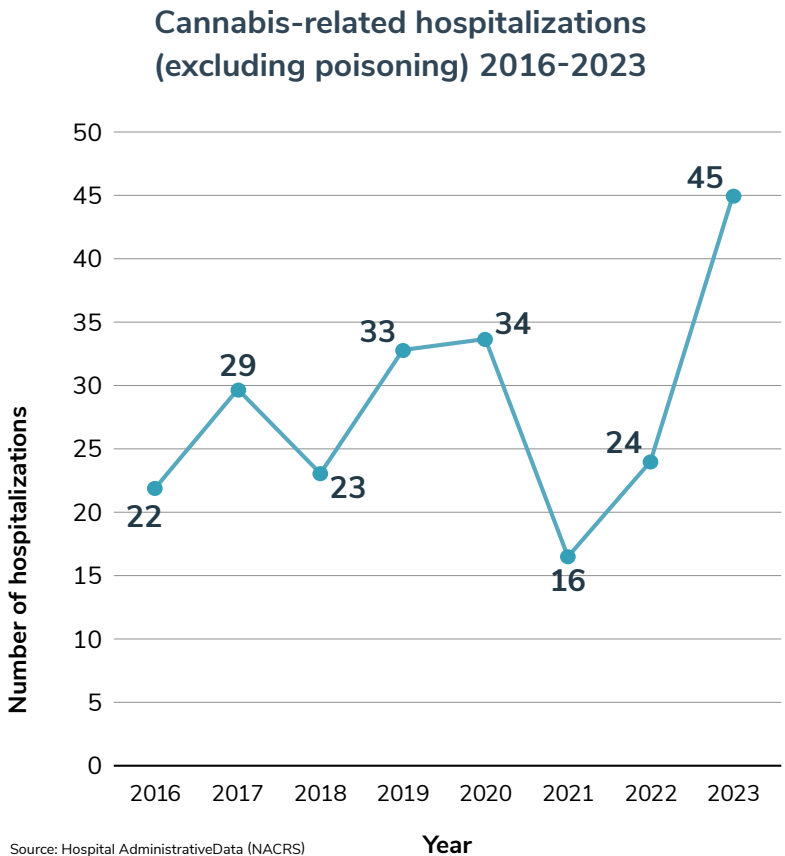


Figure 4: Cannabis-related hospitalizations (excluding poisoning)

In 2023, 16% (7 cases) of cannabis-related hospitalizations were for people under the age of 25.

7.1.11 Motor vehicle collisions and fatalities

Coroner data — which records the number and percentage of fatal motor vehicle collisions where cannabis was detected in the driver’s system — shows more than five cannabis related motor vehicle fatalities every year in 2018 and 2019 and less than five in 2020, 2021 and 2022.

Data on the number and percentage of non-fatal motor vehicle collisions where cannabis was detected in the driver’s system was to be collected from the National Collision Database, but this information has not been available to date.

As indicated earlier, impaired driving remains a public concern in the Yukon.

7.1.12 Licensee enforcement measures

The authority to enforce the rules of the Act and regulations is divided between YLC Licensing and Compliance Officers and the RCMP. While YLC Licensing and Compliance Officers only have authority to inspect licensed premises or address issues with licensed retailers, the RCMP are in charge of breaches involving anyone else who is not a licensee, as well as any breaches outside of licensed premises.

Despite the strict regime, cannabis retailers have been successful in implementing the cannabis framework and over the span of five years, only two instances of enforcement action have been taken towards one licensed retailer. The violations were administrative in nature and no charges were laid.

7.1.13 Public health and safety concerns
– public engagement

As reported in more detail in the What We Heard report, the public engagement revealed a number of public health and safety concerns. The top five issues and concerns raised by the Chief Medical Officer of Health, Child and Youth Advocate Office and the RCMP can be summarized as follows:

- ▶ Normalization of cannabis: the attitude of “it’s legal so it’s safe” needs to be addressed as consumers are ignoring potential harms or assuming that cannabis consumption is safe and without risks;
- ▶ Youth can still easily access cannabis, the supply to young people needs to be better understood and addressed;
- ▶ Public awareness campaigns are needed to increase knowledge of various topics – such as potential risks and how to distinguish between legal and illegal products and websites – funded from cannabis revenues;
- ▶ Lack of enforcement against illegal online sellers; and
- ▶ Need for improvement of price competitiveness with the illicit market to reduce illicit activity.

The top concerns in this area raised in the public survey were:

- ▶ The high rate of consumption by youth and high rates of consumption in public spaces, despite the restrictions in place under the legislation;
- ▶ The need for public education to address the “it’s legal so it’s harmless” attitude; and
- ▶ Better alignment between rules for cannabis and alcohol as both are regulated substances with potential risks but the current frameworks are different.

7.2 Legalization and the
protection of young persons

Protection of young persons is one of the top priorities of cannabis legalization. We looked at trends observed regarding cannabis use among youth since legalization to determine if there have been notable changes.

Statistics Canada data over the 2018-2022 period indicates that cannabis use is most common among 18-24 year olds. Use among 15-17 year olds has not increased since legalization. In contrast, cannabis use in other age groups increased from 2011 to 2021.¹⁶

Key findings from the Canadian Cannabis Survey in 2023 indicate that Canada-wide there was no clear trend for past 12-month cannabis use among youth in the 16-19 years of age range. In 2023, 43% of youth reported using cannabis at least once in the past 12 months, an increase compared to 2022 (37%) and 2018 (36%). However, this 43% rate was similar to the rate measured in 2019 (44%) and 2020 (44%).¹⁷

Despite these statistics, the age of initiation – the age at which consumers first tried or started using cannabis – shows an increasing trend between 2018 and 2023. In 2023 the average age of first-time consumers was 20.8 years old versus 18.9 years old in 2018.

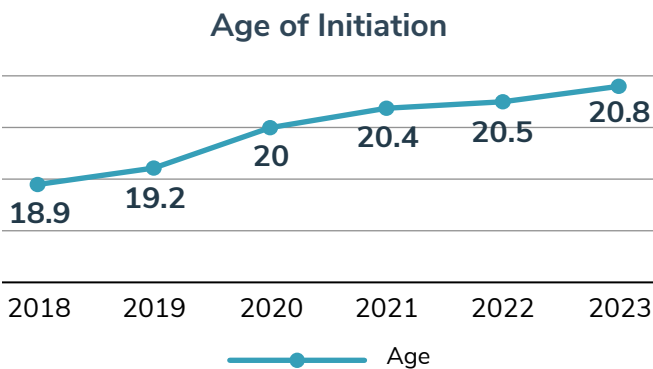


Figure 5: Initiation cannabis consumption
2018-2023

¹⁶ Statistics Canada, Research to Insights: Cannabis in Canada, October 16, 2023.

¹⁷ Health Canada, The 2023 Canadian Cannabis Survey provides important insights into Canadians' knowledge, attitudes and behaviours on cannabis use, news release, Jan 12, 2024.

Yukon-specific data shows that a higher prevalence of cannabis consumption can be found in younger people compared to adults over the age of 56.

Table 4 : Cannabis use prevalence by age¹⁸

	Past 12 months		At least monthly		Daily/near daily	
	2022	2023	2022	2023	2022	2023
16-35	56%	48%	37%	30%	21%	18%
36-55	47%	46%	31%	31%	17%	15%
≥ 56	35%	29%	24%	21%	15%	13%

Research of cannabis use among households with children shows that cannabis consumption takes place in over 40% of households with children in the Yukon, which is similar to the overall cannabis prevalence rate in the territory.

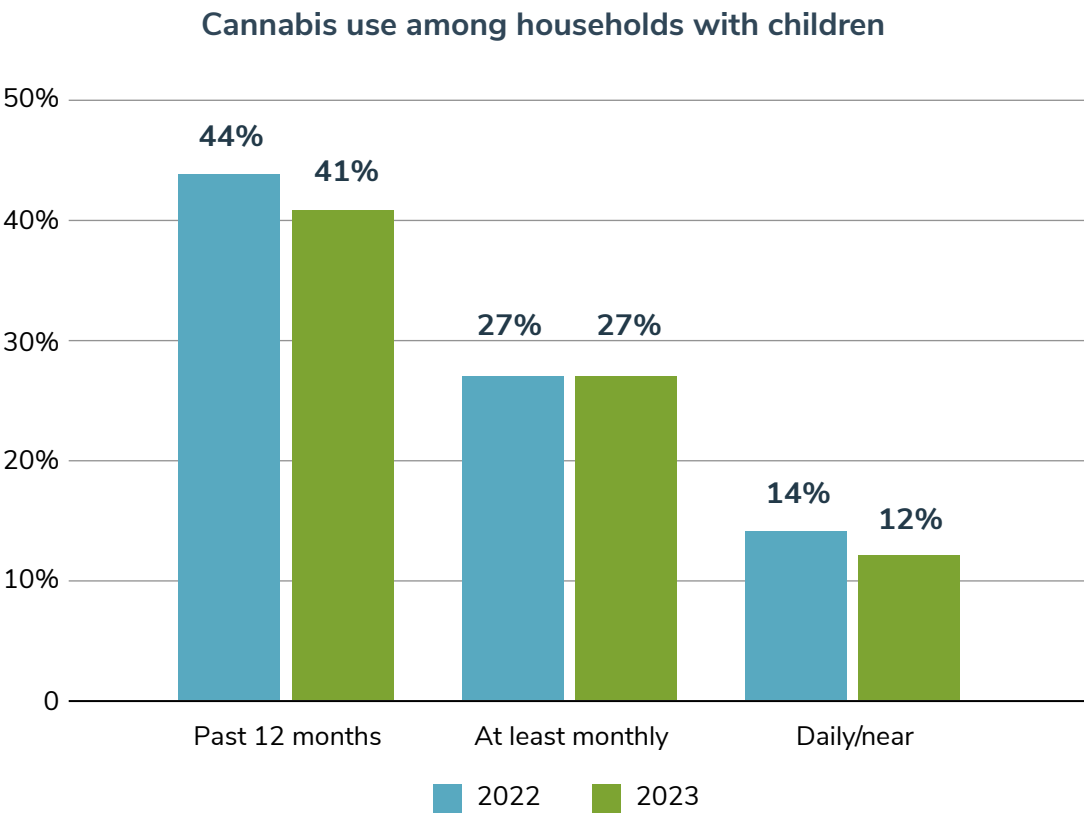


Figure 6: Cannabis use in Yukon households with children

¹⁸ Hobin E et al., Cannabis Policy Studies Territories, Yukon Reports 2022 and 2023. August 2023, June 2024.

Public engagement showed concerns from some stakeholders regarding access to edible cannabis by youth, especially gummies and other edibles that look like candy. While there have been media reports around accidental consumption of edibles by children, these products were in general sourced from the illegal market and had colourful packaging made to look like regular candy. It is important to note that legal edibles — such as gummies — must meet Health Canada’s packaging requirements which were designed to be unappealing to youth. Requirements include childproof, plain packaging, usually solid black or white, without vivid colours or images.

A key finding in comparison of five years of cannabis data by Health Canada is that 1% of cannabis users reported any accidental consumption of cannabis in 2022. Most accidental consumption was by a pet.¹⁹

While concerns about high but stable rates of cannabis use among youth and young adults remain, more data is needed to better understand how youth in the Yukon access cannabis. Although data collected for the review does not suggest that youth have access to cannabis through the legal market – but rather from friends, relatives or illegal online sellers – more research is needed to better understand how youth source cannabis and come up with solutions to address this concern. Protective measures built into the cannabis legislation are working, but more work is required to reduce youth access via illicit channels.

7.2.1 Child Rights Impact Assessment (CRIA)

A Child Rights Impact Assessment — or CRIA — is a tool to assess and uphold the best interests of children in policy and practice and was developed in response to the United Nation’s Convention on the Rights of the Child (UNCRC).

A CRIA exercise was undertaken as part of the five-year review to assess feedback received in relation to youth that could have an effect on the *Cannabis Control and Regulation Act* or its regulations. Article 33 – Protection from harmful drugs – of the United Nation’s Convention on the Rights of the Child is relevant and applicable to the cannabis framework. This article states that governments must protect children from taking, making, carrying or selling harmful drugs.

Youth protection provisions in the Act include measures such as setting the legal age to access cannabis at 19 years of age or older, preventing anyone from seeing or hearing any activity within a cannabis store from the outside, restrictions on advertising and a complete ban on access, sale or delivery of cannabis to youth. Youth are not allowed in cannabis stores and retailers must check identification of individuals who appear to be younger than 30 years. Minimum distance requirements between cannabis stores and elementary and secondary schools are also in place.

The CRIA exercise highlighted that youth-related provisions in the Act itself aim to uphold Article 33, but that youth may be exposed to legal or illicit cannabis in households where adults consume cannabis, or otherwise be exposed to cannabis consumption in contravention of the legal framework for cannabis.

The recommendations section identifies measures to address concerns regarding the normalization of cannabis use and data gaps in relation to youth.

¹⁹ Health Canada, *Canadian Cannabis Survey: Findings from 5 years of data*, February 2023.

7.3 Economic effects

7.3.1 Cannabis wholesale to retailers

In line with transition to a legal cannabis industry and growing legal market share (as discussed in s. 7.1.7) the following figures show the contribution of legalization to the Yukon economy in terms of wholesale and associated volumes per sales category.

With six licensed cannabis retailers, one local Licensed Producer and year-over-year growth, the legal cannabis industry has firmly established itself in the Yukon. Jointly, the six licensed retailers employ approximately 44 employees.

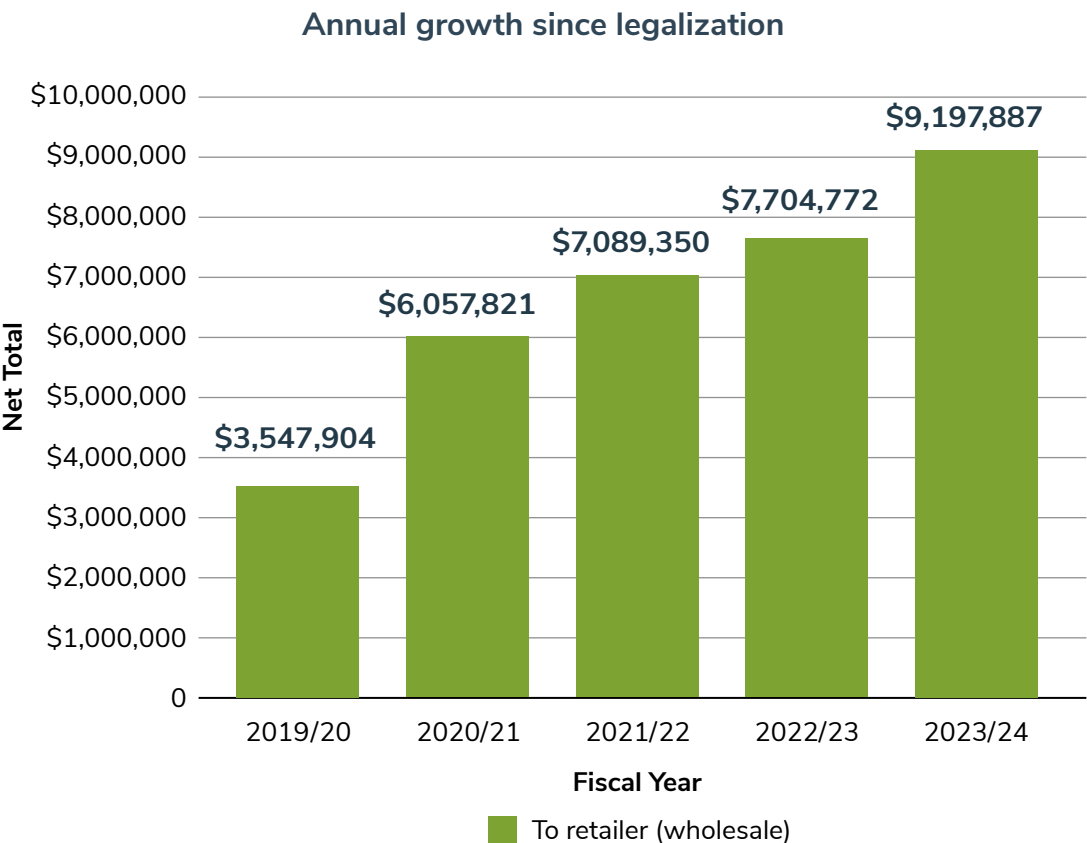


Figure 7: YLC cannabis wholesale-to retailers 2019-2024

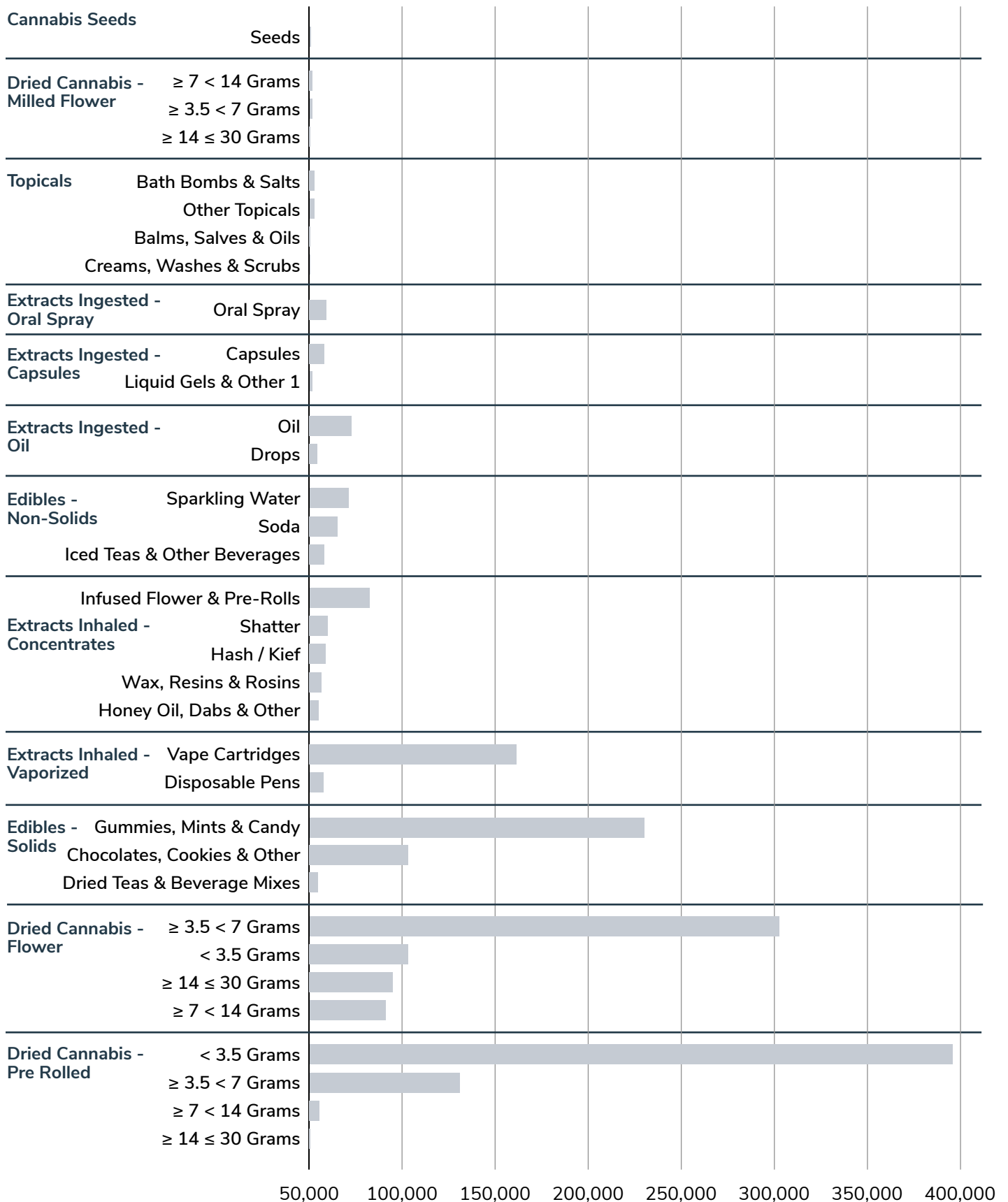
The growth in cannabis wholesale-to-retailers from \$3.5 million in 2019-2020 to just over \$9 million in 2023-2024 clearly demonstrates the transition to a legal cannabis system, reducing sales through the illicit market. A detailed breakdown of product sales per category can be found in the next graphics.

**Figure 8:
Total units sold
by Yukon Liquor
Corporation
from 2018-2023**

All sources: Cannabis
Yukon retail store,
e-commerce, wholesale
to retailers

Category	Sub-Category	Sum of Total
Dried Cannabis - Pre Rolled	≥ 14 ≤ 30 Grams	571
	≥ 7 < 14 Grams	6,090
	≥ 3.5 < 7 Grams	92,598
	< 3.5 Grams	396,591
Dried Cannabis - Pre Rolled Total		495,850
Dried Cannabis - Flower	≥ 7 < 14 Grams	46,976
	≥ 14 ≤ 30 Grams	51,420
	< 3.5 Grams	60,881
	≥ 3.5 < 7 Grams	289,716
Dried Cannabis - Flower Total		448,993
Edibles - Solids	Dried Teas & Beverage Mixes	5,285
	Chocolates, Cookies & Other	60,929
	Gummies, Mints & Candy	206,561
Edibles - Solids Total		272,775
Extracts Inhaled - Vaporizers	Disposable Pens	8,479
	Vape Cartridges	127,754
Extracts Inhaled - Vaporizers Total		136,233
Extracts Inhaled - Concentrates	Honey Oil, Dabs & Other	5,501
	Wax, Resins & Rosins	7,425
	Hash / Kief	10,153
	Shatter	11,420
	Infused Flower & Pre-Rolls	37,020
Extracts Inhaled - Concentrates Total		71,519
Edibles - Non-Solids	Iced Teas & Other Beverages	9,116
	Soda	17,418
	Sparkling Water	24,052
Edibles - Non-Solids Total		50,586
Extracts Ingested - Oil	Drops	4,960
	Oil	26,118
Extracts Ingested - Oil Total		31,078
Extracts Ingested - Capsules	Liquid Gels & Other	1,660
	Capsules	9,122
Extracts Ingested - Capsules Total		10,782
Extracts Ingested - Oral Spray	Oral Spray	10,464
Extracts Ingested - Oral Spray Total		10,464
Topicals	Creams, Washes & Scrubs	396
	Balms, Salves & Oils	549
	Other Topicals	2,909
	Bath Bombs & Salts	3,207
Topicals Total		7,061
Dried Cannabis - Milled Flower	≥ 14 ≤ 30 Grams	555
	≥ 3.5 < 7 Grams	1,578
	≥ 7 < 14 Grams	1,865
Dried Cannabis - Milled Flower Total		3,998
Cannabis Seeds	Seeds	814
Cannabis Seeds Total		814
Grand Total		1,540,153

YLC – Total Units Sold from 2018-2023



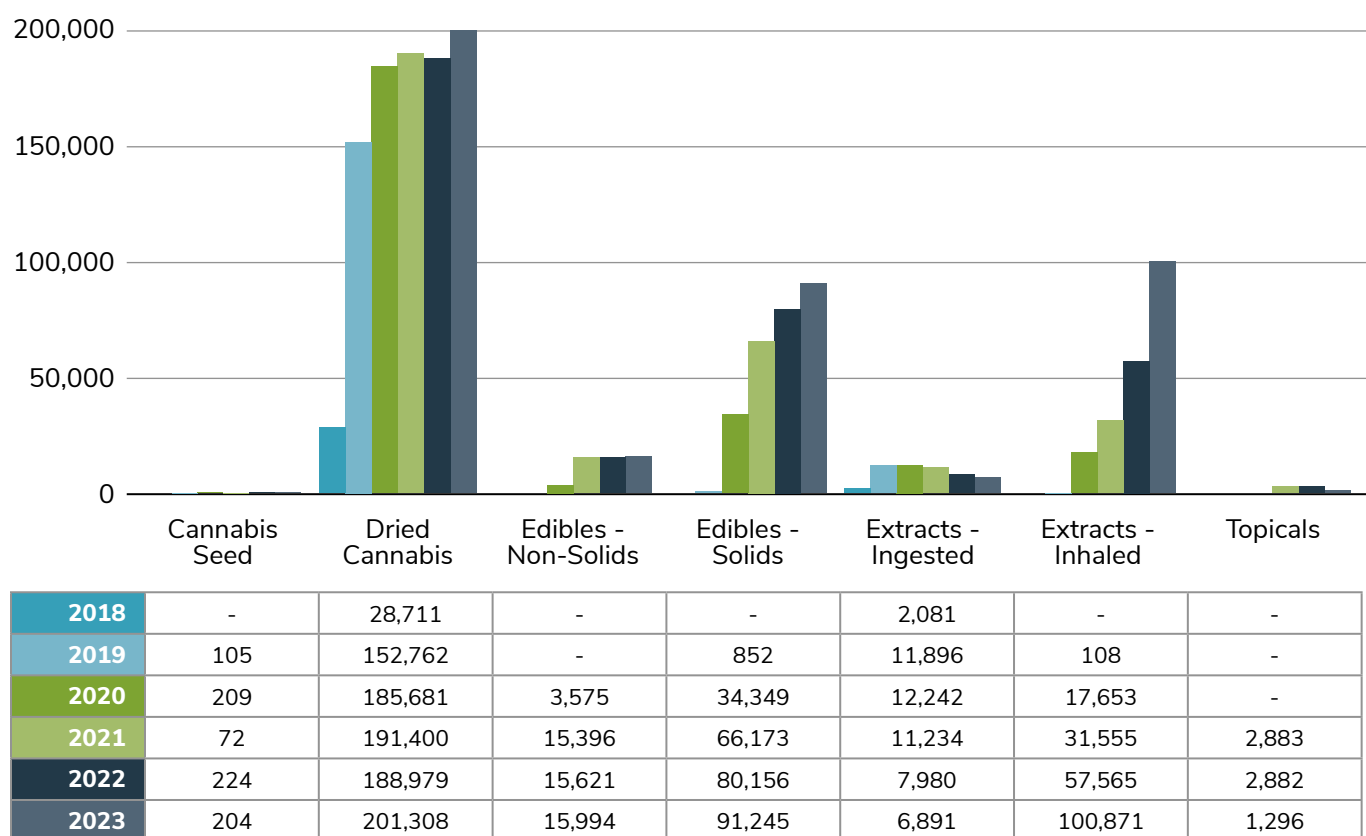


Figure 9: Units sold per year by Yukon Liquor Corporation

As illustrated in the graphs above, the most popular products in the Yukon are dried cannabis (flower and pre-rolls), edibles (gummies, mints and candy), vape cartridges and infused flower and pre-rolls (inhaled extracts category). These categories are similar to the most common product types used in 2023 across Canada which were dried flower (60%), edibles (54%) and vape pens or cartridges (34%).²⁰ On October 17, 2019, the federal Cannabis Regulations were updated to establish rules for the legal production and sale of three new classes of cannabis: edible cannabis, cannabis extracts, cannabis topicals, explaining the gap in early data.

7.3.2 Profits and government programs and services

All cannabis profits are remitted to the Government of Yukon and are part of the general revenue fund to pay for government services and programming for all Yukoners. During the 2023/24 fiscal year, the Yukon Liquor Corporation remitted \$369,000 to the Government of Yukon's general revenues in relation to cannabis.

The Government of Yukon receives 75% of the federal government's excise tax on cannabis sold in the Yukon. Federally Licensed Producers pay the excise tax on their cannabis products sold to YLC. For the 2022-2023 fiscal year the total amount was \$952,639.00. As with cannabis profits, the federal excise tax is entirely contributed to the Government of Yukon's General Revenue Fund and is used for general government services and programming.

²⁰ Health Canada, Canadian Cannabis Survey, 2023.

7.4 Comments on the existing regulatory model

The corporation asked licensed retailers and the public their opinions about the current wholesale distribution and retail model to identify any concerns or bottlenecks. Their responses are represented in the What We Heard report in more detail. Only issues linked to the Act are mentioned here as concerns related to federal legislation are not the focus of this review.

The main issues raised by **cannabis retailers** were:

- ▶ Request to allow loyalty programs to maintain and increase customer base and compete with the illicit market;
- ▶ A need for continued public education regarding the short and long-term harms of cannabis consumption, as well as the differences and importance of buying legal versus illegal cannabis products;
- ▶ Request to allow the sale of products such as t-shirts, snacks and growing equipment in licensed cannabis stores;
- ▶ Need for continued monitoring of pricing structure resulting in lower fees and wholesale pricing where possible. Continue close collaboration with retailers regarding inventory and supply to better position them to compete with and further reduce the illicit market. This includes liaising with retailers on special orders, premium products, beverages etcetera;
- ▶ A few retailers are interested in direct-to-retailer sales from Licensed Producers to vary product inventory between retailers and set themselves apart from other retailers, improve competition with the illicit market and lower costs; and
- ▶ Request to revoke the requirement for 'frosted windows' to improve safety of staff and customers in store and for aesthetic reasons, similar to changes made in various other Canadian jurisdictions.

The public engagement showed strong support for the local legal cannabis industry. The main issues raised by **the public** regarding the retail model were:

- ▶ A need for lower pricing and larger variety in inventory, especially compared to what is available in southern jurisdictions;
- ▶ Concerns about increased cost due to government involvement in the distribution and wholesale model. Support for direct-to-retail distribution with the expectation that this will lead to increased competition and lower prices;
- ▶ Concerns about discrepancies between stricter rules for cannabis sales compared to liquor sales; such as distances to schools and 'frosted windows' rules; and
- ▶ Roughly one-third of survey respondents would like to see changes to the retail model in favour of reducing restrictions for cannabis retailers.



7.5 Legislative matters

Legislative review of the current provisions, processes and procedures revealed some technical or administrative issues and possible policy approaches. The table below outlines the issues collected through the internal as well as external engagement.

Table 5: Overview of legislative issues related to the Act and associated regulations

Authority	Section	Issue	Description
CCRA	s. 4	Review of Act	Amend requirement for a review of the Act every five years and consider options for a longer review period.
CCRA	s. 14	Deadline for Annual Report submission does not allow sufficient time	Request to extend timeline for submission of cannabis annual report from 120 days to 180 days after fiscal year end to align with reporting requirements in the Liquor Act and the Government public accounts.
CCRA, Licensing Regulation	s. 25(5)(k) s. 9	Significant change	Significant changes related to business operations must be reported to the board. Consider options to further clarify this section.
CCRA, Licensing Regulation	s. 28 s. 11(a)	Public notification for licence application	The notification process may be adjusted to include an alternative process for notification.
CCRA	s. 36	Licence validity	s. 36(2) requires an amendment to include that a licence becomes invalid when the annual fee is not paid in a timely manner.
CCRA	s. 39	Renewal process	Review and simplification of renewal process may be pursued to reduce red tape.
CCRA, Licensing Regulation	s. 46 s. 7(c)	Forfeiture and destruction of cannabis	Review of forfeiture and destruction of cannabis provisions is needed. Currently RCMP forfeits seized cannabis to the corporation who then destroys it.
CCRA/regs		Licence transfer	The current Act does not allow for licence transfers. Development of requirements and process is needed to determine conditions under which this may occur.
CCRA		Extension enforcement authority YLC inspectors	YLC inspectors currently only have authority to ensure cannabis compliance in cannabis licensed premises. To support RCMP consider extending enforcement authority. In particular: YLC inspectors in a licensed premises would have the authority to enforce compliance of: 1. Cannabis being brought into liquor licensed premises. 2. Cannabis being consumed (smoked, inhaled) in liquor licensed premises. 3. Cannabis being advertised (promoted) in the liquor licensed premises.

Authority	Section	Issue	Description
Licensing Regulation	s. 3(b) s. 13	Fiscal year requirements	Review of fiscal year requirements to streamline calculation of renewal fees.
Licensing Regulation	s. 7(e)	Loyalty programs	s.7(3) prohibits encouragement of cannabis consumption through the offering of loyalty programs and other programs. Further consideration of this issue is needed.
Licensing Regulation	s. 8	Restriction sale other products, merchandise	Cannabis retailers may only sell cannabis and cannabis accessories and no other products, unless a municipal bylaw, or ministerial order, is in place to expressly permit other products. Licensees have requested the authority to be able to sell other products such as branded t-shirts and hoodies, mugs, snacks or related products such as cultivation equipment.
Licensing Regulation	s. 13(4)	Prorated licence fees	Simplify the calculation of prorated licence fees.
Licensing Regulation	s. 14(1)(b) (ii)(iii)	Frosted windows	S. 14 prohibits for anyone to be able to see into or hear activity occurring in a cannabis store. While mainly intended to protect youth, this requirement may have unintended consequences such as reduced security in the store for staff and customers alike and feelings of isolation. Various public engagement participants indicated that frosted windows may have a mystery effect on youth and may therefore appeal more to them. Various jurisdictions have dropped the visibility requirements. However, the Chief Medical Officer of Health remains supportive of this requirement. Further consideration of this issue is needed prior to determining a path forward.
General Regulation	s. 11	School buffer zones, definition school	This provision prohibits a cannabis store from being located closer than 150m from a school, unless there is a municipal bylaw, or ministerial order in place, that varies this distance requirement. This provision has led to uncertainties for some cannabis applicants. As zoning is a municipal authority, this provision may need further consideration to provide more certainty for the sector in the future. Various Canadian jurisdictions leave cannabis zoning solely to municipalities, while others have similar provisions in their legislation setting school distance requirements.

8. Three-Year Review of the federal *Cannabis Act*

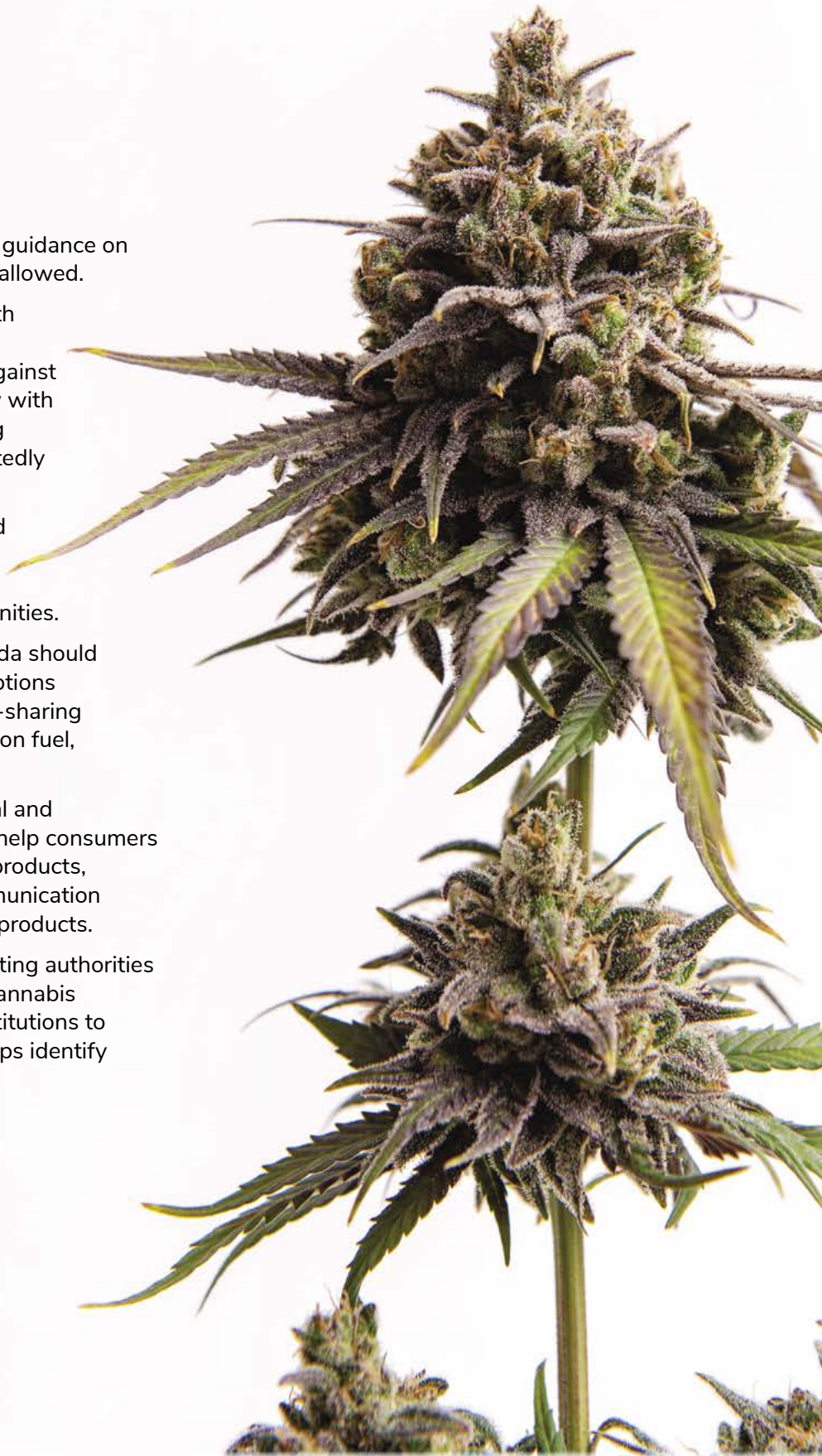
Health Canada — through an independent Expert Panel — has carried out a three-year review of the federal Cannabis Act. The [final report](#) was published on March 21, 2024. As the Cannabis Control and Regulation Act is aligned with the federal legislation, any legislative changes in the federal Act may have consequences for the territorial legislation.

The final report listed 54 recommendations and 11 observations²¹. The key issues that are most relevant or linked to territorial statutes are listed below:

- ▶ Health Canada should set and monitor targets for reducing cannabis use and cannabis-related harms among youth and young adults.
- ▶ Health Canada and provinces/territories to collaborate on development and implementation of evidence-based prevention programs in schools to reduce prevalence of youth cannabis use. Federal, provincial and territorial governments to consider committing a portion of cannabis revenues for this purpose.
- ▶ Discourage use and mitigate risk associated with use of high-THC products through additional health warnings as well as higher excise taxation for high-THC products and lower fees on those with smaller THC amounts.
- ▶ Review of excise tax model to reflect lower average price of dried cannabis compared to price at start of legalization.
- ▶ Development of a “standard dose” or “unit dose” for different classes of cannabis to facilitate proper guidance for consumers.
- ▶ Maintain current packaging and labeling requirements aimed at protecting children and youth and improve info on THC/CBD quantities or concentration and health warnings on packaging.
- ▶ Health Canada should maintain the current 10mg THC limit for edibles and develop research in this area to determine whether there are conditions under which the limit could be raised without unduly impacting public health.

²¹ Health Canada, *Legislative Review of the Cannabis Act, Final Report of the Expert Panel*, March 2024.

- ▶ Provide cannabis industry with clear guidance on promotions, what is and what is not allowed.
- ▶ Health Canada should be vigilant with its regulatory enforcement efforts, with priority given to taking action against regulated parties who do not comply with rules that protect youth and to taking action when regulated parties repeatedly demonstrate non-compliance.
- ▶ Enhanced research, public health and mental health wellness supports that are culturally appropriate for First Nations, Inuit and Métis communities.
- ▶ Recommendation that Finance Canada should work with First Nations to identify options for the development of an excise tax-sharing framework as part of its discussions on fuel, alcohol, cannabis and tobacco taxes.
- ▶ Call for collaboration between federal and provincial/territorial governments to help consumers identify between legal retailers and products, especially online, and prioritize communication on health risks associated with illicit products.
- ▶ Federal government to consider creating authorities for internet providers to block illicit cannabis websites and to compel financial institutions to provide financial information that helps identify illicit online operators.



9. Conclusions and recommendations for future areas of research and policy development

Analysis of all research, data, public engagement and other stakeholder input received through the review has provided an impression of five years of cannabis legalization in the territory. While some findings are directly related to the legislation, other issues and concerns raised are outside of the authority of the Act, but they reflect the public perspective and the current landscape of cannabis legalization in the territory. Developing solutions to address the key findings of the review will ensure that the Act and regulations meet the needs of Yukoners long-term.

Cannabis legalization touches on many areas in life and society and is not limited to the duties of the Yukon Liquor Corporation under the Act. For this reason, some of the recommendations for future consideration below require close collaboration with or fall under the authority of other government departments.

The Yukon Liquor Corporation proposes consideration of the following initiatives and potential amendments to the *Cannabis control and Regulation Act* and its regulations to address issues to further improve the Yukon's cannabis framework:

Public health and safety

- ▶ A public education campaign to address cannabis normalization. There is a common concern that legalization has led to the notion that using cannabis is 'normal' because it is legal and therefore it is considered harmless. Public education is needed to increase awareness about the potential harms and how to lower risks of using this substance.
- ▶ A public education campaign to increase knowledge and awareness regarding legal versus illegal products and websites so consumers are better able to distinguish between legal and illegal cannabis products and illegal cannabis online sellers. The public engagement has shown that a portion of cannabis users assume they are purchasing and consuming legal products, while in fact they are not. Consuming illegal products increases risk of harm.
- ▶ Continue public education around dangers of driving under the influence of cannabis or getting into a car with a cannabis-impaired driver to increase road safety in the Yukon. Raise awareness around sanctions and fines that could be issued due to impaired-driving.
- ▶ Cooperation between government departments to share findings and support sufficient allocation of resources towards increased enforcement, especially at the RCMP level, for cannabis related issues and concerns. This relates to issues such as impaired driving, illegal cannabis sales and other illegal cannabis activities.
- ▶ Support recommendations from the Expert Panel on the review of the federal Cannabis Act regarding increased enforcement and taking action in addressing illegal online sellers (recommendations 39, observation 7 of the federal final report).

Protection of youth

- ▶ Increase public education to address high consumption rates among youth and young adolescents. Increase knowledge around cannabis-related harms and provide guidelines around lowering risks when using.
- ▶ Collaboration between government departments and agencies to support and invest in research that investigates how youth access cannabis in the territory to address cannabis consumption rates among youth.
- ▶ Research prevention/treatment programming for youth in collaboration with departments of Education and Health and Social Services.
- ▶ Yukon Liquor Corporation to advance policy options for Government of Yukon to consider potential changes to school buffer zones.



Retail – licensee support

- ▶ Yukon Liquor Corporation to prepare policy options for further consideration by Government of Yukon on loyalty programs and allow these programs to the extent that they comply with all the requirements of the federal Cannabis Act and do not encourage consumption of cannabis.
- ▶ Yukon Liquor Corporation to advance policy research in consideration of amending the *Cannabis Licensing Regulation* to allow for other products, such as branded merchandise, mugs, snacks or cannabis-related equipment within the cannabis licensed premises. Prohibition on sale of alcohol and tobacco products in cannabis licensed premises are proposed to remain unchanged.
- ▶ Yukon Liquor Corporation to research the pros and cons of direct-to-retailer sales as an alternative for licensees who choose to do so. This would be intended as an add-on to a licence, not a change to the main distribution and retail model, similar to the *Cannabis Remote Sales regulation*.
- ▶ Yukon Liquor Corporation to initiate policy research for potential amendments to the requirement for ‘frosted windows’ in relation to promotional restrictions and visibility protections prior to determining a path forward.

Amendments to the legislative model

- ▶ Yukon Liquor Corporation to research options for the concept of ‘designated place’ for various purposes, such as potential public locations where tourists can consume legal cannabis, future events etcetera for future consideration by the Government of Yukon. A provision of this kind would open the door to potential future developments.
- ▶ Consideration of the legislative matters as listed in **Table 5**. These matters involve mainly technical amendments intended to streamline and update the current legislation.

Financial considerations

- ▶ Research willingness and options for addressing excise tax issues for the Government of Yukon going forward, internally and in collaboration with the Government of Canada.
- ▶ Continued monitoring of the effects of the pricing structure on the illicit market and Government of Yukon revenues.

Research and datasets

- ▶ Yukon Liquor Corporation to collaborate with government departments and agencies to secure ongoing surveillance of cannabis use and related health and justice statistics required to monitor the effects of cannabis consumption in the Yukon. Valid research data is needed to inform evidence-based policy decisions and for ongoing evaluation of cannabis regulations.
- ▶ Yukon Liquor Corporation to collaborate with the department of Health and Social Services on revising the set of cannabis health indicators ensuring adequate cannabis data is being collected.
- ▶ Collaboration between government departments to secure funding for cannabis research and programming to ensure up-to-date and relevant cannabis data, including Yukon-specific data. Consideration to be given to allocate a certain portion of excise tax revenues or cannabis profits to cannabis-related research and programming.

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