

NEWS RELEASE

Provinces can help First Nations generate more revenue by reducing regulation of casinos

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CALGARY—If Canadian policymakers want to help First Nations generate more revenue and improve living standards, they should reduce regulation of the gaming industry, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Casinos with slot machines and table games are the most lucrative form of legalized gambling in Canada, yet due to provincial regulation, most First Nations see a relatively small percentage of gaming revenue,” said Tom Flanagan, Fraser Institute senior fellow and author of *Cartels and Casinos: First Nations’ Gaming in Canada*.

When First Nation communities open casinos near large cities and vacation resorts, their Community Well-Being scores (based on income, employment, education and housing data collected by Statistics Canada) rapidly rise.

But unfortunately, provincial gaming policies have kept First Nation casinos in remote areas where they remain relatively small and contribute relatively little to economic development. The study identifies three key reforms to help First Nations generate more revenue from the gaming industry.

- Amend the Criminal Code to remove First Nation gaming from provincial oversight, paving the way for national regulation designed to increase gaming’s contribution to First Nation economic development.
- Abandon the “cartel” approach to the gaming industry and allow entrepreneurs—not government regulators—to make decisions about where to locate, what services to offer and what prices to charge. Then, First Nations could compete in Canada’s gaming market much like Indigenous communities in the United States in the American market.
- Allow First Nations greater access to lucrative urban and resort markets (creating more urban reserves could help achieve this goal). And allow First Nations to keep a greater share of casino revenue.

“The provinces are unlikely to relinquish control of lucrative First Nations gaming without a fight, but if these communities can generate more revenue from this industry, they have an excellent chance of raising the living standards of their members,” Flanagan said.

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