Cultivating Change

Exploring Models for Cannabis Legalisation in South Australia

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Acknowledgement of Country

We acknowledge that the land on which this report was researched and written is the traditional land of the Kaurna and Ramindjeri peoples, and that we respect their deep spiritual relationship with their country, sea, and sky. We acknowledge the Kaurna people as the Traditional Custodians of the Adelaide plains and the Ramindjeri people as the Traditional Custodians of the southern Fleurieu Peninsula. We recognise their enduring connection to Country and their significant role in caring for and maintaining Country over thousands of years. We honour the strength, courage, and wisdom of Elders past and present and commit to holding these values with us today.

Transformation, renewal, and evolving journeys guided by Country and community (AIATSIS, 2020).

Statement of Gratitude

We would like to acknowledge the contributions and support from the South Australian Network of Drug and Alcohol Services (SANDAS), who work to lead and strengthen community responses to the harms associated with alcohol and other drugs. As the peak body for the NGO AOD sector, SANDAS provides independent, statewide representation, advocacy, and support through networking, policy development, and research.

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Executive Summary

Cannabis is widely used in Australia, yet prohibition has not reduced consumption, weakened illegal markets or improved community safety. Instead, current laws create avoidable harm–particularly for young people and disadvantaged communities–while consuming significant policing resources. International evidence now shows that well-regulated legalisation can reduce these harms, support public health and generate stable revenue.

From a social perspective, young people are disproportionately penalised under current laws, leading to long-term impacts on education, employment and wellbeing. Criminalisation reinforces inequality and fails to address the structural and personal factors underlying substance use.

From a public health perspective, cannabis carries risks, but these can be reduced through regulation, product testing, potency controls, safer consumption options, and education. Legalisation enables governments to shift from punishment to harm reduction, early intervention and health-focused support.

From an economic perspective, outcomes depend on the chosen model. Commercial systems generate high revenue but risk over-commercialisation. Government monopoly models, such as Quebec's, provide stable oversight and reinvest profits into prevention. Non-profit and home-grow models ok reduce enforcement costs but offer limited economic return. Expert interviews consistently emphasise balanced regulation, fair pricing and strong public health protections.

Recommendations: South Australia should adopt a staged, public-health-oriented Government Monopoly Model, implemented in four phrases:

1. Legalise personal possession and limited home-grow (ACT model).
2. Establish a state-regulated cultivation and distribution system.
3. Trial tightly regulated cannabis social clubs/ cafes.
4. Introduce supervised dispensaries, with revenue directed to AOD services, mental health, education and prevention.

A public inquiry, community consultation and ultimately a voter-endorsed decision should guide the reform process, ensuring transparency, safety and public trust.

What Do We Know?

Cannabis

Weed, pot, Ganja, Mary Jane,—cannabis is known by many names. It is a broad term referring to the various psychoactive products derived from the *Cannabis* plant. The term *cannabis* commonly encompasses the species *Cannabis sativa*, *Cannabis indica*, and *Cannabis ruderalis* (Gloss, 2015). It generally refers to the dried leaves, flowers, stems, and seeds of the *Cannabis sativa* plant (Alcohol and Drug Foundation, 2020).

Cannabinoids

The term *cannabinoid* refers to any chemical compound—natural or synthetic—that interacts with the body's and brain's cannabinoid receptors, producing effects like those of the *Cannabis sativa* plant. Broadly, cannabinoids can be categorised into three main types: recreational, medicinal, and synthetic.

Out of the 125 distinct cannabinoids identified so far, tetrahydrocannabinol (THC) and cannabidiol (CBD) are the most widely studied. THC is the primary psychoactive compound responsible for the "high" feeling, while CBD is non-psychoactive and is commonly associated with medicinal and therapeutic benefits (National Institute on Drug Abuse, 2024).

Decriminalisation

Decriminalization refers to policies that remove penalties associated with possession of small amounts of cannabis for personal use, with no protection for supply. Medical cannabis laws are laws that remove criminal penalties for medicinal cannabis use and some form of supply.

Cannabis history

Cannabis arrived in Australia with the First Fleet in 1788 at the request of Sir Joseph Banks. Hemp seeds were brought from the UK for agricultural and commercial purposes, particularly hemp production in the fledgling colony (WeCan, n.d). After its arrival in 1788, hemp was cultivated for textiles, paper, medicines, and even recreational use.

It was not until 138 years later in 1926, that Australia banned the import and export of cannabis, influenced heavily by the Geneva Convention on Narcotics. At the urging of countries such as Egypt and Turkey, cannabis was added to the list of restricted substances despite limited scientific evidence of harm (Frigger, 2020; WeCan, n.d). Britain, representing its colonies, pushed for compliance with emerging drug conventions, while the United States fueled prohibitionist attitudes through dramatised claims and "Reefer Madness"-style campaigns. Cannabis was portrayed as a dangerous drug linked to violence, crime, and moral decline, with these narratives often being rooted in racism and xenophobia, particularly targeting Mexican immigrants and African American communities. This U.S. model of prohibition, built on fear and stigma rather than scientific evidence, shaped international treaties and directly influenced Australian policy (Atkinson & McDonald, 1995). By 1926, the ACT became the first state to

outlaw cannabis, with other states, including South Australia, gradually following in 1934. In South Australia, while minor cannabis possession was partially decriminalised in the 1980s, current laws still rely on fines and police enforcement, meaning that criminal justice contact remains a real risk.

Ironically, cannabis use began to rise significantly after its prohibition, particularly within counterculture movements influenced by U.S. servicemen and domestic anti-Vietnam War sentiment (TerraLabs, 2024). This growth in use was interpreted not as a failure of prohibition but as a reason to double down on punitive strategies. Thus the emergence of the "war on drugs", a global campaign led by the United States from the 1970s onwards that sought to eradicate drug use through criminalisation, harsh penalties, and aggressive law enforcement. Far from reducing harm, the war on drugs disproportionately targeted vulnerable populations, fuelled black markets, increased incarceration rates, and failed to curb demand, leading many experts to regard it as a costly and ineffective policy (Cohen et al.,

F*igure 1. Historical hemp cultivation in a field — highlighting cannabis' long-standing agricultural role before prohibition. (Source: Bondi Hemp Essential Oil Co., 2024).*

Cannabis continues to be the most used drug, with an estimated 219 million users worldwide (4.3 per cent of the global adult population) in 2021 (United Nations Office on Drugs and Crime, 2023).

As Rt Hon Helen Clark, former Prime Minister of New Zealand and member of the Global Commission on Drug Policy, argued, "The war on drugs has been a failure. Policymakers need to know what the alternatives to futile attempts to prohibit drugs are and look to follow evidence-based policies on drug law reform" (Decorte et al., 2020).

Building on this critique, this report will examine the potential for cannabis legalisation in South Australia, with a focus on evidence-based policy reform as an alternative to the failed prohibitionist model. It will consider scientific, social, and policy perspectives to evaluate the most effective path forward.

Why is there a cannabis debate in Australia?

In public debates, there often comes a point when the argument for change begins to outweigh the desire to preserve the status quo. In the case of cannabis legalisation, Australia appears to be approaching that moment. Recent patterns in national survey data show a clear and sustained rise in lifetime cannabis use over the past two decades—from 33% in 2001 to 41% in 2022–2023—alongside relatively stable rates of recent use, which have consistently hovered between 9% and 12% since 2007 (AIHW, 2023). These trends, shown in Figure 1, reflect not only the enduring presence of cannabis within Australian society but also a gradual shift in how people relate to it. Longitudinal research similarly indicates that more Australians are expressing a future intention to try or use cannabis (Brière & Denney, 2022), suggesting that community attitudes are moving toward more open and progressive views on cannabis use.

While some opposition to legalisation remains, contemporary public concern tends to revolve less around moral judgement and more around questions of health, safety, and regulation. This shift is particularly significant given the scale of cannabis use in Australia: 11.5% of people aged 14 and over used cannabis in the past year, including almost one in four people aged 18–24 (AIHW, 2023). When such large proportions of the population—especially young adults—are engaging in behaviour that remains criminalised, it exposes a fundamental contradiction in current policy. The law continues to frame cannabis use as deviant, while everyday practice reveals it to be common, stable, and socially embedded. This misalignment not only undermines respect for the law but also risks unnecessary criminalisation, suggesting that prohibition may no longer be a rational or equitable approach within contemporary Australian society.

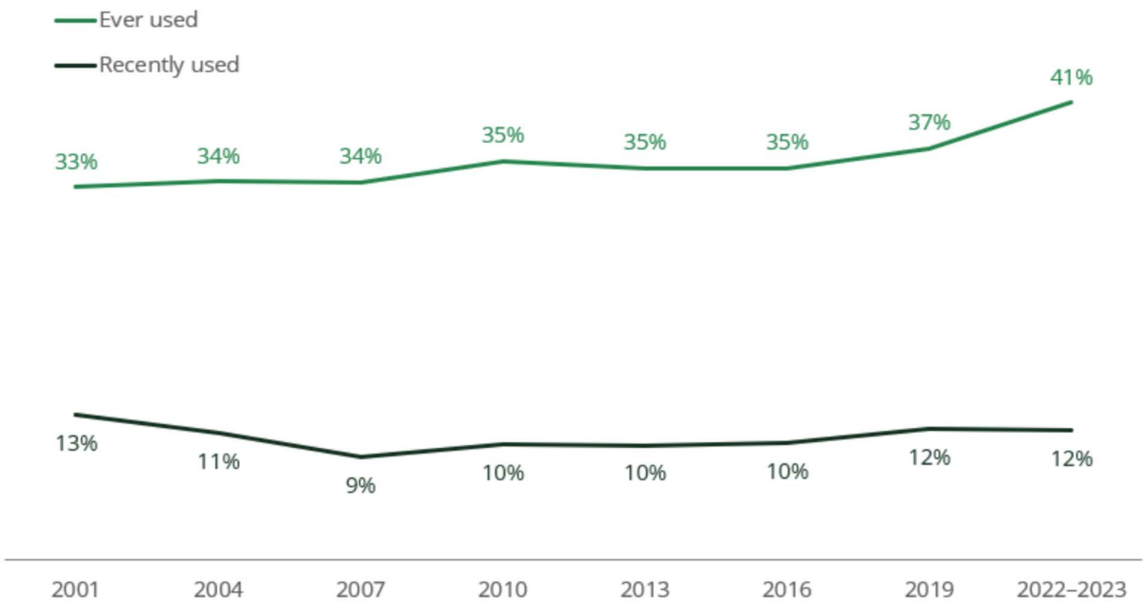


Figure 1
Use of cannabis in Australia among people aged 14 and over, 2001–2022–2023. Adapted from the *National Drug Strategy Household Survey 2022–2023* (Australian Institute of Health and Welfare, 2023).

Methodology

This project used a mixed-methods qualitative approach combining a review of existing literature with professional interviews to examine the public health, economic and social impacts of cannabis legalisation. The study focused on how different legalisation models influence government revenue, health outcomes and community wellbeing, and how these findings could inform implementation in South Australia.

The literature review formed the analytical foundation, synthesising international and national evidence on cannabis policy reform. It assessed the effects of major regulatory models—including commercial, government monopoly, non-profit and home-grow systems—on public health, justice outcomes and economic performance. Systematic searches were conducted through Google Scholar, PubMed, the UniSA Library Catalogue and grey-literature sources. The review targeted peer-reviewed studies published between 1995 and 2025 to capture developments across Australia, North America, Europe and Latin America. Grey literature, such as government reports, parliamentary inquiries and policy-organisation publications, was included to address practical and implementation-focused perspectives. Sixty-five sources were ultimately reviewed. Search terms combined policy-related keywords (e.g. “cannabis legalisation”, “drug law reform”, “cannabis regulation”) with outcome-related terms (e.g. “public health”, “economic impact”, “criminal justice”, “harm reduction”). Reference lists of key papers were also manually screened.

To complement the literature review, interviews were conducted with professionals from Australia and overseas. These sought expert insights into how cannabis legalisation shapes economic structures, policy design and health service delivery. Seventeen invitations were issued across government agencies, health organisations, universities and policy bodies; four experts responded. Each received five tailored questions. Interviews, conducted via online platforms or email, lasted 30–60 minutes. Data were analysed thematically, with coding organised under three major themes: (1) public health and harm reduction, (2) economic and policy models and (3) implementation challenges.

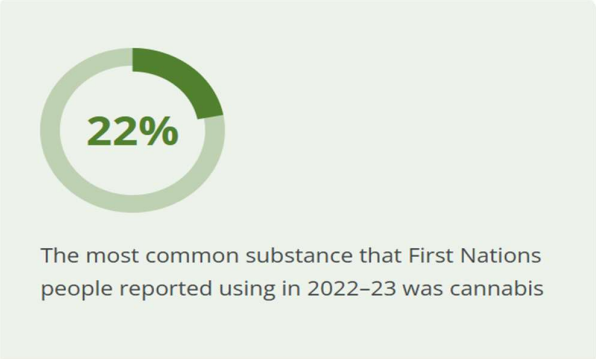
Integrating evidence from both scholarly research and practitioner perspectives provided a comprehensive understanding of cannabis policy reform. This dual approach ensured that findings were empirically grounded, contextually informed and suitable for developing evidence-based recommendations for cannabis legalisation in South Australia.

Social Impacts of Cannabis Prohibition

Youth and the Criminal Justice System

Young people remain disproportionately impacted by current cannabis legislation, even though their rates of cannabis use are broadly similar to those of the adult population (Australian Institute of Health and Welfare [AIHW], 2023). Despite comparable patterns of use, young people—particularly those from lower socioeconomic and marginalised communities—experience significantly higher levels of policing, including stop-and-search practices, fines, and court involvement for minor possession offences (Hughes, Barratt & Seear, 2022). These early encounters with the criminal justice system have well-documented long-term consequences, including disrupted education, limited employment pathways, and increased exposure to social marginalisation and surveillance.

Importantly, the burden of criminalisation does not fall evenly across youth populations. Evidence consistently shows that young people from low-income neighbourhoods are more likely to be charged or arrested because these communities experience higher levels of police presence and proactive patrol activity (Fitzgerald et al., 2021). Racial disparities compound this inequity. Aboriginal and Torres Strait Islander young people are disproportionately targeted in drug policing despite similar or lower reported levels of use compared to non-Indigenous youth (AIHW, 2023). The Australian Bureau of Statistics (2023) reports that Aboriginal young people remain drastically overrepresented in detention, often following minor police encounters that escalate into custody due to systemic bias,



(Australian Institute of Health and Welfare [AIHW], 2023)

unpaid fines, or breach-of-order technicalities rather than serious offending. These patterns reflect long-standing colonial dynamics in which policing practices concentrate on Indigenous and disadvantaged communities, reproducing cycles of criminalisation and exclusion.

Understanding why young people use cannabis requires situating their behaviour within the developmental, emotional, and social contexts of adolescence. Adolescence is a period marked by heightened stress, identity exploration, emotional volatility, and vulnerability to mental health challenges. Young people experiencing trauma, instability, racism, or family conflict often use cannabis as a coping mechanism or form of emotional regulation (Penington Institute, 2024). When punitive drug policies criminalise these coping strategies, they effectively punish young people for the socioeconomic and psychosocial conditions surrounding them. Rather than providing support, current policies deepen harm by entrenching barriers to education, worsening mental health outcomes, and undermining trust in institutions—particularly for Aboriginal and culturally diverse young people.

A harm reduction approach offers a more ethical and socially just alternative. Harm reduction prioritises wellbeing, education, early intervention, and youth participation over punishment. Approaches that centre the voices of young people with lived experience align closely with social work values of dignity, autonomy, and social justice. Evidence shows that youth-led, community-based initiatives are more effective in reducing harm than punitive responses, particularly for marginalised groups (Penington Institute, 2024). By reframing youth cannabis use through a public health lens, South Australia has the opportunity to shift toward policies that promote safety, empowerment, and long-term wellbeing rather than criminalisation.

Economic Inequality and the Social Determinants of Health

Beyond its effects on policing and child protection, cannabis criminalisation operates as a structural policy that shapes health and life outcomes through its interaction with the social determinants of health. Income security, housing stability, educational access, and exposure to state surveillance are not neutral background factors; they are the conditions through which drug policy produces unequal outcomes. For young people and families already experiencing economic precarity, criminalisation functions less as a deterrent and more as a mechanism that compounds existing disadvantage by increasing financial strain, administrative burden, and institutional contact (Cohen, Seear & Ritter, 2022).

From a political–economic perspective, prohibition reflects a misallocation of public resources that prioritises enforcement over prevention and care. While cannabis use is widespread across socioeconomic groups, the costs of criminalisation — policing, courts, fines administration, and incarceration — are disproportionately borne by low-income communities, who have the least capacity to absorb them (AIHW, 2023). At the same time, prohibition sustains an illicit market and forecloses opportunities to redirect revenue into public health infrastructure, youth services, housing support, and early intervention. This policy design effectively transfers social harm downward while shielding broader systems from accountability for unmet social needs.

Critically, criminalisation reinforces stigma as a social determinant of health in its own right. Legal sanction legitimises moralising narratives that frame people who use cannabis as irresponsible or deviant, shaping how they are treated across education, health, welfare, and justice systems (Addison, 2023). This stigma discourages help-seeking, undermines trust in institutions, and exacerbates mental health stressors, particularly for young people and marginalised groups. From a critical social work standpoint, this reflects a neoliberal logic that individualises risk and responsibility while obscuring the structural drivers of drug use, including poverty, racism, trauma, and service gaps (Ross, Brown & Johnstone, 2022).

DCP and Risk Assessment

The ripple effects of this punitive orientation extend beyond policing into the child protection system. Within the Department for Child Protection (DCP), parental cannabis use is often interpreted as a standalone risk factor, despite widespread adult use and limited evidence that

cannabis consumption alone compromises parenting capacity. Parents from marginalised communities , including Aboriginal and Torres Strait Islander families , are more likely to have cannabis use recorded as a basis for intervention, reflecting broader patterns of surveillance and racialised risk assessment (SNAICC, 2022). In practice, parental cannabis use can be used to justify child removal, even in the absence of demonstrated harm, contributing to the over-representation of Aboriginal children in out-of-home care. Yet research consistently shows that removal can cause far greater harm than remaining with family: children in state care experience higher rates of placement instability, trauma, mental health issues, and long-term socioeconomic disadvantage than children supported to remain safely with their parents (AIHW, 2023; Bunting et al., 2022). When cannabis use is treated as a moral failing rather than a health or social issue, responses from child protection services risk entrenching structural inequity — penalising families for poverty-linked stressors instead of providing the stable housing, mental-health support, and culturally appropriate services that would enable them to care safely for their children (AIHW, 2022; SNAICC, 2023; Tustin, 2025; Cashmore, 2025).

Together, these social, economic, and institutional patterns show that cannabis criminalisation is far more than a legal concern — it functions as a system that quietly reinforces structural inequality across the course of a person's life. The same young people who are over-policed for minor possession often come from the communities facing the heaviest economic pressures, and those early justice system encounters can follow them into adulthood in ways that shape their education, job opportunities, and wellbeing (AIHW, 2023; Hughes, Barratt & Seear, 2022). For families already navigating poverty or unstable housing, cannabis use can then become another point of surveillance, sometimes escalating into punitive child protection responses that do little to address underlying needs (SNAICC, 2023; Tustin, 2025). Instead of improving safety, these policies tend to reproduce the same cycles of disadvantage they claim to resolve.

By shifting toward harm reduction, equity-focused policy reform, and genuine family-strengthening supports, South Australia has the opportunity to move away from punitive systems and instead create responses that prioritise dignity, cultural safety, and long-term wellbeing. A more compassionate and inclusive approach , grounded in public health rather than punishment, which would better reflect the values of fairness and social justice that should guide public policy.

Public Health Perspective

Cannabis Use in Australia: Prevalence and Trends

For as long as humanity has existed, our fascination with mind-altering substances has been deeply woven into our history and culture (Saah, 2005). Archaeological evidence suggests that our love affair with psychoactive plants and substances stretches back more than 13 millennia, from beer-brewing tools discovered in an 11,000 BCE cave in Israel to traces of cannabis on ancient Japanese pottery, opium cultivation in Neolithic Italy, psilocybin mushroom depictions on 8,000-year-old Saharan cave walls, and coca leaves preserved in 6,000 BCE Peruvian dwellings (Taub, 2019). These findings highlight that the use of drugs to alter consciousness is not a modern anomaly but a fundamental part of the human experience. To ignore the realities of

drug use and dependence today would therefore be to deny an enduring truth about our nature; for as long as mankind has existed, and will continue to exist, so too may our complex relationship with substances. Our default as a society has long been to condemn those who "use drugs," often overlooking the vast range of reasons people engage in such behaviour and that some drugs are acceptable (e.g., alcohol, prescription drugs) whilst others are not. While drug use is not encouraged, what should be encouraged is understanding, openness, empathy, and communication (Penington Institute, 2024).

From a public health perspective, this more compassionate and evidence-based outlook is particularly relevant to the conversation surrounding cannabis legalisation in South Australia. Cannabis use is widespread, with wastewater data consistently identifying it as one of the most commonly detected substances across Australia (Australian Criminal Intelligence Commission, 2024). National survey data corroborates this, showing stable cannabis use among the general population—11.6% in 2019 and 11.5% in 2022–2023 (AIHW, 2025). Interestingly, cannabis use is actually higher in areas of greater socioeconomic advantage compared to the most disadvantaged (AIHW, 2025), indicating that its prevalence is not limited to marginalised groups but spans a broad population. Despite this the majority of people stopped and searched are likely to be from low SES and marginalised groups (Suss & Oliveira, 2023).

Public Health Opportunities of Legalisation

Legalisation offers an opportunity to adopt a comprehensive public health approach focused on harm reduction, regulation, equitable access, and the redirection of resources towards treatment and prevention (Lucas, 2024). From a health policy perspective, cannabis reform is not simply about decriminalising use; it is about transforming the way society understands and manages drug-related issues. Unlike criminalisation, which perpetuates stigma and drives use underground, regulation allows health professionals to respond to cannabis use in the same way they do to other public health challenges such as alcohol or nicotine dependence; through evidence-based education, prevention strategies, early intervention, and compassionate support (Penington Institute, 2024).

People use cannabis for a wide range of reasons, including relaxation, social connection, creativity, pain relief, and coping with stress or mental health difficulties (Penington Institute, 2024). Acknowledging these motivations is essential to developing nuanced, health-oriented policies that move beyond punishment and focus on wellbeing. Public health approaches recognise that drug use often intersects with broader social determinants such as housing insecurity, trauma, and mental illness, factors that are best addressed through support services rather than criminal sanctions (World Health Organization, 2016).

Through a regulated cannabis framework, governments could more effectively integrate health promotion into everyday practice. This includes implementing public education campaigns around safer consumption, establishing clear potency and labelling standards, and creating accessible referral pathways for those experiencing problematic use (Gagnon, 2025). A legal and controlled market would also allow authorities to monitor trends, collect data, and tailor

interventions based on real-world evidence, something the current prohibition framework makes nearly impossible (Penington Institute, 2024).

Redirecting funds from law enforcement and incarceration to prevention, treatment, and harm reduction, an approach successfully implemented in Quebec, Canada can strengthen community health infrastructure and ease pressure on the criminal justice system (Gagnon, 2025). Quebec exemplifies a public health–oriented model by managing cannabis distribution through a state-owned monopoly that channels most profits into a dedicated prevention and research fund (Bertrand et al., 2023).

Such an approach aligns with broader public health principles that view addiction and substance use not as moral failings but as complex health and social issues requiring evidence-based responses (Lucas, 2024). By reframing cannabis legislation through a public health lens, South Australia has the opportunity to promote safety, reduce harm, and foster a more equitable and compassionate society.

Table 1.0 - Common Claims on Cannabis

Claim	Claim Strength	EVIDENCE
Cannabis is as addictive as heroin *(Telegraph Reporter 2014)*	Weak	The lifetime risk of developing cannabis dependence is relatively low. Among individuals who report using cannabis for one year—or even several years—the likelihood of dependence remains significantly lower (9%) than the estimated lifetime risk associated with substances such as heroin (23.1%). (International Centre for Science in Drug Policy [ICSDP], 2015)
Cannabis causes physical health problems *(Health Direct 2019)*	Moderate	There is moderate evidence to suggest that Cannabis use can contribute to respiratory and other physical health problems, although the risks are far lower than those associated with tobacco (Ross et al., 2022)
Cannabis is a Gateway drug *(Khazan, 2013)*	Very Weak	There is no evidence to support the claim that cannabis use leads to the use of 'harder' drugs. In fact, research suggests the opposite — cannabis may act as an exit or harm-reduction tool, helping individuals decrease or cease their use of more harmful substances such as opioids or alcohol by alleviating withdrawal symptoms (Legalise Cannabis Party, *n.d*)
Cannabis Causes Schizophrenia *(Hunt, 2021)*	Weak	While scientific evidence indicates an association between cannabis use and schizophrenia or psychosis, there is no conclusive proof that cannabis directly causes these conditions. Often, individuals who experience such symptoms already have underlying mental health vulnerabilities or genetic predispositions. (ICSDP, 2015)

Health Risks of Cannabis Use

While this report emphasises the necessity of modifying cannabis laws, concentrating solely on the potential advantages would be misguided. It is equally important to acknowledge the associated health risks. Like any substance, cannabis carries risks; however, if legislation were to change and these risks were addressed through a public health lens, harm could be minimised through education, regulation, and safer modes of consumption (Penington Institute, 2024).

Smoking cannabis has been consistently linked to respiratory problems, including chronic bronchitis, persistent cough, and wheezing, largely due to the inhalation of combustion products similar to those found in tobacco smoke (Georgakopoulou et al., 2025; Hall et al., 2019; Gordon et al., 2013; Tashkin, 2013). Although cannabis contains fewer carcinogens than tobacco, deeper inhalation and prolonged breath-holding—which are common practices among users—can exacerbate lung irritation and contribute to longer-term damage (Georgakopoulou et al., 2025). Research over the past several decades has shown that these practices can increase airway inflammation, mucus production, and other markers of respiratory stress (Hall et al., 2019; Georgakopoulou et al., 2025). Current findings indicate that unlike tobacco, cannabis smoking does not consistently lead to more serious illnesses such as chronic obstructive pulmonary disease or lung cancer. However, the concurrent use of cannabis and tobacco appears to amplify respiratory risks, suggesting a synergistic effect. (Hall et al., 2019; Georgakopoulou et al., 2025; Pletcher et al., 2012).

Evidence also suggests that the method of consumption plays a critical role in health outcomes. For example, non-smoking methods, such as vaporisation or edibles, can significantly reduce exposure to harmful combustion products while still delivering the psychoactive effects of cannabis (Fischer et al., 2017). Public health strategies that encourage these safer consumption alternatives, alongside clear education about potential respiratory harms, are essential for reducing risks associated with cannabis use. By framing cannabis legislation and regulation within this evidence-based, harm-minimisation approach, policymakers and health professionals can better protect respiratory health while balancing potential social and medicinal benefits (Fischer et al., 2017).

Prevalence and Reality of Cannabis Use Disorder

Substance dependence, commonly known as addiction, can have serious consequences for an individual’s physical, psychological, and social wellbeing. But not all substances are equally risky; heroin and cocaine are more likely to cause addiction. Studies consistently demonstrate that cannabis presents a markedly lower risk of dependence in comparison to "harder" illicit drugs, as well as legal substances such as alcohol and nicotine.

Overall, the lifetime probability of cannabis dependence is estimated at approximately 9%, meaning one in 11 lifetime users develop dependence (Patel & Marwaha, 2024). This is notably lower than the estimated rates for nicotine (around 68%), alcohol (around 23%), cocaine (around

21%), and heroin (up to 35%) (International Centre for Science in Drug Policy [ICSDP], 2015; Patel & Marwaha, 2024).

While risk may increase for individuals who begin using cannabis during adolescence or use it daily (Patel & Marwaha, 2024). Cannabis dependency is typically characterised as a behavioural and psychological condition rather than a strong physiological one, with mild withdrawal symptoms such as irritability, anxiety, sleep disturbances, decreased appetite, and cravings (Connor et al., 2021). Consequently, the prevalence, severity, and physiological impact of cannabis dependence are considerably lower than those associated with both "harder" drugs and common legal substances like alcohol and nicotine (ICSDP, 2015).

Cannabis as a "Gateway" Drug

The idea that cannabis acts as a "gateway" to more harmful drugs has been widely debated. While early literature suggested that cannabis use could increase the likelihood of later use of substances like cocaine or heroin, systematic reviews indicate that most individuals who use cannabis do not progress to harder drugs (Jorgensen & Wells, 2021; Degenhardt & Hall, 2012).

Although cannabis use often precedes the use of other illicit drugs, this temporal relationship does not prove causality ((Jorgensen & Wells, 2021; Degenhardt & Hall, 2012) Progression to harder substances is more strongly influenced by factors such as genetics, psychiatric conditions, peer networks, family dynamics, urban environments, and early initiation of substance use. Exposure to overlapping distribution networks and social settings may also contribute (Mennis et al., 2016; ICSDP, 2015). While biological mechanisms, such as changes in the brain's reward system, may play a role in vulnerable subgroups; these effects are not universal (ICSDP, 2015).

Although many people who use cannabis go on to try other illicit substances, that temporal pattern does not prove a causal "gateway" effect. A recent comprehensive review concludes that research consistently fails to show that cannabis use reliably leads to later hard-drug use; instead, progression appears much more strongly influenced by social context, peer networks, and individual vulnerabilities (Doctors for Cannabis Regulation, 2023; Harm Reduction Journal, 2024). Similarly, a 2023 longitudinal study found no increase in illicit drug use or substance-use disorders following cannabis legalisation (Zellers et al., 2023). Thus, while cannabis use may sometimes precede other drug use, it is not a dependable predictor — many who use cannabis never progress to harder drugs.

Overall, evidence shows that cannabis itself rarely causes progression to harder drugs. Most users do not escalate beyond cannabis, and the apparent "gateway" effect largely reflects broader social, psychological, and environmental risk factors (Mennis et al., 2016; ICSDP, 2015). Policy and prevention efforts should therefore focus on addressing these underlying vulnerabilities rather than targeting cannabis use alone.

Cannabis Use and Psychosis

The claim that cannabis use causes schizophrenia has been widely debated; if cannabis were a direct causal factor, rising rates of use would be expected to correspond with an increase in schizophrenia diagnoses. However, population studies do not support this trend (D'Souza et al., 2022; Fischer et al., 2023; Hall, 2015). For instance, an eight-year population study in the United Kingdom found that despite a rise in cannabis consumption, the incidence of schizophrenia remained stable or even declined (Kirkbride et al., 2012; Fisher et al., 2023; D'Souza et al., 2022)

Caspi et al., (2005) noted that *"the vast majority of young people who use cannabis do not develop psychosis."* Research suggests that the increased risk of psychosis linked to cannabis use is most pronounced among individuals who are already genetically vulnerable or predisposed to schizophrenia (D'Souza et al., 2022; Fischer et al., 2023; Hall, 2015)

Recent research indicates that cannabis use alone does not uniformly lead to psychosis — risk appears to depend heavily on factors such as potency, frequency, and usage patterns (Di Forti et al., 2022; Seddon et al., 2023). A 2024 analysis of data from the EU-GEI Consortium and UK Biobank found that daily use of high-potency cannabis significantly increases the odds of psychotic disorder — but only among heavy, regular users, not all users (Di Forti et al., 2024). Other recent studies highlight that modest or occasional use does not carry the same risk, and that onset of psychosis is more likely when high-THC products are used frequently (Seddon et al., 2023). Thus, cannabis consumption by itself is not a direct cause of psychosis — the relationship is conditional, mediated by dose, potency, frequency, and individual vulnerability.

Comprehensive reviews of the literature further emphasise that, while an association exists between cannabis use and psychosis, causation has not been established. Confounding factors such as genetics, environmental stressors, and pre-existing mental health conditions make it difficult to determine a direct cause-and-effect relationship (Athanassiou et al., 2021; Fisher et al., 2023; D'Souza et al., 2022).

In summary, while cannabis use may contribute to the onset of psychotic symptoms in genetically or psychologically vulnerable individuals, the vast majority of users do not develop schizophrenia or psychosis, indicating that the risk is largely confined to those with pre-existing susceptibilities rather than the general population.

Shifting from Punitive to Health-Focused Policy

Legalising cannabis presents an opportunity to shift policies from punitive measures to a health-focused, evidence-based framework. Current prohibition has not eliminated use and often exposes individuals to unregulated products and unsafe consumption practices (Penington

Institute, 2024; Hall & Weier, 2015). Legalisation allows governments to regulate potency, promote safer modes of use, and reinvest resources in prevention, education, and treatment services (Alcohol and Drug Foundation, 2025). Framing cannabis policy through a public health lens emphasises equity, safety, and education, recognising that criminalisation disproportionately impacts vulnerable populations while having little effect on overall use (Penington Institute, 2024).

Structured regulation under legislation enables quality control, product testing, and accurate labelling, reducing exposure to contaminants such as pesticides, moulds, or synthetic additives (Freeman et al., 2019). Controlling THC and CBD concentrations helps mitigate risks of anxiety, paranoia, and cognitive impairment associated with high-potency, unregulated products (Freeman et al., 2019). Non-combustible forms of cannabis, such as edibles, tinctures, oils, and vaporisers, offer safer alternatives to smoking, reducing respiratory harms while allowing consumers to manage dosage and effects responsibly (Hall et al., 2019). Licensed dispensaries can also help people who are at risk of cannabis-related problems learn how to use it safely, reduce harm, and receive help early.

A regulated framework also makes it easier for vulnerable groups, like teens, people with mental health issues, and heavy users, to get involved in public health programmes. Legalisation supports targeted education campaigns, routine health checks, and clear referral pathways, ensuring that information and treatment are accessible regardless of socioeconomic status (Alcohol and Drug Foundation, 2025; Hall & Weier, 2015). Furthermore, diverting resources from policing low-level cannabis offences to prevention, education, and healthcare reduces social inequities and improves overall population health outcomes.

Legalisation can also alleviate pressure in healthcare systems. Criminalisation indirectly contributes to health complications, as drug-related arrests, custody, and fear of legal consequences may prevent individuals from seeking timely treatment, exacerbating physical and mental health issues. Tax revenue from a legal cannabis market can be reinvested into addiction support, mental health services, and public health campaigns, aligning with harm-reduction principles and preventive healthcare models (Alcohol and Drug Foundation, 2025). By integrating regulation, education, and resource investment, legalisation provides a safer, more equitable, and health-focused approach to cannabis use.

Impacts of Different Models on the Economy

Cannabis legalisation has significant implications for national and regional economies. The specific economic outcomes depend largely on the model of legalisation adopted. Each model distributes benefits and risks differently across governments, private sectors, and communities (Shanahan & Ritter, 2014; Mammadova, et al., 2023). The professionals interviewed in this

project consistently noted that economic outcomes depend not only on the model chosen, but also on how taxation, regulation and enforcement are balanced.

Commercial Model

The commercial model allows private companies to cultivate, manufacture, and sell cannabis products, similar to the alcohol or tobacco industries. This model has demonstrated the strongest potential for economic expansion in jurisdictions such as Colorado, California, and Ontario. It stimulates investment, creates jobs, and generates considerable tax revenue through excise, sales taxes, and licensing fees. For example, Colorado has collected more than USD $2 billion in cannabis tax revenue since 2014 (Brown, Cohen & Felix, 2023). Private sector involvement encourages innovation and product diversification, which can also boost related industries such as tourism, packaging, and marketing (Deloitte Canada, 2025).

However, this model also carries clear economic risks. Large corporations may dominate the market, limiting opportunities for small or local producers. Excessive commercialisation and marketing can also increase consumption, resulting in higher social and healthcare costs. Market volatility and overproduction have been observed in parts of the U.S. and Canada, leading to price instability and reduced tax income (Kavousi, et al., 2022). Therefore, while the commercial model maximises short-term revenue and job creation, it requires strong regulation to avoid the long-term costs of over-commercialisation and market concentration (Shanahan & Ritter, 2014).

Interview insights strongly reinforced these points. Paul Armentano emphasised that commercial markets can only succeed economically when taxation is reasonable, stating that “high taxes sustain the unregulated marketplace,” which undermines legal industry revenue. He also warned that poorly balanced regulations can “drive consumers back to illicit suppliers,” limiting the government’s ability to collect taxes.

Government Monopoly Model

The government monopoly model places cannabis production and retail under direct state control. This structure offers economic stability and predictable public revenue, as all profits return to the government. The model allows for price control, ensuring cannabis remains affordable enough to compete with illegal markets while still generating substantial tax income (Mammadova, et al., 2023). A government-led approach also ensures that a portion of revenue is reinvested in health promotion, treatment programs, and education campaigns (Penington Institute, 2025).

The trade-off, however, is slower industry growth and fewer opportunities for private-sector employment. Consumers may face limited product choice, and the legal market could struggle to satisfy demand if supply is too restricted. Bureaucratic inefficiencies and slower innovation

are also possible challenges (Kavousi, et al., 2022). Despite these limitations, the government monopoly model aligns strongly with harm minimisation principles and provides a sustainable fiscal benefit with fewer social risks compared to full commercialisation.

François Gagnon, who works within Quebec's government monopoly system, noted that "all profits go to prevention and research activities," allowing the system to reinvest revenue into long-term public health goals. He explained that a monopoly model creates "predictable revenue flows" and protects the public from aggressive marketing strategies that are common in commercial systems.

Non-Profit Model

The non-profit model, adopted in countries such as Uruguay and in Spain's cannabis social clubs, restricts cannabis production and distribution to registered collectives or cooperatives. Economically, this approach focuses less on generating government revenue and more on promoting community regulation and reducing illegal trade (Montuschi, 2023). It can create small-scale employment and stimulate local economies while preventing corporate monopolies.

Nevertheless, the fiscal contribution of this model is modest. The lack of commercial taxation and limited scale mean that governments gain little direct revenue. Enforcement and administrative costs also remain, as monitoring non-profit compliance can be resource-intensive. While the model supports social goals and community engagement, it does not significantly strengthen the broader economy (Montuschi, 2023).

Simon Lenton highlighted that non-profit systems reflect a "public health-first philosophy" rather than an economic strategy. He explained that such models can reduce harms and support community oversight but "will not generate major revenue," making them unsuitable as the primary economic model for a state-sized jurisdiction like South Australia.

Home-Grow Model

The home-grow model allows individuals to cultivate a limited number of cannabis plants for personal use. This model reduces demand on the black market and minimises policing and court expenses associated with minor possession offences. It also empowers personal autonomy and eliminates costs related to commercial retail and licensing (Shanahan & Ritter, 2014).

However, the economic benefits of home-grow are minimal. Because the product is produced privately, governments gain no tax revenue, and no formal employment is created. Moreover, large-scale unregulated cultivation can blur the line between personal use and illegal sale, which may sustain portions of the illicit market (Kavousi, et al., 2022). This model thus reduces enforcement costs but does little to stimulate economic activity or create fiscal returns.

Michael Petterson reflected on the ACT's home-grow model and described it as "a good entry point but not a full legal market." He explained that the model reduced enforcement costs and stigma, but "creates no economic engine," meaning it cannot replace a structured retail system.

Effects on the Structure of the Economy

Legalisation reshapes the broader economic structure by formalising previously illegal activities and weakening black-market economies. When legal prices are competitive and supply meets demand, black-market activity declines. Studies have shown that effective regulation can reduce illegal cannabis trade by 37% within the first few years of legalisation (Hathaway, et al., 2021; Manthey, et al., 2023).

Conversely, if governments set taxes too high or restrict supply, illegal markets may persist. High excise taxes can encourage smuggling or unlicensed production. Transparency in licensing and regulation is also vital to prevent corruption. A well-structured system promotes accountability and trust in both the legal industry and the justice system (Kavousi, et al., 2022).

Commercialisation can also influence wider market dynamics. For example, increased agricultural and retail activity may boost employment and related industries. However, if dominated by large corporations, market inequality may increase, leading to reduced competition and local participation. Governments must therefore strike a balance between market liberalisation and public accountability (Montuschi, 2023).

Interview participants stressed that black market reduction depends more on policy design than on the model itself. Armentano noted that "consumers will choose the legal market only if the legal product is accessible, affordable and trusted," reinforcing the importance of tax and supply regulation.

Revenue Generation and Enforcement Savings

A major economic argument for legalisation is the potential to raise revenue and reduce criminal justice costs. Modelling by the Australian Parliamentary Budget Office (2023) estimated that legalising cannabis nationally could generate up to AUD 28 billion in tax revenue over the first decade, primarily through excise and GST collections. Alternative academic models provide more conservative estimates, ranging between AUD 13–20 billion, depending on assumptions about market size, pricing, and consumer participation (Brown, et al., 2023; Shanahan & Ritter, 2014). These estimates are consistent with international evidence showing that revenue outcomes are strongly influenced by tax structures, market design and product pricing (Kilmer & Pérez-Dávila, 2023).

In addition to revenue, governments could save substantial amounts through reduced law enforcement, court, and imprisonment costs. The Pennington Institute (2025) estimated that Australia spends more than AUD $1.7 billion annually enforcing cannabis-related offences, of

which over 90% are for minor possession. Redirecting these resources toward prevention, treatment, and education could have a greater long-term social and economic impact.

International experience reinforces these findings. In Canada, total cannabis tax revenue reached CAD $1.6 billion between 2018 and 2021, while U.S. states such as Colorado and Washington have collectively earned over USD $2.5 billion since legalisation (Brown, et al., 2023; Statistics Canada, 2023). These examples demonstrate that regulated markets can produce stable and recurring revenue streams that governments can reinvest into public health, infrastructure, and social welfare.

In summary, cannabis legalisation presents significant economic opportunities, but the outcomes depend heavily on the regulatory model chosen. The commercial model offers the greatest revenue and employment gains but requires strong safeguards to prevent over-commercialisation and inequity. The government monopoly model provides stable income and better public oversight but limits market expansion. Non-profit and home-grow models prioritise community wellbeing and reduce enforcement costs but contribute little to financial growth (Pardal, et al., 2023; Boyle, et al., 2024).

Several interviewees stressed that revenue should never be the sole driver of legalisation. Lenton warned that "if revenue becomes the priority, public health slips," a pattern observed in highly commercialised U.S. states. Gagnon similarly argued that revenue must be tied to health reinvestment, saying that Quebec's model "is not about making money–it is about making health." Across all interviews, experts agreed that South Australia should avoid extreme commercial models and instead focus on balanced regulation that protects both health and economic sustainability.

A Stepped Approach to Legalisation

Phase 1: Implementing ACT's current legislation

The first phrase should replicate the ACT model, in which adults can legally possess small amounts of cannabis and grow limited quantities for personal use. This framework is practical because it already exists within Australian law, making it easier for SA to adopt and adapt. It also represents a cautious starting point that emphasises harm reduction and personal responsibility.

The ACT experience shows that decriminalising personal use does not create widespread social or economic disruption. Michael Petterson, who helped design the legislation in ACT, noted that the reform "didn't really change police activity or revenue collection", but it allowed police to "focus on serious issues." His comments highlight that legalisation can redirect law enforcement resources away from low-level offences and toward community safety. This shift also helps reduce the stigma associated with cannabis use, aligning with a broader public health approach.

However, to ensure fairness and safety, several legal updates would be necessary. One important area is road safety and driving laws. Current roadside testing in SA detects the presence of THC but does not measure impairment. To address this, SA could introduce a clear legal threshold for cannabis impairment—similar to the 5 ng/mL THC limit used in Washington and Colorado, which functions much like the 0.08% BAC standard for alcohol. This change would make enforcement more consistent and evidence-based.

Employment protection is another priority. Workers should not face disciplinary action or dismissal for lawful, off-duty cannabis use when it does not affect workplace safety or performance. This protection would prevent discrimination would prevent discrimination and align cannabis laws with those governing alcohol use. Similarly, SA's Department for Child Protection (DCP) should revise policies that currently penalise parents for minor, non-harmful cannabis use. Petterson's insights from the ACT show that such reforms can improve fairness without increasing risk to families or children.

By adopting the ACT framework with these improvements, SA would establish a foundation that supports both individual and community wellbeing. This first phase would also give policymakers the opportunity to gather data on health, policing and social attitudes before moving to more complex regulatory steps.

Phase 2: Addressing cultivation, supply and distribution of cannabis within SA

Once SA establishes a safe and stable foundation for personal use, attention must turn to cultivation, supply and distribution. The current ACT model does not address these areas,

meaning consumers must still rely on illegal markets to obtain cannabis. This gap undermines the goals of legalisation and limits potential economic and employment benefits.

Phase 2 should therefore focus on creating a legal, transparent and government-controlled supply chain. Under this system, the SA Government would oversee all aspects of production—from cultivation to distribution—to ensure product safety and quality. This approach reflects the government monopoly model, which prioritises accountability and health outcomes over profit.

François Gagnon, reflecting on Quebec's system, explained that "all profits go to prevention and research activities." He emphasised that government control allows for strict regulation of potency, packaging and advertising while keeping prices fair. Gagnon also highlighted that the Quebec model achieved similar legal market participation as more commercial provinces but with fewer social harms. His experience shows that a public monopoly model can achieve both economic stability and social responsibility.

Applying this framework in SA could deliver multiple benefits. A state-run cannabis agency could establish licensed cultivation farms, ideally located in rural and remote areas. These farms would create new employment opportunities in communities that often struggle with economic decline. As Paul Armentano observed in the U.S. context, legalisation "supports job growth and economic development" when regulation is fair and accessible. In SA, this could include training programs in horticulture, production management, and compliance monitoring, promoting regional development and long-term sustainability.

A government-controlled system would also ensure quality assurance and consumer protection. All products would be tested for potency, contaminants and safety, with THC and CBD content clearly labelled. This transparency would help consumers make informed decisions and reduce the risks associated with black-market products. Simon Lenton's warning that "when companies make profit-driven decisions, we don't end up with a good public health outcome" reinforces why SA should avoid full commercialisation.

It would move beyond symbolic decriminalisation toward a structured system that protects health, creates jobs, and reduces illegal trade. Phase 2 would also prepare the groundwork for later stages, including controlled community access through cannabis clubs and dispensaries,once early outcomes have been properly evaluated.

Phase 3: Introducing Cannabis Social Clubs and Cafés as a Controlled Trial

Building on the earlier discussion of social equity and public health, Phase 3 draws selectively on the Netherlands' cannabis café model. this phase introduces a carefully controlled trial of cannabis cafés or social clubs. This step reflects insights shared during my interview with Professor Simon Lenton, who emphasised that cannabis policy should avoid both the harms of prohibition and the excesses of commercialisation. He explained that the "lowest level of harm lies in the middle ground," where access is legal but tightly regulated to protect public health.

The cafés proposed in this phase would operate under strict conditions similar to Responsible Service of Alcohol (RSA) frameworks but without alcohol on site, aligning with public health recommendations to prevent cross-intoxication (Decorte et al., 2020; Penington Institute, 2024). Advertising and commercial promotion would be prohibited, a strategy supported in the literature as critical to preventing youth appeal and normalisation (Hall et al., 2019; Manthey et al., 2023).

During the trial, cafés would offer a restricted range of products , such as pre-rolled cannabis and low-potency edibles , each clearly labelled with THC and CBD content. These safeguards reflect evidence-based guidelines for lower-risk cannabis use (Fischer et al., 2017). Staff would undergo training in harm reduction, impairment recognition, and emergency response, reflecting Lenton's argument that cannabis regulation must be guided by health motives, not commercial incentives.

Importantly, this phase is not intended to increase consumption. Rather, it provides a safer, more transparent alternative to unregulated environments**,** echoing the reflections shared during my interview with Michael Petterson, who argued that communities benefit when cannabis is treated as a health issue rather than a criminal one. He noted that the ACT's experience showed no rise in cannabis use following legalisation, reinforcing that carefully regulated models can protect public health (AIHW, 2025).

A central goal of Phase 3 is generating real-time evidence about social impact, neighbourhood dynamics, consumption patterns, and policing. This mirrors the adaptive model used in Quebec, which deliberately restricted retail density, capped potency, and prioritised harm reduction — an approach praised by Professor Lenton as an example of balanced, health-centred reform.

At the end of the trial, an independent evaluation would assess safety, community acceptance, and any emerging risks. If successful, revenue generated through government-regulated cafés could be reinvested directly into AOD treatment, mental health services, community prevention, and infrastructure — reflecting successful reinvestment models observed internationally (Deloitte Canada, 2025; Statistics Canada, 2023).

Phase 4: Establishing Regulated Cannabis Dispensaries

If Phase 3 is shown to be safe, socially acceptable, and beneficial, South Australia could progress to Phase 4: a controlled rollout of health-focused cannabis dispensaries. These would not resemble commercial retail chains; instead, they would function similarly to pharmacies, ensuring that recreational cannabis is provided within a system prioritising guidance, dosage safety, and informed decision-making (Hall & Weier, 2015).

This phase draws on insights from my interview with François Gagnon from the Canadian Centre on Substance Use and Addiction. Gagnon highlighted that after legalisation, Canada saw increases in product potency and disparities in access, particularly when commercial for-profit models were used. Based on these reflections, dispensaries in South Australia would enforce strict potency limits, prohibit advertising, and ensure packaging is neutral and youth-protective — consistent with WHO recommendations (WHO, 2016; Teutsch et al., 2024).

Dispensaries would operate only in approved locations to prevent the inequitable clustering of outlets in disadvantaged neighbourhoods — a pattern documented in both Australia and abroad (Mennis et al., 2016; Lucas, 2024). This measure directly addresses concerns about reinforcing structural inequality through poorly planned retail distribution.

Revenue generated through dispensary sales — under a government-regulated, non-commercial model — could be reinvested into AOD treatment, community mental health supports, drug education, and public health research. Economic evaluations show that regulated cannabis markets can provide significant public revenue when structured appropriately (Penington Institute, 2025; Brown et al., 2023), making reinvestment a practical mechanism for strengthening prevention and treatment systems.

Like Phase 3, Phase 4 would be implemented as a monitored trial, with ongoing evaluation of consumption trends, youth access, public health outcomes, and community sentiment. This incremental approach reflects the perspective shared by Michael Petterson, who explained that successful reform often occurs through "small, achievable steps that reflect community values," building confidence and evidence over time.

Should adverse impacts emerge, the model can be adjusted, paused, or scaled back. This ensures that reform remains flexible, accountable, and grounded in harm-minimisation.

Recommendations

Through viewing cannabis laws through the lenses of social determinants, health outcomes, and economic factors, as well as careful analysis of different legislative models (refer to appendix 1) it is proposed that South Australia adopt a Health Perspective Monopoly Model. This model aims to balance accessibility, regulation, and public health priorities while minimising the risks of over-commercialisation. Implementation would occur in four staged phases. Phase 1 would mirror the Australian Capital Territory's framework, legalising personal possession and small-scale cultivation under strict limits. Phase 2 would establish regulated cultivation, supply chains, and distribution networks within South Australia to ensure product quality and safety. Phase 3 would introduce licensed Cannabis Clubs, offering community-based, non-profit access under health-focused oversight. Phase 4 would enable fully legal recreational cannabis access through regulated dispensaries, generating tax revenue and supporting comprehensive public health campaigns, education, and harm-reduction strategies. This phased approach allows for gradual implementation, ongoing monitoring, and evidence-based adjustments, effectively balancing public health, social equity, and economic considerations.

Crucially, before any steps are taken toward implementing this model,it is recommended that a comprehensive public inquiry should be conducted. Such an inquiry would allow for a thorough evaluation of the social, health, and economic impacts of cannabis law reform, drawing on expert evidence and international experience. Meaningful public consultation is equally essential, ensuring that the voices, concerns, and values of South Australians are fully considered. Ultimately, any move toward legalisation should be subject to public approval through a vote or referendum, providing democratic legitimacy and community support for the phased implementation. Engaging the public at every stage ensures transparency and aligns policy with community priorities.

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Appendices

Appendix 1: Cannabis Regulation Models *(World Population Review, 2023)*

Model	What It Entails	Countries/ Jurisdictions
Criminalised Model	• Cannabis use, possession, cultivation, and sale are illegal. • Penalties include fines, imprisonment, and criminal records. • Focuses on deterrence rather than harm reduction. • Often contributes to overcrowded justice systems and social inequities.	China, Indonesia, Nigeria, Russia, Ethiopia, Japan, Philippines, DR Congo, Vietnam, Turkey, Tanzania, Kenya, Sudan, Uganda, Algeria, Algeria, Iraq, Afghanistan, Yemen, Angola, Uzbekistan, Malaysia, Mozambique, Saudi Arabia, Madagascar, Ivory Coast, Cameroon, Nepal, Venezuela, Niger, Syria, Mali, Burkina Faso, Taiwan, Chad, Kazakhstan, Somalia, Senegal, Guatemala, Guinea, Benin, Burundi, Bolivia, Tunisia, South Sudan, Haiti, Jordan, Dominican Republic, United Arab Emirates, Honduras, Cuba, Tajikistan, Papua New Guinea, Azerbaijan, Togo, Hungary, Belarus, Sierra Leone, Turkmenistan, Libya, Hong Kong, Kyrgyzstan, Nicaragua, Bulgaria, Serbia, Republic of the Congo, El Salvador, Liberia, Central African Republic, Oman, Slovakia, Mauritania, Kuwait, Eritrea, Mongolia, Bosnia and Herzegovina, Qatar, Namibia, Armenia, Gambia, Gabon, Botswana, Guinea-Bissau, Equatorial Guinea, Latvia, Bahrain, Mauritius, Eswatini, Djibouti, Fiji, Comoros, Solomon Islands, Guyana, Bhutan, Macau, Suriname, Montenegro, Maldives, Cape Verde, Brunei, Bahamas, Iceland, Sao Tome and Principe, Samoa, Kiribati, Seychelles, Grenada, Micronesia, Tonga, Andorra, Greenland, Liechtenstein, Monaco, Marshall Islands, Palau, Tuvalu, Vatican City, Bangladesh, Egypt, Iran, Myanmar, Laos, Lesotho, Belize
Decriminalised Model	• Removes criminal penalties for personal possession or use. • Offences typically result in civil fines or education/diversion programs. • Cannabis supply and sale remain illegal. • Aims to reduce the burden on criminal justice systems.	Some Australian states, Mexico, Italy, Colombia, Spain, Argentina, Peru, Chile, Netherlands, Ecuador, Belgium, Portugal, Israel, Austria, Switzerland, **Paraguay, Costa Rica, **Moldova, Jamaica, Slovenia, **Trinidad and Tobago, Estonia, **Saint Lucia, **Saint Vincent and the

	Most countries/ jurisdictions where cannabis is decriminalised will also have legal medicinal cannabis.	Grenadines , **Antigua and Barbuda, **Dominica, Bermuda
Medical Model	• Cannabis access restricted to approved medical conditions. • Prescription required from authorised medical practitioners. • Regulated through government health agencies (e.g., Australia's TGA under the SAS). • Licensed producers supply pharmaceutical-grade products.	All Australian states, Brazil, Turkey, France, South Korea, Ukraine, Poland, Ghana, Sri Lanka, Malawi, Zambia, Romania, Zimbabwe, Rwanda, Sweden, Greece, Denmark, Singapore, Lebanon, Norway, Ireland, New Zealand, Panama, Croatia, Lithuania, Albania, North Macedonia, Cyprus, Vanuatu, San Marino, United Kingdom, Morocco, Cambodia, Finland
Commercial Model	• Private companies cultivate and sell cannabis for profit. • Operates similarly to alcohol/tobacco industries. • Generates tax revenue and jobs but may drive over-commercialisation. • Requires strong regulatory oversight to mitigate harms.	Colorado (USA), California (USA), Ontario (Canada).
Government Monopoly Model	• The state controls production and retail of cannabis. • Enables pricing and potency regulation. • Profits reinvested into health and prevention initiatives. • Limits private sector influence and reduces marketing-driven demand.	Quebec (Canada), Uruguay
Non-Profit Model	• Community-based or cooperative cultivation and distribution. • Focus on harm reduction, not profit. • Reduces illegal trade but yields limited tax revenue. • Requires strong compliance monitoring.	Malta: Cannabis clubs allowed; no open retail sales Germany**:** Cannabis clubs legalised; no commercial retail yet
Home-Grow Model	• Permits individuals to cultivate a limited number of plants for personal use. • Reduces black-market reliance and enforcement costs. • Generates no tax revenue or formal employment. • Carries risks of unregulated production and illicit sales.	Canada, South Africa, parts of the USA (e.g., Alaska), Luxembourg, Georgia
Middle-Ground Model	• Balances control and accessibility—between prohibition and free market. • May include state-run monopolies, CSCs, or community trusts. • Focused on public health, safety, and equity. • Often allows limited home growing and strictly regulated supply.	Mexico, Germany, Czechia (2026)

Appendix 2: Interview Analysis

Interview with Simon Lenton, Program Leader, National Drug Research Institute, Western Australia

The interview with Professor Simon Lenton, Program Leader at the National Drug Research Institute, highlighted two interrelated themes central to contemporary cannabis policy reform: the need for a public health perspective and the adoption of a middle-ground approach to legalisation. These themes reveal how cannabis regulation can move beyond punitive or profit-driven frameworks to one that prioritises harm reduction, equity, and community wellbeing.

Professor Lenton emphasised that cannabis policy should be grounded in public health principles rather than moral or commercial motives. He argued that existing prohibitionist models have failed to achieve their stated goals, observing that "prohibition doesn't do what people might want it to do." Research conducted in South Australia and Western Australia, he noted, demonstrated that receiving a cannabis conviction does not reduce cannabis use in the months following arrest, but it does result in significant negative social outcomes such as barriers to employment and travel. These consequences highlight how punitive systems exacerbate, rather than alleviate, harm.

From a public health standpoint, the central policy objective should be to minimise harm and maximise wellbeing, not to criminalise or stigmatise individuals who use cannabis. Lenton contrasted this with commercialised models of legalisation, such as those seen in North America, where profit-driven markets have led to increased availability, higher potency products, aggressive marketing, and rising rates of use among young people. He cautioned that "when companies make profit-driven decisions, we don't end up with a good public health outcome," drawing parallels to the long-standing issues with alcohol and tobacco regulation.

A second key theme from the interview was Lenton's advocacy for a "middle-ground" approach to cannabis reform. Rather than positioning legalisation as a binary between full prohibition and full commercialisation, he proposed a mixed regulatory model that combines several supply pathways, such as *homegrown cultivation, cannabis social clubs,* and *government-regulated retail outlets*. This model, he argued, ensures safe and equitable access while avoiding the harms associated with unregulated markets or corporate monopolies.

According to Lenton, prohibition with civil penalties — such as the current system in South Australia — offers some improvement over full criminalisation but remains inadequate, as it fails to address the supply side of the market. Most cannabis users, he noted, still rely on illicit sources because "70% of people that smoke cannabis don't grow their own." Therefore, an effective system must create legal supply channels that meet community demand without replicating the harms of commercial markets.

Lenton identified Quebec's model as a particularly promising example of this balanced approach. In Quebec, cannabis is distributed through government-owned stores that strictly limit the

number of outlets, cap potency at 30%, prohibit advertising, and restrict sales to individuals aged 21 and over. The system focuses on providing accurate information and ensuring product safety rather than promoting consumption. Despite the limited number of retail stores, Quebec has achieved similar rates of transition from illegal to legal markets as other Canadian provinces, but with fewer public health harms. This, Lenton argued, demonstrates that "the lowest level of harm lies in the middle ground," where accessibility and control are carefully balanced.

He contrasted this with commercialised systems in the United States, where widespread retail availability and aggressive marketing have led to increased potency, youth access, and normalisation of use. In contrast, Quebec's model — with its restricted availability and state oversight — shows how legalisation can advance social and health goals simultaneously.

He also stressed that any legalisation framework should be evidence-based and adaptable, starting conservatively and expanding only after rigorous evaluation. This iterative approach would allow policymakers to adjust regulations in response to observed harms or benefits, ensuring that policy remains aligned with health and social equity objectives. Lenton further emphasised the importance of stakeholder collaboration — involving public health experts, law enforcement, government, and community organisations — to ensure legitimacy and effectiveness.

Interview with Michael Petterson, Member of the Legislative Assembly, Australian Capital Territory

The interview with Michael Petterson, the ACT politician who introduced Australia's first legalisation of personal cannabis use, revealed a pragmatic and health-oriented approach to drug policy reform. Petterson viewed the ACT model as an evolution of existing policy, not a radical change. His reflections centred on two key ideas: the need to treat cannabis as a public health issue, and the importance of making gradual, evidence-based reforms within the Australian federal

Petterson explained that the 2019 ACT legislation aimed to reframe drug use through a public health lens. He described Canberra as a "very progressive city" that had already decriminalised cannabis possession since the early 1990s. The new law, which allows adults to possess small amounts and grow up to two plants, was designed to align the law with community attitudes and reduce stigma around cannabis use.

He stressed that the reform's purpose was to minimise harm rather than promote use. Petterson referred to wastewater testing that showed no significant increase or decrease in cannabis consumption after legalisation. This finding supported his view that the law did not encourage greater use or cause new harms. Instead, it allowed police and community services to focus on health and wellbeing rather than punishment. Petterson stated that "community should view drugs as a health issue," believing that a supportive, non-punitive response can strengthen community health.

He also observed that the policy change had little practical effect on policing, since officers were already deprioritising minor cannabis offences. In his view, the reform simply made the law reflect reality and freed resources for more serious

Petterson described the ACT's approach as incremental and realistic. He recognised that the Territory's legislation operates within a federal framework where cannabis supply remains illegal. This means that people still rely on black-market sources or medical prescriptions for access. Despite this limitation, he believed that the reform was an important first step towards national policy change.

He emphasised that gradual reform works best when it reflects evidence and community support. Rather than pushing for full legalisation, he focused on achievable progress. Petterson's strategy represents a form of "pragmatic progressivism"—a careful balance between innovation and caution. He saw the ACT as a policy testing ground that can demonstrate to other states that small, health-focused reforms are both safe and effective.

Through this perspective, Petterson illustrated how cannabis policy can evolve responsibly, guided by evidence, community attitudes, and harm reduction principles. His approach shows that effective reform does not always require sweeping change; it can begin with modest, health-driven steps that build public confidence and policy momentum.

Interview with Paul Armentano, Deputy Director, The National Organisation for the Reform of Marijuana Laws, United States

The interview with Paul Armentano, Deputy Director of the National Organization for the Reform of Marijuana Laws (NORML), offered insight into the diverse and decentralised cannabis policies of the United States. Armentano described how economic outcomes and policy success vary across states depending on their regulatory choices. His discussion focused on two main themes: the positive economic and social outcomes of legalisation, and the challenges of overregulation and political resistance.

Armentano explained that the United States has a state-by-state system of cannabis regulation. As of now, 40 states allow medical cannabis, and 24 states permit adult use for those aged 21 and over. These laws were established either through citizen initiatives or state legislative processes. According to Armentano, these state-level reforms have produced measurable benefits in public health, policing, and the economy.

He reported several key outcomes. Arrest rates for cannabis offences have declined, particularly for minor possession. Youth cannabis use has not increased, contradicting fears of widespread uptake. At the same time, tax revenue and job creation have expanded, demonstrating that regulated markets can provide social and economic benefits. Armentano argued that these trends show legalisation works better than prohibition, offering more effective control and transparency.

He also noted that successful states share certain features: reasonable taxes, clear regulations, and public health safeguards. In his view, effective policy balances freedom of access with health protection, ensuring that reform benefits both the economy and the community.

Despite these positive outcomes, Armentano highlighted several major obstacles facing the U.S. cannabis industry. He described ongoing political resistance, especially from conservative lawmakers, that slows progress at both state and federal levels. This lack of federal support creates legal uncertainty and complicates the operation of state-licensed businesses.

He also discussed the economic barriers caused by excessive regulation and taxation. High taxes and complex compliance requirements make legal cannabis less competitive than the black market, which continues to attract consumers with lower prices. Furthermore, because cannabis remains illegal under federal law, many licensed businesses cannot access banking services, loans, or standard tax deductions. These barriers make it difficult for smaller operators to survive and limit the industry's long-term stability.

Armentano advised jurisdictions such as South Australia to learn from these challenges. He recommended keeping taxes low and entry requirements fair so that legal products remain affordable and accessible. He emphasised that a successful legal market must balance public health goals with economic viability, avoiding both overregulation and unchecked commercialisation.

Armentano's account demonstrates how cannabis policy in the U.S. reflects a tension between innovation and regulation. While legalisation has delivered strong social and economic gains, its success ultimately depends on flexible governance, fair taxation, and political cooperation across different levels of government.

Interview with François Gagnon, Senior Scientist and Special Policy Advisor, Canada Centre on Substance Use and Addiction

The interview with Francois, a Canadian expert from the Canadian Centre on Substance Use and Addiction, provided valuable insight into the complexities of cannabis legalisation and its broader implications for policy, health, and society. Francois explained that while Canada's federal Cannabis Act (2018) legalised cannabis nationwide, each province developed its own distribution model, creating significant variation across the country. Quebec operates under a public monopoly system, where cannabis sales are state-controlled and profits are reinvested into prevention, research, and harm reduction initiatives. In contrast, provinces like Alberta and Ontario adopted commercial for-profit models that resemble the alcohol and tobacco industries. Since legalisation, overall cannabis use in Canada has increased, though patterns of heavy use have remained stable. However, products have become considerably stronger — with average THC concentrations rising from 10% to around 20%, and vaping oils reaching up to 75% — raising emerging concerns about mental and physical health impacts, including psychosis and cannabis hyperemesis syndrome.

François also highlighted that despite legalisation, approximately 20–30% of cannabis transactions still occur within the illicit market, largely due to price disparities and limited product accessibility, particularly among low-income groups. This has created inequities in access to safe, quality-controlled cannabis products. In response, Quebec has channelled tax revenues into school-based prevention programs and harm reduction initiatives, yet the effectiveness of national low-risk use guidelines remains uncertain. From an ethical and policy standpoint, François warned against the risks of over-commercialisation, cautioning that an unchecked profit-driven system could replicate the harms seen with alcohol and tobacco. He argued that while criminalising users is counterproductive, legalisation without strong public health safeguards can also produce harm.

For jurisdictions like South Australia, François recommended avoiding a fully commercial model and instead adopting a health-focused, not-for-profit framework that prioritises safety, equity, and harm reduction over revenue. He stressed the importance of government-led regulation, strict advertising and promotion controls, and affordable access to discourage reliance on illicit markets. Most importantly, he advised that cannabis reform should be overseen by public health authorities rather than financial or corporate interests, with policy decisions grounded in community consultation and evidence-based harm reduction principles. Ultimately, François's position reinforces that effective cannabis policy should aim not to expand consumption or profit but to promote social wellbeing, reduce harm, and ensure justice and inclusion for all users.