

Five-year review
Cannabis Control and Regulation Act

What We Heard

Contents

| | | |
|----|--|----|
| 1. | Introduction | 2 |
| 2. | Engagement process..... | 3 |
| 3. | Summary of input from Yukon First Nations..... | 4 |
| 4. | Summary of input from stakeholders | 5 |
| | 4.1 Cannabis industry | 5 |
| | 4.2 Municipalities and local advisory councils | 6 |
| | 4.3 Child and Youth Advocate..... | 7 |
| | 4.4 Chief Medical Officer of Health | 8 |
| | 4.5 Other stakeholders | 9 |
| | 4.6 Law enforcement | 9 |
| 5. | Summary of public survey results | 11 |
| | 5.1 Survey Demographics..... | 12 |
| | 5.2 Protection of young persons..... | 14 |
| | 5.3 Cannabis Use..... | 15 |
| | 5.4 Illicit market..... | 16 |
| | 5.5 Legislative framework | 17 |
| | 5.6 Other considerations..... | 19 |

1. Introduction

This document summarizes the results of public engagement conducted in 2023 to hear Yukoners' perspectives on five years of cannabis legalization in the territory. The *Cannabis Control and Regulation Act* requires that a review of the legislation be undertaken every five years and that a report with the findings is presented to the Yukon Legislative Assembly.

The main purpose of the review was to determine if the purposes of the Act are being met and if specific stakeholder groups and the public have issues or concerns regarding the legislation. The cannabis landscape is evolving, and the review will assess whether the legislation remains responsive to the health and safety of Yukoners while ensuring continued support for the Yukon's legal cannabis industry.

Engagement is one component of the review. For more details about the data gathering methods of the entire review, please refer to the *Five-Year Review Cannabis Control and Regulation Act* report. Engagement focused on the following themes:

- ❖ Protection of public health and safety;
- ❖ Protection of young people;
- ❖ Reduction of the illicit market; and
- ❖ The cannabis legislative framework.

The feedback received will help inform the review.

2. Engagement process

Public engagement with the public and stakeholders was held from October 17, 2023, to mid-December 2023. Engagement with Yukon First Nations was held between October 17, 2023, and March 9, 2024.

The Yukon Liquor Corporation (YLC) published a discussion document to provide background on cannabis legalization in Canada and in the Yukon, as well as a high-level overview of key provisions under the *Cannabis Control and Regulation Act* and its regulations. YLC developed sets of customized questions for stakeholder groups relevant to their role in the Yukon's cannabis framework.

YLC invited all 14 Yukon First Nations and the Council of Yukon First Nations and close to 30 stakeholders by mail and email to participate in the review. To acknowledge the special status and competing priorities of First Nations governments, we set the response period until March 9, 2024. YLC met with a Yukon First Nation's leadership in early March.

YLC held interviews with each of the Yukon's six licensed cannabis retailers and one local Licensed Producer. The corporation also met in person with the Chief Medical Officer of Health and the Child and Youth Advocate. The meeting with the Child and Youth Advocate included representatives from Communities Building Youth Futures who provided valuable feedback from young persons' points of view.

YLC presented at an Association of Yukon Communities (AYC) meeting to receive feedback from municipalities and local advisory councils. Written answers to the customized questionnaires were received from the RCMP, the Cannabis Licensing Board, Mothers Against Drunk Driving Whitehorse (MADD) and one local advisory council. Other stakeholders we contacted included each of the chambers of commerce in the territory.

An online public survey was conducted by the Yukon Bureau of Statistics. The survey centred around the above-mentioned themes and left the opportunity for participants to elaborate on their answers or raise issues or concerns that were not covered in the set of questions.

3. Summary of input from Yukon First Nations

The engagement team reached out to all Yukon First Nations and met with leadership of one Yukon First Nation. The following key concerns and comments were raised:

- There are challenges and concerns regarding drug use in the community in general, cannabis use among youth, consumption in public spaces and impaired driving.
- More public education is needed on various topics including health risks and effects on people, guidelines for safe use of cannabis and harms of second-hand cannabis smoke.
- There is strong concern about access to alcohol and drugs in schools (Kindergarten to highschoolers). This includes illicit dealers as well as peer pressure. Better oversight and education are required, including helping children recognize substances as risks and how to deal with peer pressure.
- Youth need to be properly educated on the harms and effects of cannabis, so they understand the risks when it is offered to them. Cannabis education should focus on the scientific facts, so youth can make informed decisions. Delivery through the school curriculum by teachers in schools would offer a useful format and should include various substances, drug use in general as well as vaping.
- Concerns were raised about public consumption, downtown in Whitehorse on the streets as well as driving in communities and on the highways. Better enforcement is needed but there are concerns that cannabis enforcement increases the workload of the already short-staffed RCMP.
- Better insight is requested into how government uses cannabis tax revenues. There is interest in seeing a portion of these revenues flow back to communities to be used for cannabis education, prevention, and treatment options for community members in need (tax sharing with Yukon First Nations and use of government cannabis revenues toward cannabis education and treatment).
- Concerns were raised regarding cannabis use and the workplace. There is interest in data from the Workers' Safety and Compensation Board related to the number of injured workers due to cannabis use.
- Continued monitoring of cannabis data and statistics is important to understand the changes in cannabis consumption since legalization over time.

4. Summary of input from stakeholders

Aside from the general public, we also engaged with various stakeholder groups such as the cannabis industry, health and youth representatives, law enforcement, and non-governmental organizations.

The bullets below provide a high-level summary of the comments we received. We included concerns or comments that were made by multiple individuals or sources. Comments are summarized as they were made, i.e. we did not add in explanations or clarifications. Some comments pertain to the federal cannabis legislation (*Cannabis Act*) and not the territorial *Cannabis Control and Regulation Act*.

4.1 Cannabis industry

- Retailers requested to be able to offer loyalty programs, like grocery stores, allowing them to build and retain their customer base.
- Retailers want to be able to sell products other than cannabis or cannabis accessories, such as branded t-shirts, water bottles or snacks.
- Industry representatives stated that the federal excise tax regime puts a heavy burden on legal cannabis pricing, restricting cashflow and making competition with the illicit market challenging.
- Industry representatives indicated that the 10mg THC limit on edibles and beverages needs to increase to be able to compete with the illicit market. This is a losing market for them.
- Retailers stressed the need for continued public education on what cannabis is, what effects it has as well as short- and long-term health risks.
- Better education and emphasis on importance of buying legal versus from the illicit market was also high on the agenda of industry participants.
- Retailers requested stronger enforcement on illegal sales especially the unhindered delivery of illicit cannabis through Canada Post.

- Some retailers want to be able to order directly from Licensed Producers instead of buying inventory wholesale through the Yukon Liquor Corporation. In their view this could increase product choice and quality and assist them in distinguishing themselves from other retailers by offering different inventory.
- The cannabis industry advocated for lower pricing at the wholesale level to be able to better compete with the illicit market. They also requested improved inventory and supply of product, especially regarding popular products and choice of product sourcing.
- Several requests were made to drop the requirement for window coverings that prevent passersby to look into a store (commonly referred to as 'frosted windows') to improve safety of staff and customers in the store.
- Various respondents indicated a need to provide a designated public consumption space to accommodate tourists and others to consume their cannabis.
- The issue of not being able to have small children accompany their parent in store for order pickup was also raised as a concern for practical reasons.

4.2 Municipalities and local advisory councils

The feedback below was gathered from all eight municipalities and two local advisory councils at an Association of Yukon Communities (AYC) meeting. One local advisory council also provided written comments.

- Municipalities and local advisory councils expressed concern about excessive cannabis packaging which has led to littering issues in several areas. Some suggest deposits on packaging to improve recycling efforts.
- Municipalities have flexibility under the current legislation to vary the distance requirements (150 metre) between cannabis retail stores and schools. However, municipalities are not comfortable making changes to the 150m distance rule when requested by potential applicants. Some think it should be taken out of the Act altogether, while others feel municipalities should have the flexibility to determine proper boundaries within their own communities.

- Municipalities asked about public consumption venues (cannabis cafés) and commented on the lack of legal space for tourists to smoke. There is a need to permit some spaces for this purpose (for example a park or other public space).
- Municipalities commented on the high rate of consumption in outdoor public spaces and the perceived high rate of this activity despite its restrictions.
- Driving high on the highway as well as in downtown Whitehorse was flagged as a major concern.
- Participants also expressed concerns about the normalization of cannabis use.

4.3 Child and Youth Advocate

The Child and Youth Advocate invited youth who work for and volunteer with Communities Building Youth Futures to join our meeting, which we encouraged. The feedback below is therefore a mix of comments made by the Child and Youth Advocate herself and the youth representatives.

- Concerns were conveyed about youth access to cannabis and in particular access to edibles in the form of gummies and candy (lookalikes). A harm-reduction approach through additional education and training to promote safety, well-being and self-empowerment is preferred.
- Some representatives would like to see restrictions of quantities and potency to users under the age of 25 due to risks related to brain development.
- Representatives are concerned about the normalization of cannabis. Related to this, many parents consume cannabis and they act as a role model for their kids. Parents may not always realize that.
- There is concern about the impact of cannabis on mental health, the risk of psychosis and cannabis dependency.
- Attendees indicated that cannabis does not have the same concerns that tobacco and alcohol have among youth. More education is needed to increase the awareness about the harms of cannabis consumption, short-term, long-term as well as the effects on developing brains.

- The suggestion was made that promotional material for mental health support and counselling and contact information for addiction treatment (adults and children) be mandatory in cannabis retail stores as well as communication materials about the offence of giving cannabis products to a youth or a child.
- Representatives felt that a specific percentage of cannabis taxes should be allocated towards treatment, research etcetera.
- When asked, representatives were unsure about the effectivity of frosted windows as they can be perceived as risky as they are mysterious (which attracts youth).
- The treatment approach should be barrier-free. There is concern that currently the safe consumption site is not open to youth so the ones that do use cannot have their (illegal) weed tested for fentanyl.

4.4 Chief Medical Officer of Health

- The Yukon has a culture of substance use that enables use at higher levels than the national average. This is a significant concern from a public health perspective and also from a societal view. Society pays heavily for the cost of substances in terms of health care, reduced productivity as well as fragmented social ties. Legalization can sometimes reinforce a perception of harmlessness – alcohol for example, is legal and also causes substantial health and other harms in society.
- Efforts to address health harms from cannabis should be directed to prevention and cultural determinants of substance use in the Yukon population.
- It was suggested that harmonization in society should take place between how we approach the various psychoactive legal substances, such as cannabis and alcohol. This includes things like workplace policies, distancing from locations where youth and families gather and connections to occupational health.
- Recommendation to allocate all revenue from legal psychoactive substances (cannabis, alcohol and tobacco) to research to understand substance use behaviours in the Yukon and to prevention programs to delay initiation of substance use, reduce harms associated with substance use and to improve Yukoners' health trajectory over the life course. Examples of this exist in other Canadian jurisdictions.

- THC units and dosing should be clearer to consumers. Research should be considered towards identifying standardized dosing and quantitative assessments of dose-related risk, similar to the “standard drink” model in alcohol policy.
- The measures to protect young persons in the legislation are helpful. However, they may not address the most common ways in which youth access cannabis, for example through friends or family and which may have been legally purchased at the time and offered to a person who would not be able to purchase themselves. Youth are accessing cannabis very easily, the ‘how’ needs to be understood to be able to target the right problem. Prevention of substance initiation and reduction of incidental transfers from legal purchasers to unintended recipients of substances is needed.
- Enforcement efforts should also be directed towards illicit online sellers who advertise via YouTube and other internet media.

4.5 Other stakeholders

- Mothers Against Drunk Driving (MADD Yukon) suggested strengthening traffic safety legislation to address the issue of drug-impaired driving.

4.6 Law enforcement

Engagement with the Yukon RCMP “M” Division resulted in the following written feedback:

- Recommendations to further reduce illicit market activities include:
 - A strong regulatory framework with strict licensing requirements, regular inspections and penalties for non-compliance.
 - Public awareness campaign to educate the public on the benefits of purchasing cannabis legally and the risks associated with buying from the illegal market. Education should also address the normalization of cannabis and the perceived risks associated with use.
 - Allocation of sufficient resources to law enforcement agencies to crackdown on illegal cannabis activities.

- Community engagement, working closely with communities to build trust and cooperation. Encourage reporting of suspicious activities related to the illegal market and establish channels for confidential tip-offs.
- Price competitiveness: ensure that legal cannabis products are priced competitively to discourage consumers from turning to the illegal market. Collaborate with Licensed Producers and licensed retailers to make legal products accessible and affordable.
- Expansion of the legal market, collaboration with indigenous communities, robust tracking system to ensure transparency and accountability in the legal market and continuous evaluation and adaptation.
- Yukon RCMP confirmed a reduction in the illicit cannabis market since legalization.
- RCMP indicated that one of the primary challenges faced by law enforcement in the Yukon is the clandestine distribution of cannabis to minors. Despite strict regulations, illicit sources continue to supply cannabis to young persons.

The clandestine nature of these activities makes it difficult for law enforcement to track and prevent the flow of cannabis to minors.

- Another challenge is the normalization of cannabis in society. With legalization came a shift in public perception and cannabis is increasingly viewed as socially acceptable. This normalization can lead to reduced perceived risks associated with cannabis use among young people, making prevention efforts more challenging for law enforcement.
- Illegal online sale of cannabis poses a challenge for law enforcement. The many online platforms and the anonymity they afford make it easy for minors to access cannabis discreetly. These activities are difficult for law enforcement to monitor, complicating efforts to prevent youth access.
- Cannabis-impaired driving represented 3.4% of reported driving offences in 2023 in the Yukon. Several factors contribute to drug-impaired driving in the Yukon such as the widespread availability of drugs, social attitudes towards substance use and a lack of awareness about the consequences of driving under the influence. Yukon's geography presents challenges for law enforcement to detect and address drug-impaired driving, especially in remote areas with limited resources.

5. Summary of public survey results

We collected public feedback on the various themes of cannabis legalization through an online public survey hosted by the Yukon Bureau of Statistics on [Yukon.ca/engagements](https://yukon.ca/engagements).

In summary:

- 307 participants responded to the survey. 304 were individuals and 3 responded on behalf of a business entity.
- The survey results indicate that, in general, legalization of cannabis has been quite well received.
- Significant concerns remain regarding the rate of cannabis consumption by youth and consumption in public spaces despite the restrictions.
- The public engagement indicated strong support for the Yukon's legal cannabis industry representatives.
- Several concerns that were raised are related to federal cannabis legislation, such as:
 - 10 mg THC limit for edibles reduces capture of illegal sales for this product category.
 - Environmental concerns due to packaging requirements.



Image: legal cannabis edible (YLC, 2024)

5.1 Survey Demographics

We received a total of 307 responses. 75% of respondents live in Whitehorse, 5.9% in Dawson City, 2.6% in Watson Lake and 15.7% in another Yukon community (**Figure 1**).

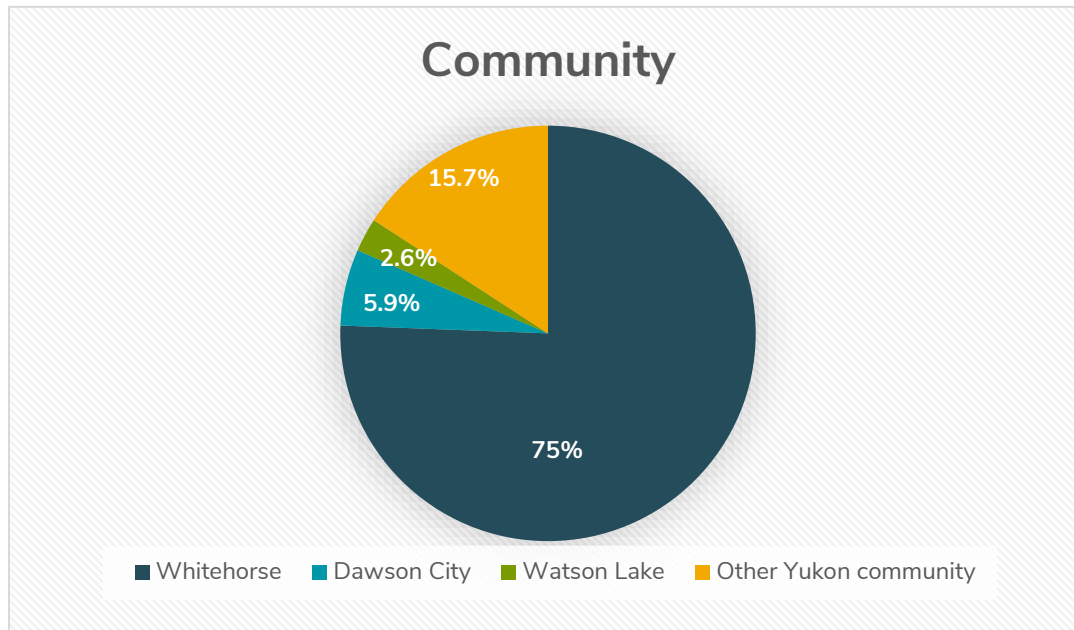


Figure 1: Respondents per community

Figure 2 shows how respondents identified by gender.

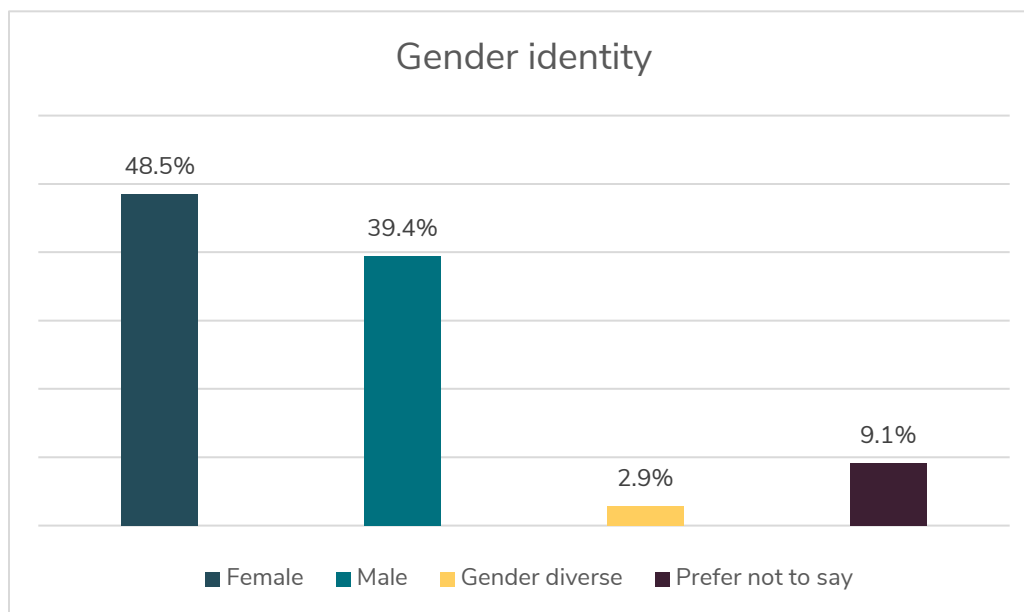


Figure 2: Respondents by gender identity

Survey participants were represented in the following age ranges (Figure 3):

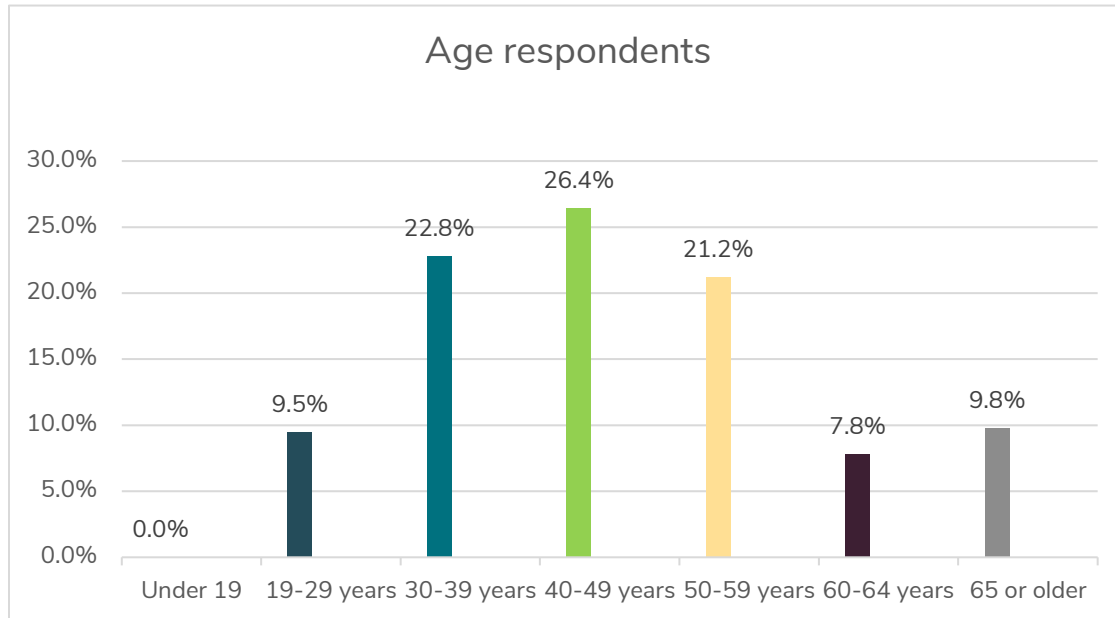


Figure 3: Respondents by age

The online survey was open to all ages but no one under the age of 19 responded.

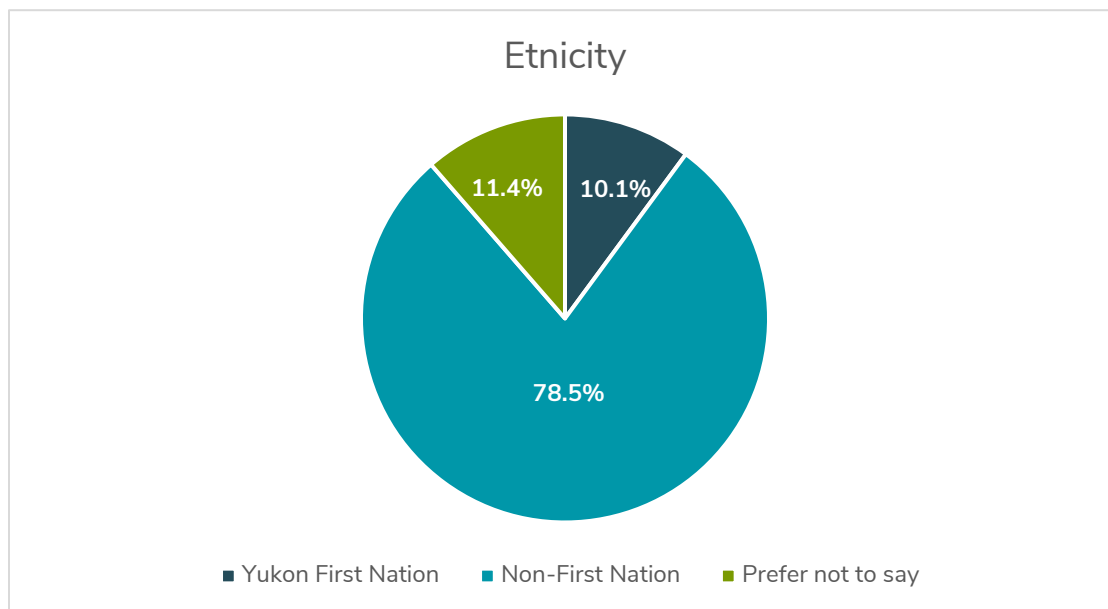


Figure 4: Respondents by ethnicity

10.1% of survey respondents were members of a Yukon First Nation, 78.5% were not and 11.4% preferred not to say (Figure 4).

5.2 Protection of young persons

Specific measures are in place in the Yukon to protect youth from accessing, consuming and being exposed to cannabis. We asked respondents if they felt that these restrictions are too strict, just right or not strict enough.

The majority of survey respondents (66%; 203 out of 307) agreed that the current measures are effective.

Measures include, among others:

- Legal age to buy, possess or consume cannabis is 19 years or older;
- Minors are not allowed to be present in cannabis retail stores;
- Age-gating of websites and ID check for individuals who appear to be younger than 30 years in cannabis stores;
- Minimum distance requirement (150m) from schools for cannabis stores;
- No one should be able to see into or hear any activity inside a cannabis store.

Opinions regarding measures to protect young persons

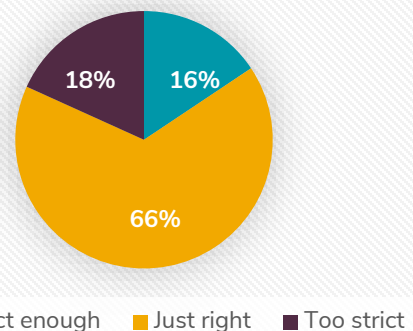


Figure 5: Opinions young persons protection

Summary of additional comments received:

- There is a general sentiment that youth have easy access to cannabis through the illicit market or via parents, other family members and friends.
- Many comments expressed concerns about the level of youth cannabis consumption and the need for more public education on the harms of cannabis consumption, especially in relation to developing brains.
- Respondents repeatedly drew parallels between access to and consumption of cannabis and alcohol, suggesting the rules for both substances should be more in line with each other. Tobacco was mentioned in this regard as well.

- Distancing of cannabis stores in relation to schools is deemed important and respondents commented that other areas where youth gather, such as parks or daycares should also be considered.
- Several individuals commented that the requirement for cannabis retailers to block off their store windows is not useful. Some suggest it does the opposite as youth are attracted to the 'mysterious'. The need for safety of staff and customers in the store was mentioned as well to support visibility in/out of stores.

5.3 Cannabis Use

We asked survey respondents if they had used any cannabis products in the last 12 months.

A large majority of respondents 81% (248 out of 307) indicated that they had used cannabis in the previous year.

For comparison, the 2023 *Cannabis Policy Study in the Territories* showed that 41% of Yukon respondents had consumed cannabis in the last 12 months. This ratio is significantly higher than the national average of approximately 26% of Canadians aged 16 years of age or older (2023 Canadian Cannabis Survey).

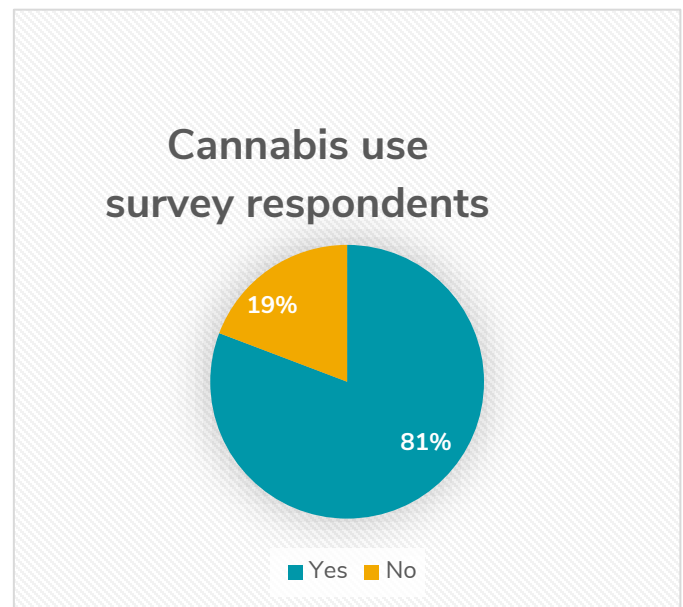


Figure 6: Cannabis prevalence survey respondents

Due to the relatively low number of respondents to the public survey, a conclusion that can be drawn is that mainly Yukoners who are cannabis users were interested in participating in the public engagement on this topic.

5.4 Illicit market

We asked where users of cannabis got their cannabis from in the past 12 months.

- The survey results show that a large majority, 84% of cannabis using respondents, purchased their cannabis from one of the Yukon's licensed retailers. Purchasing from a licensed retailer, medical supply through a pharmacy and home-grown cannabis are all legal sources illustrating a large capture of the illicit market in the Yukon.

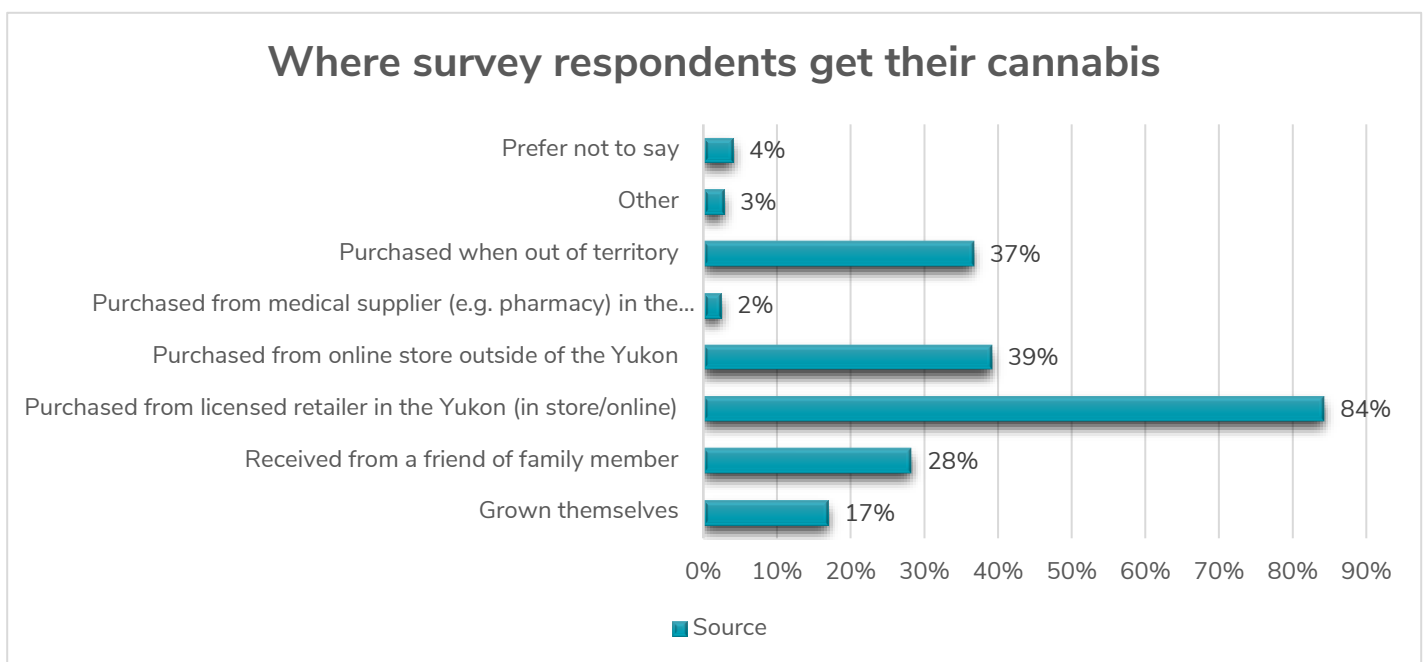


Figure 7: Cannabis sources by survey respondents

- Cannabis purchased when outside of the territory, or sourced from friends or family members could be either from a legal or illicit source.
- Purchasing from online stores outside of the Yukon proves popular with 39% of respondents engaging in this activity. It is important to note that, if you are based in the Yukon, online purchasing of cannabis outside of the Yukon is illegal. Based on comments received, respondents do not always seem to be aware that this practice is illegal, not only in the Yukon but also in other Canadian jurisdictions.

5.5 Legislative framework

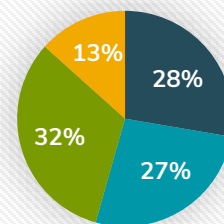
Participants were asked to rate the degree in which they agreed with the following statement:

“The current hybrid model of government-run wholesale and distribution combined with a fully privatized cannabis retail sector is the best model for our territory”.

Public opinion on this question was divided with 32% of respondents stating they disagreed with the statement, 28% agreed, 27% was neutral and 13% of respondents were not sure.

- Cannabis legalization in the Yukon started out with a government-run framework providing oversight to ensure a safe and reliable supply of cannabis products.
- While government wholesale and distribution remains a main pillar of the Yukon’s cannabis model, the retail sale of cannabis has been fully transferred to the private sector.

Opinion current cannabis framework for wholesale and retail sales



■ Agree ■ Neutral ■ Disagree ■ Not sure

Figure 8: Opinions cannabis framework

Additional comments, around 100 respondents elaborated on their answer:

- Respondents commented that they are of the opinion that pricing at licensed retailers is too high compared to other jurisdictions and compared to the illicit market (such as online retailers outside of the Yukon) due to government involvement.
- Concerns were expressed around limited product selection, supply issues with popular products, and issues with potency and quality of product perceived to be due to government wholesale.

- Respondents suggest that allowing for licensed retailers to purchase products directly from Licensed Producers could – in their view - improve competition, lower prices and would provide a wider range of products that retailers can carry which could affect the illicit market.
- Respondents also commented that there is a need for stricter regulation, education and focus on health risks especially for youth. Several added to do the same for alcohol.
- Several comments stated that the Government of Yukon should allocate cannabis revenues towards treatment and education instead of benefitting off substance use in the territory without addressing negative effects.
- A few respondents indicated that cannabis should be tighter controlled or recriminalized.



Image: collection of legal cannabis products (YLC, 2024)

5.6 Other considerations

As our last survey question, we asked participants if they had any other comments or concerns they wanted us to consider as part of the review. 110 comments were received. The highlights are summarized below:

- Many respondents commented that the 10 mg THC limit for edibles is driving customers to the illicit market which offers these products, especially gummies, at much lower prices and in significantly higher potencies.
- Concerns were expressed regarding the lack of enforcement of cannabis consumption in public - especially in and around Whitehorse - as well as a lack of “cracking down” on impaired driving (in town and on highways).
- Respondents stated that cannabis packaging is excessive, leading to environmental concerns.
- Respondents indicated that retail location requirements do not make sense compared to liquor stores, sex stores and sellers of tobacco products.
- Participants want to see improved cannabis labeling as information regarding proper dosing and potency is currently not clear enough.
- Various respondents suggested a need for cannabis consumption at events, or cannabis cafes for tourism.
- Comments were made that designated consumption sites should be available for tourists and other groups of people who do not have a home where they can legally consume cannabis.

This engagement piece is one component of the overall review of the cannabis legislation. Analysis of cannabis research data, consumption patterns and consideration of economic effects of legalization were undertaken as well.

The full results of the five-year review of the cannabis legislation can be found in the final review report.