


Cannabis: health and policy considerations

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Decision making criteria and trade-offs

These boxes represent 2 outcomes related to possible cannabis policies ... Which one do you prefer? 

Reduction in black market (violence, gangs) 

Medium reduction, e.g. \$250m black market

Expand drug treatment and prevention services

Very large increase, e.g. 100% of people treated

THIS ONE

Reduction in black market (violence, gangs) 

Very large reduction, \$100m black market

Expand drug treatment and prevention services

Medium increase, e.g. 75% of people treated

THIS ONE

THEY ARE EQUAL

 UNDO

 **START OVER**

SKIP 

What outcomes are most valued in cannabis policy

Policy Criteria	Relative value
Health and social harm	46%
Reduction in arrests	31%
Reduction in black market	13%
Expand treatment & prevention	8%
Tax and employment	2%

Four alternative cannabis policy pathways

Prohibition

- No tax revenue (\$0M)
- Health harm (\$1.3B)
- Black market (\$500M)
- Arrests (10,500)
- Treatment (50% demand)

Government monopoly

- Tax revenue (\$350M)
- Health harm (\$1.2B)
- Black market (\$300M)
- Arrests (5,000)
- Treatment (80% demand)

Strict regulation (like tobacco)

- Tax revenue (\$250M)
- Health harm (\$1.4B)
- Black market (\$250M)
- Same arrests (5,000)
- Treatment (70% demand)

Light regulation (*like alcohol*)

- Tax revenue (\$150M)
- Health harm (\$1.6B)
- Black market (\$150M)
- Less arrests (2,000)
- Treatment (60% demand)

Limitations

Considerable gaps remain in relation to understanding of the full consequences of the different cannabis law reforms implemented overseas, particularly with regard to the recent legalisation of cannabis in select jurisdictions of the Americas, reflecting time delays between the enactment of legalisation and the implementation of retail markets, time lags between changing use rates or patterns of use and key health and social measures, and the maturing cannabis industry focused on expanding sales. There is further uncertainty concerning how overseas reforms might be translated and implemented in other countries with distinct socio-cultural, political and economic ecology. The outcome levels of our model are designed to communicate broadly sketched plausible scenarios rather than precise estimates, and are based on available NZ statistics and cost analysis of harms (Office of Ministry of Justice, 2020, Sense partners, 2018, McFadden Consultancy, 2016, NZIER, 2020). The baseline figure used in our model of the estimated health and social harm of cannabis in New Zealand of \$1.3 billion (NZD) was taken from the New Zealand Drug Harm Index commissioned by the New Zealand Ministry of Health (McFadden Consultancy, 2016). Drawing on extrapolations of the research literature of effective public health regulation of alcohol and tobacco commercial markets to a proposed legal non-medical cannabis commercial market, we assumed that more restrictive regulatory approaches, such as government monopoly, non-commercial supply and strict market regulation, are likely to generate lower levels of use and harm than lightly regulated commercial markets.

Select References

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