



Composition of Boards Overseeing Retail Cannabis Sales and Wholesale Distribution across Canada

Summary

This report describes the composition of boards overseeing retail sales and distribution of cannabis in each Canadian province and territory, with particular focus on the professional and educational backgrounds of board members. The backgrounds and expertise that board members have informs the perspective that they bring and the direction that they provide to the provincial and territorial sales and distribution systems they oversee. This fact has implications for the prioritization of public health and safety-informed policy versus revenue generation. Key findings include:

- Eight out of 13 provinces and territories established a board of directors to oversee retail sales or wholesale distribution of cannabis or both.
- The majority of boards across Canada have representation from members with strong business or finance backgrounds.
- Comparatively, the total proportion of board members with professional or educational backgrounds in the field of health or public safety was low. Only one board had a member with specific expertise in public health.
- In total, five provincial and territorial boards include at least one board member with a health background. One board includes a member with a public safety background.

Background

On October 17, 2018, non-medical cannabis sale and use became legal in Canada. Under the *Cannabis Act*, Canada's provinces and territories are responsible for licensing and overseeing cannabis retail sales and wholesale distribution, with powers such as increasing the minimum age for cannabis use, setting personal possession limits, creating additional rules for growing cannabis at home and restricting where cannabis can be consumed. In many provinces and territories (eight out of 13), responsibility for retail sales and distribution has been delegated to an authority governed by a board of directors. These boards often function at arm's length from government.¹

In five provinces, this function has been rolled into previously established boards responsible for gaming or alcohol activities that may not have had a public health focus. These provinces are Alberta, Manitoba, Newfoundland and Labrador, Nova Scotia and Ontario.

The overarching purpose of the *Cannabis Act* is to promote public health and public safety. Retail sales introduce considerations of economic development, revenue generation for government and

¹ The board of directors for New Brunswick is the exception as it consists solely of senior civil servants, with three deputy ministers and a maximum of four other senior civil servants on the board.



profitability. Boards of directors are in a position to influence priority setting and negotiation between these potentially competing objectives.²

Canada is well-positioned to establish best practices in promoting public health and safety through effective oversight of the retail market. CCSA conducted a review of the composition and role of the various oversight boards, including members' professional backgrounds and primary areas of expertise. This brief is intended to provide those studying the implementation and impact of cannabis regulation with information critical to the potential long-term impacts of non-medical cannabis legalization in Canada.

Findings

British Columbia

Oversight Body: The Liquor and Cannabis Regulation Branch (LCRB) and the Liquor Distribution Branch (LDB)

Composition and Role of Board: British Columbia does not have a board of directors. The LCRB is responsible for licensing and monitoring of private retail sales; the LDB oversees public retail and wholesale distribution. The two branches each have a general manager.

Alberta

Oversight Body: Alberta Gaming Liquor and Cannabis Commission (AGLC) (Gaming, Liquor and Cannabis Act, 2018)

Composition and Role of Board: The AGLC oversees private retail cannabis and the distribution of cannabis with an eight-member board ("Board members," 2019).

Board Members' Areas of Expertise: Business, finance, law, politics and government, public administration, health, communications ("Board members," 2019)

Saskatchewan

Oversight Body: Saskatchewan Liquor and Gaming Authority (SLGA) (Government of Saskatchewan, 2018)

Composition and Role of Board: SLGA does not have a board of directors. Three staff members (Chief Executive Officer, the Vice-President of the Regulatory Services Division and the Director of Cannabis Licensing and Inspections Branch) play key roles in overseeing regulation and enforcement of regulations.

Manitoba

Oversight Body: The Liquor, Gaming and Cannabis Authority (LGCA) ("Board," n.d.)

Composition and Role of Board: The LGCA oversees cannabis stores and distributors (Liquor, Gaming and Cannabis Control Act, 2018), with a seven-member board ("Board," n.d.).

Board Members' Areas of Expertise: Finance and accounting, business, law, policing, health, communications, marketing, board governance, politics and government ("Board," n.d.; Government of Manitoba, 2017; Government of Manitoba, 2019)

² The variation in board oversight functions and the extent of their regulatory authority creates considerations for the role of individual boards. Select boards are limited to an advisory function that does not include regulatory authority over cannabis retail. Conversely, other boards play a formative role in the development of regulations that can impact public health and safety.



Ontario

Oversight Body: Alcohol and Gaming Commission of Ontario (AGCO) (Alcohol and Gaming Commission of Ontario, n.d.)

Composition and Role of Board: The AGCO oversees the sale of cannabis (Alcohol and Gaming Commission of Ontario, n.d.) with a five-member board (Alcohol and Gaming Commission, 2019).

Board Members' Areas of Expertise: Law, farming, agriculture, food and rural affairs, education, finance, politics and government, business ("Appointee biographies," 2019)

Quebec

Oversight Body: Société Québécoise du Cannabis (SQDC) (Government of Quebec, 2019)

Composition and Role of Board: SQDC oversees the sale and distribution of cannabis (Government of Quebec, 2019) with a ten-member board ("Governance," 2019).

Board Members' Areas of Expertise: Business and marketing, economics, law, information technology, finance, audit and accounting, insurance, public relations, communications, human resources, research, epidemiology and public health, medicine ("Governance," 2019)

New Brunswick

Oversight Body: The Cannabis Management Corporation

Composition and Role of Board: The Cannabis Management Corporation oversees cannabis sales and distribution with a maximum seven-member board comprised of senior civil servants.

Board Members' Areas of Expertise: Finance and accounting, health, public administration, business

Nova Scotia

Oversight Body: Nova Scotia Liquor Corporation (NSLC) (Cannabis Control Act, 2018)

Composition and Role of Board: The NSLC oversees the sale and distribution of cannabis (Cannabis Control Act, 2018), with an eleven-member board ("Corporate governance," 2019).

Board Members' Areas of Expertise: Business, sales, marketing, finance and accounting, public administration, information technology, insurance, real estate, construction ("Corporate governance," 2019)

Prince Edward Island

Oversight Body: PEI Cannabis Management Corporation (PEICMC) ("PEI Liquor Control Commission," 2019)

Composition and Role of Board: PEICMC oversees the distribution and sale of cannabis ("About PEI Cannabis," 2019), with a five-member board ("PEI Liquor Control Commission," 2019).

Board Members' Areas of Expertise: Business, entrepreneurship, public relations, real estate, tourism, sales, healthcare, board governance



Newfoundland and Labrador

Oversight Body: Newfoundland and Labrador Liquor Corporation (NLC) (“Independent appointments commission,” n.d.)

Composition and Role of Board: NLC oversees the supply, price and retail operations of cannabis with a seven-member board (“Independent appointments commission,” n.d.).

Board Members’ Areas of Expertise: Finance and accounting, marketing and business development, public administration, law (Cox & Palmer, 2017; Government of Newfoundland and Labrador, 2017)

Yukon

Oversight Body: Yukon Liquor Corporation (YLC)

Composition and Role of Board: The YLC oversees the sale and distribution of cannabis (Cannabis Control and Regulation Act, 2018). At the time of this writing, CCSA was unable to determine whether there is a board acting on behalf of the YLC.

Northwest Territories

Oversight Body: The Northwest Territories Liquor and Cannabis Commission (NTLCC)

Composition and Role of Board: NTLCC does not have a board of directors. The NTLCC oversees the distribution and sale of cannabis. Official oversight is through the Minister of Finance and NTLCC staff.

Nunavut

Oversight Body: Nunavut Liquor and Cannabis Commission (NULC)

Composition and Role of Board: NULC does not have a Board of Directors. The NULC oversees the sale of cannabis.

Discussion

Of the thirteen provinces and territories:

- 8 out of 13 employed a board of directors to oversee retail sales and distribution
- 7 out of 8 boards had members with business or finance backgrounds
- 5 out of 8 boards had members with health backgrounds
- 5 out of 8 boards had members with law backgrounds
- 3 out of 8 boards had members with political and government backgrounds
- 1 out of 8 boards have a member with a public health background

While the evidence surrounding board composition and expertise in the particular policy area within government agency boards is not well developed, the province of Alberta has established a framework for board appointments that may inform best practices. This includes board membership based on subject matter competency, including specialized knowledge of the particular broader public policy context (Alberta Public Agencies, 2016). Some jurisdictions have developed competency guidelines for cannabis board membership. The Newfoundland and Labrador Liquor Corporation has established a competency profile for board members highly focussed on elements of corporate governance and business management (Independent Appointments Commission, n.d.). Conversely, Quebec’s SQDC requires that the board includes members who have experience in the areas of public health, education, substance use and youth intervention (Government of Quebec, 2019), however to date, this has not been fully achieved.



Implementation of the board structure has not occurred in all jurisdictions, limiting a pan-Canadian comparative analysis of board composition. Variations in board composition, policy area expertise and oversight activities could present a valuable perspective for comparison of public health and safety-informed policy among jurisdictions where board oversight has been adopted.

Conclusion and Recommendations

Canada is a global leader in the legalization of cannabis for non-medical purposes. Legislation has been designed and implemented with a focus on public health and safety. Currently, board compositions do not reflect these priorities. There is the opportunity to examine how board composition and subject-matter expertise impact the implementation of cannabis policy from a public health and safety perspective. Such an examination could inform the development of best practices for board membership. Given the infancy of the policy area of legal non-medical cannabis, further attention should be paid to evolving governance structures, policy-area expertise and policy responses that reflect or impact a public health and public safety approach.

Possible areas for future research include:

- The relationship between board member expertise and the prioritization of public health and public safety-informed policy versus revenue generation;
- The degree of board involvement and authority in the development, implementation and revision of retail policy;
- The impact of diverse oversight functions on policy development, priority setting and regulatory development;
- Jurisdictional variations in regulatory authority and board expertise; and
- The approach to monitoring and evaluation of implementation, including selected measures of success, developed in each jurisdiction.



References

- About PEI Cannabis. (2019). Retrieved from <https://peicannabiscorp.com/pages/about>
- An Act to Provide for the Regulation and Sale of Cannabis, 1st Session, 63rd General Assembly, Nova Scotia, Chapter 3, Acts of 2018 (2018). Retrieved from <https://nslegislature.ca/sites/default/files/legc/PDFs/annual%20statutes/2018%20Spring/c003.pdf>
- Alberta Public Agencies. (2016). Board profile & competency matrix tool. Retrieved from https://www.alberta.ca/documents/PAS-Board_Profile_and_Competency_Matrix_-_Template.pdf
- Alcohol and Gaming Commission of Ontario. (n.d.). Private retail licensing and regulation. Retrieved from <https://www.agco.ca/cannabis/private-retail-licensing-and-regulation>
- Alcohol and Gaming Commission of Ontario. (2019) Retrieved from <https://www.pas.gov.on.ca/Home/Agency/427>.
- Appointee biographies: Alcohol and Gaming Commission of Ontario. (2019). Retrieved from <https://www.pas.gov.on.ca/Home/AgencyBios/427?appointmentId=1927>
- Board [Liquor, Gaming and Cannabis Authority of Manitoba]. (n.d.). Retrieved from <https://lgcamb.ca/board/>
- Board members [Alberta Gaming, Liquor and Cannabis]. (2019). Retrieved from <https://aglc.ca/about-us/board-directors/board-members>
- Cannabis Control Act, 1st Session, 63rd General Assembly, Nova Scotia, Chapter 3, Acts of 2018 (2018). Retrieved from https://nslegislature.ca/legc/bills/63rd_1st/3rd_read/b108.htm
- Cannabis Control and Regulation Act, SY 2018, c. 4, amended SY 2019, c. 6, Yukon Territory (2019). Retrieved from http://www.gov.yk.ca/legislation/acts/cacore_c.pdf
- Corporate governance [Nova Scotia Liquor Control]. (2019). Retrieved from <https://www.mynslc.com/en/About-NSLC/Company/Corporate-Governance>
- Cox & Palmer. (2017, May 29). Wayne Myles, QC, appointed chair of Newfoundland Labrador Liquor Corporation. Retrieved from <https://coxandpalmerlaw.com/wayne-myles-qc-appointed-chair-of-newfoundland-labrador-liquor-corporation/>
- Gaming, Liquor and Cannabis Act, Revised Statutes of Alberta 2000, Chapter G-1 (2018). Edmonton: Alberta Queen's Printer.
- Governance: Director profiles [Société québécoise du cannabis]. (2019). Retrieved from <https://www.sqdc.ca/en-CA/about-the-sqdc/the-sqdc/governance>.
- Government of Manitoba. (2017, April 24). Province announces new appointments to Liquor and Gaming Authority of Manitoba board. Retrieved from <https://news.gov.mb.ca/news/index.html?item=41351>
- Government of Manitoba. (2019, January 25). Manitoba makes appointment to Liquor, Gaming and Cannabis Authority. Retrieved from <https://news.gov.mb.ca/news/index.html?item=44976>
- Government of Newfoundland and Labrador. (2017, October 13). Premier Ball announces senior public service appointment. Retrieved from <https://www.releases.gov.nl.ca/releases/2017/exec/1013n06.aspx>



Government of Quebec. (2019, Aug. 1). The legislation on cannabis. Retrieved from <https://encadrementcannabis.gouv.qc.ca/en/loi/loi-encadrant-le-cannabis/>

Government of Saskatchewan. (2018, Jan. 8). Cannabis to be sold by private retailers, regulated by SLGA. Retrieved from <https://www.saskatchewan.ca/government/news-and-media/2018/january/08/cannabis-retail-stores>

Independent Appointments Commission. (n.d.). Newfoundland and Labrador Liquor Corporation. Retrieved from <https://www.exec-abc.gov.nl.ca/public/agency/detail/?id=582&>.

The Liquor, Gaming and Cannabis Control Act, C.C.S.M. c. L153, Manitoba. (2019) Retrieved from https://web2.gov.mb.ca/laws/statutes/ccsm/_pdf.php?cap=l153

PEI Liquor Control Commission. (2019). Retrieved from <https://www.princeedwardisland.ca/en/information/executive-council-office/pei-liquor-control-commission>.

