Could the community alcohol licensing trust model be applied to regulate legal cannabis?

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Purpose
The Purpose of this research bulletin is to present preliminary findings from a Massey University pilot study of the potential application of the community alcohol trust model to regulate legal cannabis.

Background
The New Zealand government has announced its intention to conduct a national referendum on the personal use of cannabis at the next general election in 2020\(^7\), signalling the potential for a major change in policy direction. Overseas, concerns have been raised about the profit-driven legal cannabis regimes established in the U.S., including declining cannabis prices, increasing use of high-potency products, accidental poisonings from cannabis edibles, use of unregulated pesticides, aggressive marketing of new cannabis products, and cannabis industry influence on regulation-making\(^2\)^\(^{-5}\). Drug policy experts have pointed out that currently have experience with the retail sale of alcohol via community-owned entities called "licensing trusts\(^6\)^\(^{-8}\). Under the Sale and Supply of Alcohol Act, Licensing Trusts have a near-monopoly right to operate off-license alcohol retail outlets and taverns (pubs) in their districts. Privately-owned alcohol retailers are not allowed to operate in Trust areas and alcohol is not sold from supermarkets. Profits from alcohol sales are distributed by the Trusts to community causes (e.g. sports, arts, health and wellbeing) via a system of grants and donations to community organisations. The Trusts also claim they reduce alcohol availability and contribute to lower alcohol related harm. The alcohol licensing trust model offers an alternative to private ownership of profits from alcohol sales which could potentially be applied to regulate cannabis.

Aims
To investigate preferred policy reform options for cannabis and explore support for applying the licensing trust model to regulate legal cannabis in communities living in alcohol licensing trusts in West Auckland and Invercargill.

Method
An anonymous online survey was promoted via a targeted Facebook™ campaign from September to October 2018. Participants living in Invercargill and West Auckland were targeted via the Facebook™ location option. A total of 2,379 people completed the survey. Participants were asked about their support for the utilisation of the alcohol trust model to regulate legal cannabis using a 7-point scale, where 1 meant “no support at all” and 7 “full support” (with 4 = “neither support nor oppose”). Participants were asked about reasons for their support or lack of support for the idea. Participants were also asked about their preferred option for cannabis law reform using a list of 11 different policy reform options (including the existing prohibition regime).

Results
Sixty-five percent of respondents were from West Auckland and 35% from Invercargill, reflecting the larger population in West Auckland (i.e. 280,000 vs 55,000). Fifty-one percent of the sample was female. The average age of respondents was 40 years, ranging from 18 to 83 years. Nineteen percent of the sample were Māori. Seventy-nine percent were employed, 6% were students and 15% were unemployed, retired or on a sickness benefit. The community trust model for cannabis was the fourth most preferred option for cannabis policy reform (11%), following home-growing (27%), restricted availability via pharmacies or under doctor’s supervision (17%), and a commercial profit-driven market similar to alcohol (12%). Overall, 62% of respondents chose a middle-ground regime as their preferred cannabis law reform regime (combined responses for grow-your-own, not-for-profit and community trusts, government monopoly and restricted sale through pharmacies) compared to 23% who preferred fully commercial profit-driven markets, and 15% who chose various forms of prohibition regimes.

What is your preferred policy response to recreational cannabis?

- Home production and use only (no selling) (e.g. grow your own plants for personal use)
- Doctor or pharmacy provision (like prescription drugs)
- Restricted availability via pharmacies or under doctor’s supervision
- Prohibition with warnings, diversion and criminal penalties (the current approach)
- Government monopoly on sales (like Lotto)
- Prohibition with administrative fines (like speeding ticket)
- Not-for-profit cannabis users with community grants (like Polyes)
- Profit driven market with no restrictions (e.g. with drinks)

- 0%
- 5%
- 10%
- 15%
- 20%
- 25%
- 30%
profits from cannabis sales back to local communities was the most valued element of the trust model for legal cannabis, followed by the increased ability to restrict cannabis sales and availability, and control of the cannabis industry. Application of the community trust model to legal cannabis should take into account public opposition to monopoly market regimes. These concerns could be adressed by allowing multiple trusts to work in the same district.

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References

Limitations
The survey is not a representative sample of populations living in West Auckland and Invercargill, however the sample does broadly reflect the demographic profile of the New Zealand population.

Conclusions
Our findings indicate significant support for non-commercial and community-managed approaches to regulate cannabis as opposed to commercial markets, with the grow-your-own option by far the most popular. The distribution of the