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BUILDING A **SAFE AND RESILIENT CANADA**



Economics of Policing

National Policing Research Symposium

Mark Potter, Director General

March 5, 2014



Part 1: Awareness & Dialogue - To gain a shared understanding of the challenges and opportunities facing policing in Canada.

Part 2: Strategy & Actions - To move forward in a focused and collaborative way on actions to strengthen the efficiency and effectiveness of policing and public safety in Canada.



PART 1: AWARENESS & DIALOGUE



BUILDING A **SAFE** AND **RESILIENT** CANADA

- **Awareness & Dialogue:** To gain a shared understanding of the challenges and opportunities facing policing in Canada.
 - What is the Economics of Policing?
 - The economics of policing is about the efficiency and effectiveness of policing, and public safety more broadly.
 - Canadian public are increasingly aware and engaged on issues related to policing.
 - Steady and significant growth in policing costs while reported crime is declining.
 - Increasingly diverse and complex nature of police work.
 - Impact of factors such as mental health and addiction on police workload and emergence of significant new crimes and challenges (e.g., cyber, financial, terrorism, etc.).



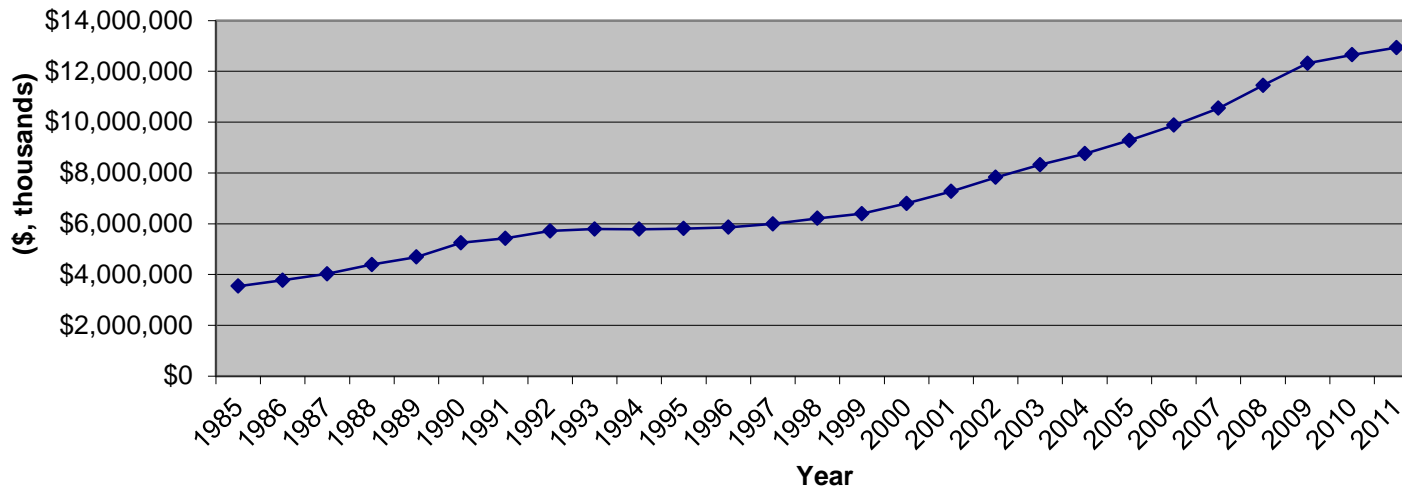
POLICE COSTS



BUILDING A **SAFE AND RESILIENT CANADA**

- In 2012, Canada employed just under 70,000 sworn police officers and just over 28,000 civilian staff.
 - Police services in Canada include the RCMP, three provincial police services (OPP, SQ, RNC), 230 independent municipal services and 38 First Nations police services.
- In 2011, policing expenditures totalled **\$12.9 billion** or about **\$375 per Canadian**.
 - Between 1997 and 2010, police expenditures more than doubled.

Total Expenditures on Policing in Canada



Source: *Police Resources in Canada (2012)*, *Police-reported crime statistics in Canada, 2012*



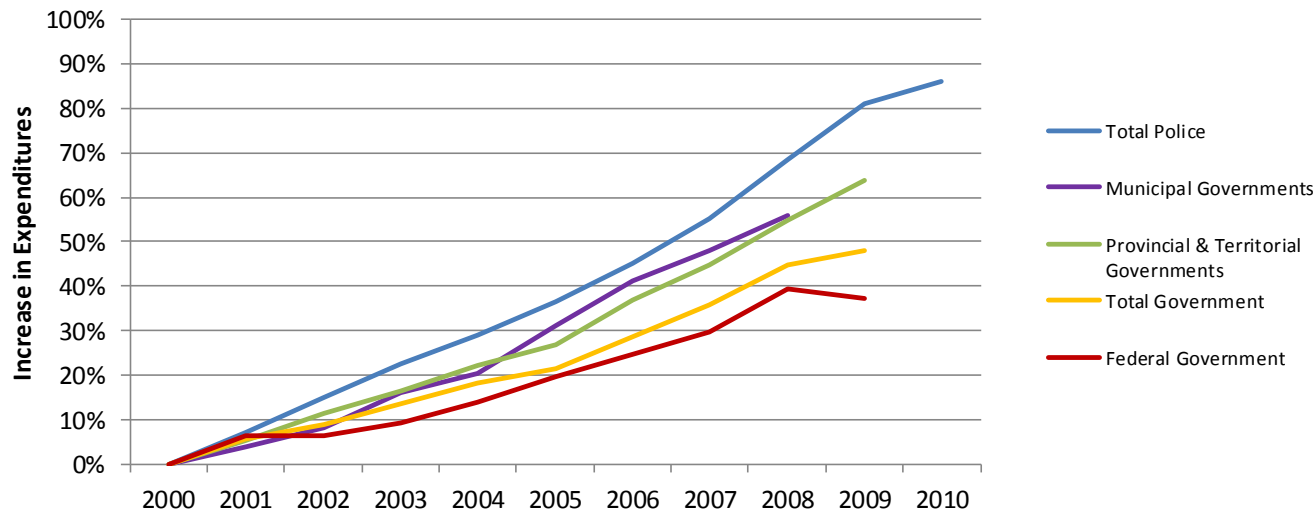
POLICE SPENDING VS GOVERNMENT SPENDING



BUILDING A **SAFE AND RESILIENT CANADA**

- The increase in expenditures for policing in Canada has outpaced governments' total increases in spending.

Rate of Increase in Total Expenditures for Governments & Police



Source: Statistics Canada data available to 2009 for most government expenditures and 2008 for municipal expenditures.

Source: Statistics Canada CANSIM Table 385-0001 "Consolidated federal, provincial, territorial and local government revenue and expenditures," CANSIM Table 385-0003 "Local government revenue and expenditures for fiscal year ending closest to December 31", and Statistics Canada "Police Resources in Canada, 2011".



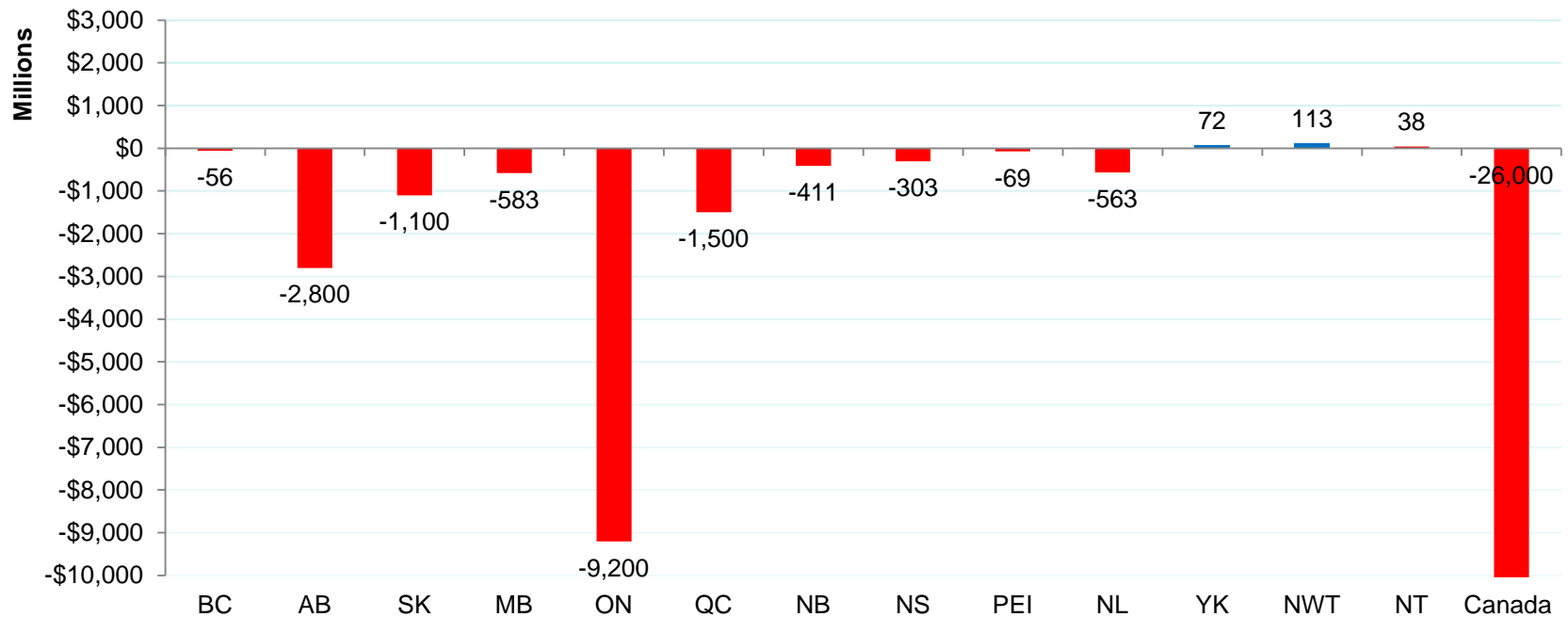
OVERALL FISCAL SITUATION



BUILDING A **SAFE AND RESILIENT CANADA**

- Most governments in Canada continue to have deficits.

Surplus/Deficits - Canada, Provinces and Territories - FY 2012-2013



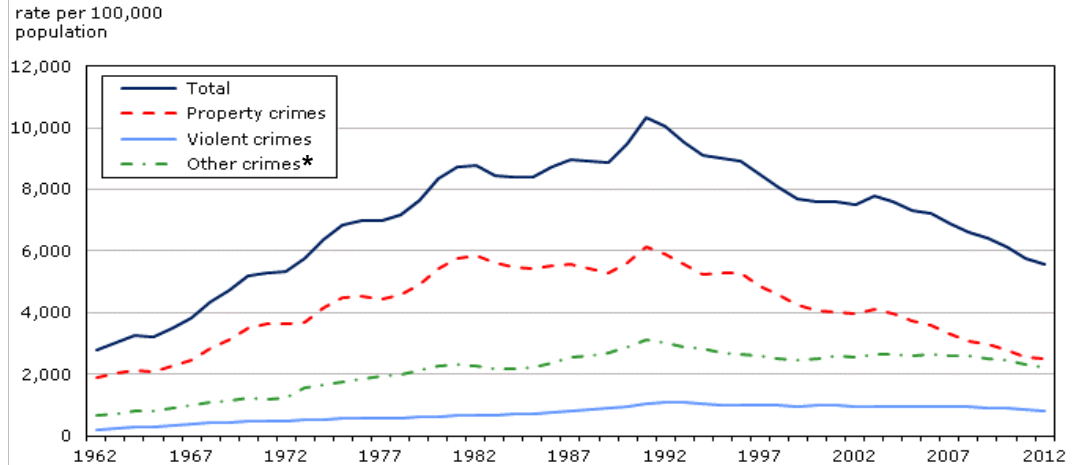
CRIME



BUILDING A SAFE AND RESILIENT CANADA

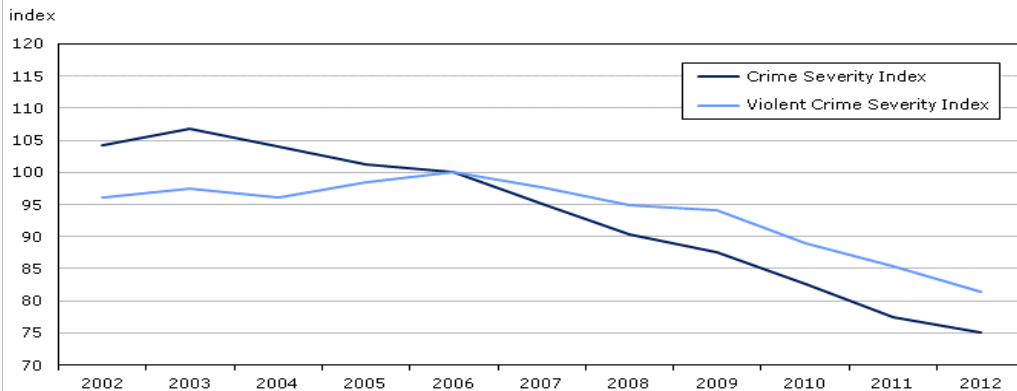
- Reported crime in Canada peaked in the early 1990s.

Chart 1
Police-reported crime rates, Canada, 1962 to 2012



- The Crime Severity Index was also down for the ninth consecutive year.

Chart 2
Police-reported Crime Severity Indexes, 2002 to 2012



UNREPORTED CRIME & VICTIMIZATION



BUILDING A **SAFE AND RESILIENT CANADA**

- Reported crime rates do not include all crimes.
- In Canada, there is a significant volume of **unreported crime**.
 - In 2009, about 50% of residential and 80% of business or public institution crimes were not reported.
- Reasons for not reporting crime include:
 - Belief that the incident was not important enough; that the police could not do anything about it; that the incident was a personal matter; or that it was dealt with in another way.
- In 2009, one in four Canadians reported being a **victim of crime** in the last twelve months. This is consistent with results from 2004.
- Department of Justice estimated that in 2008 the total cost of *Criminal Code* offences in Canada was about \$100 billion:
 - Tangible costs of \$31 billion:
 - Of this amount, \$8.6 billion were tangible costs to police.
 - Other tangible costs included corrections services and victim costs (e.g., health care, productivity losses, stolen/damaged property).
 - Intangible costs of \$68 billion (include pain and suffering and loss of life).



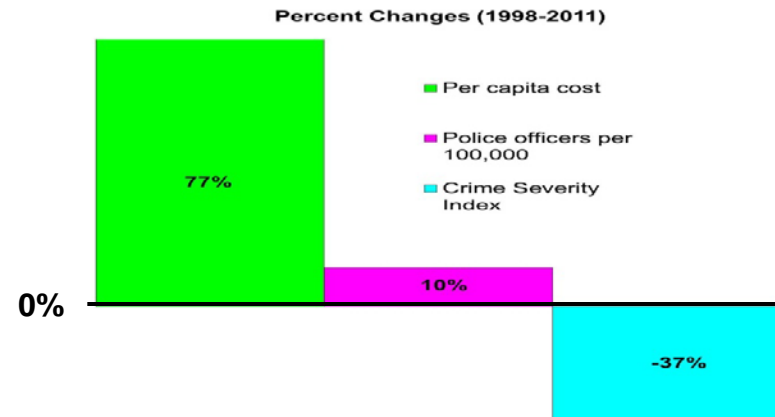
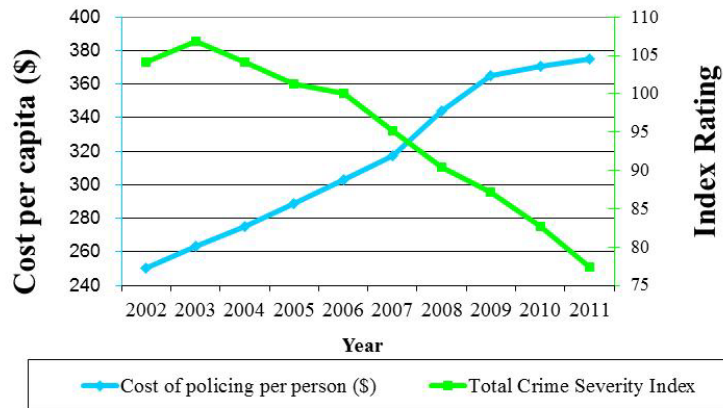
POLICE COSTS & CRIME



BUILDING A **SAFE AND RESILIENT CANADA**

- Both the cost and number of police officers have increased, with costs going up at a much greater rate. At the same time, the reported crime rate/crime severity index continues to decline.

Cost of Policing per Capita & Total Crime Severity



- Cost of policing has grown disproportionately (77% since 1998) when compared to the increases in police officers (10% since 1998).





- **Perceptions of Personal Safety:**

- In 2009, 93% of Canadians felt “very” or “somewhat” satisfied with their personal safety.
 - Approximately two-thirds of Canadians believe that crime in their communities has not increased over the past five years and that their neighbourhoods are safe.
 - The number of Canadians who felt somewhat or very worried about being home alone in the evening dropped (from 20% in 2004 to 17% in 2009).

- **Public Confidence in Police:**

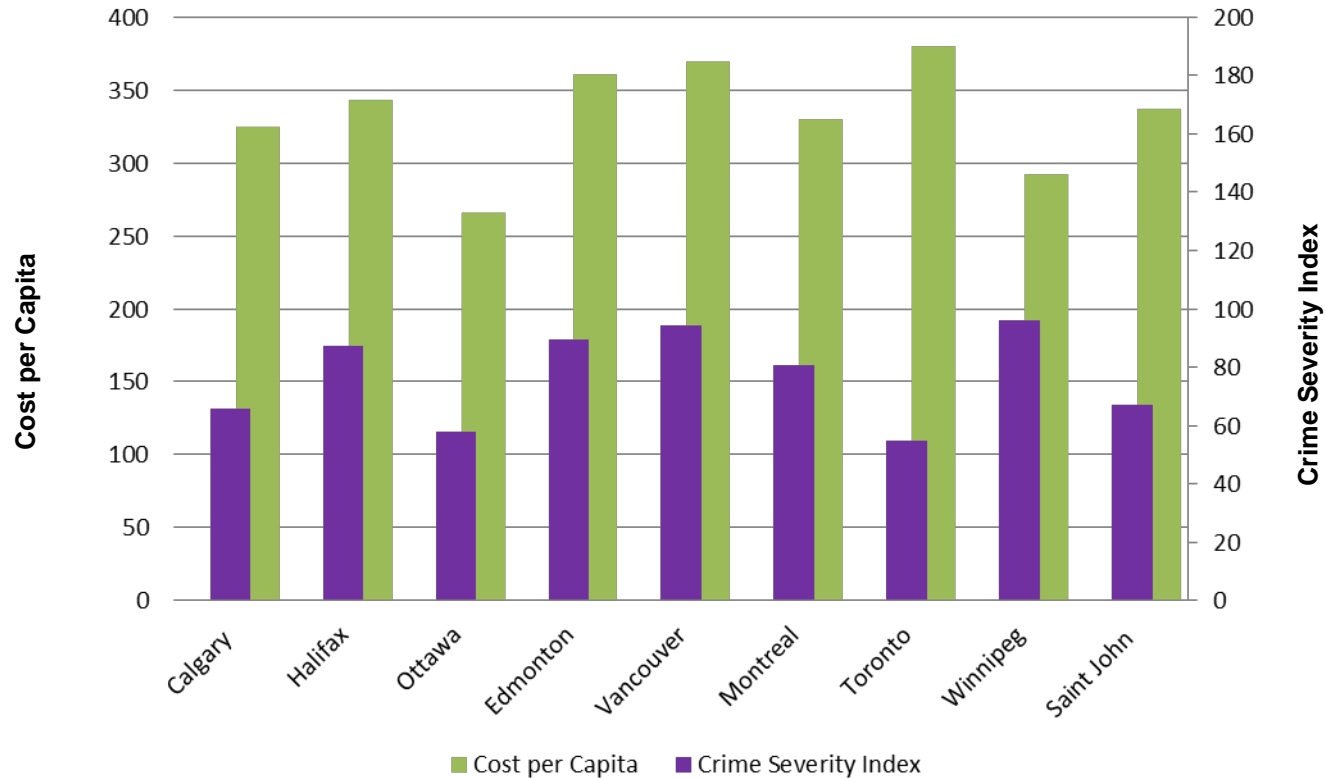
- Public confidence in police is consistently the highest-rated component of the Canadian justice system.
- Notwithstanding high-profile incidents and intense public scrutiny, polling indicates that public confidence in police remains strong (85% have a “moderate” or “high” level of confidence in police).
- More generally, Canadians still express more confidence in their police-justice system than the U.S. and most European countries.

POLICE COSTS & CRIME BY REGION



BUILDING A SAFE AND RESILIENT CANADA

Policing Costs Per Capita and Crime Severity Index in Select Municipalities, 2011



Source: Municipal Police Budgets (2011); *Police Resources in Canada* (2011), *Police-reported crime statistics in Canada, 2011*



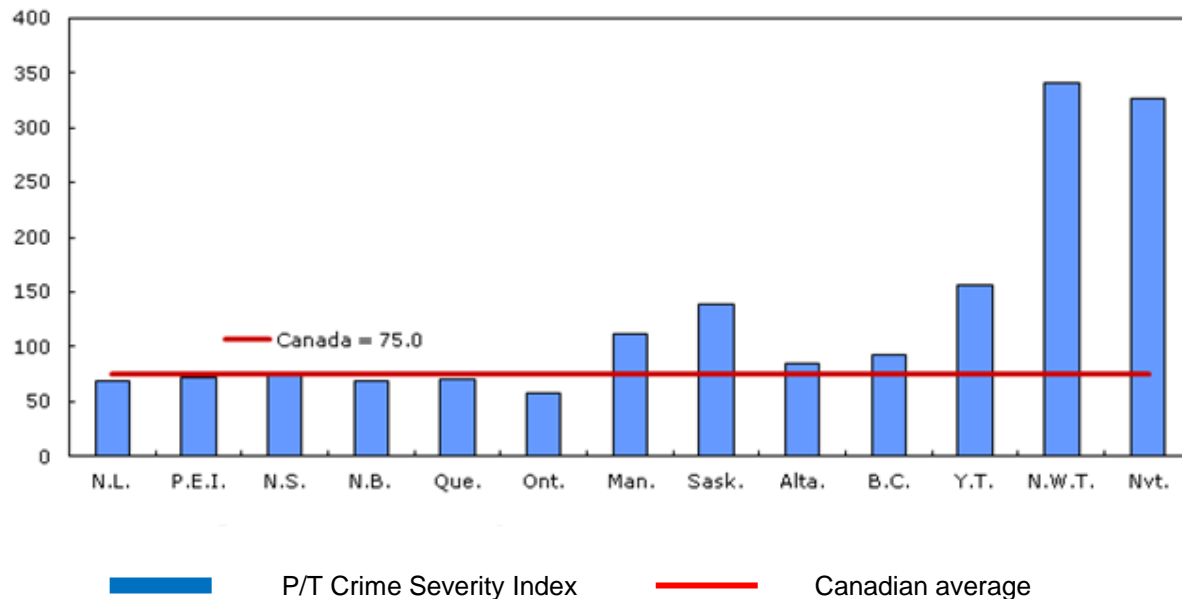
CRIME SEVERITY BY REGION



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- As in the past, both the volume and severity of crime rises as you move West and, especially, North.

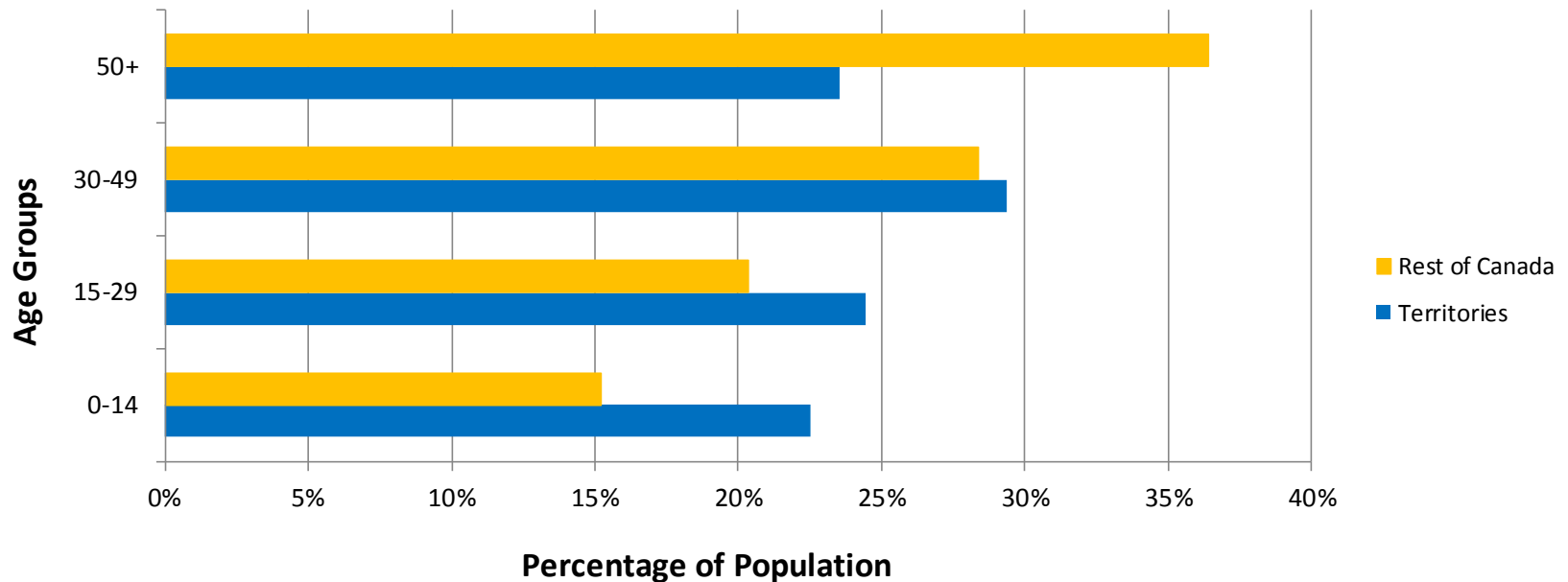
Police-Reported Crime Severity Index, 2012





Canadian Demographic Patterns

Population by Age Group, 2011



- The declining crime rate in Canada can be correlated to, among other things, Canada's aging population.
- The Territories have a higher concentration of young Canadians, with almost half of their population under the age of 29.

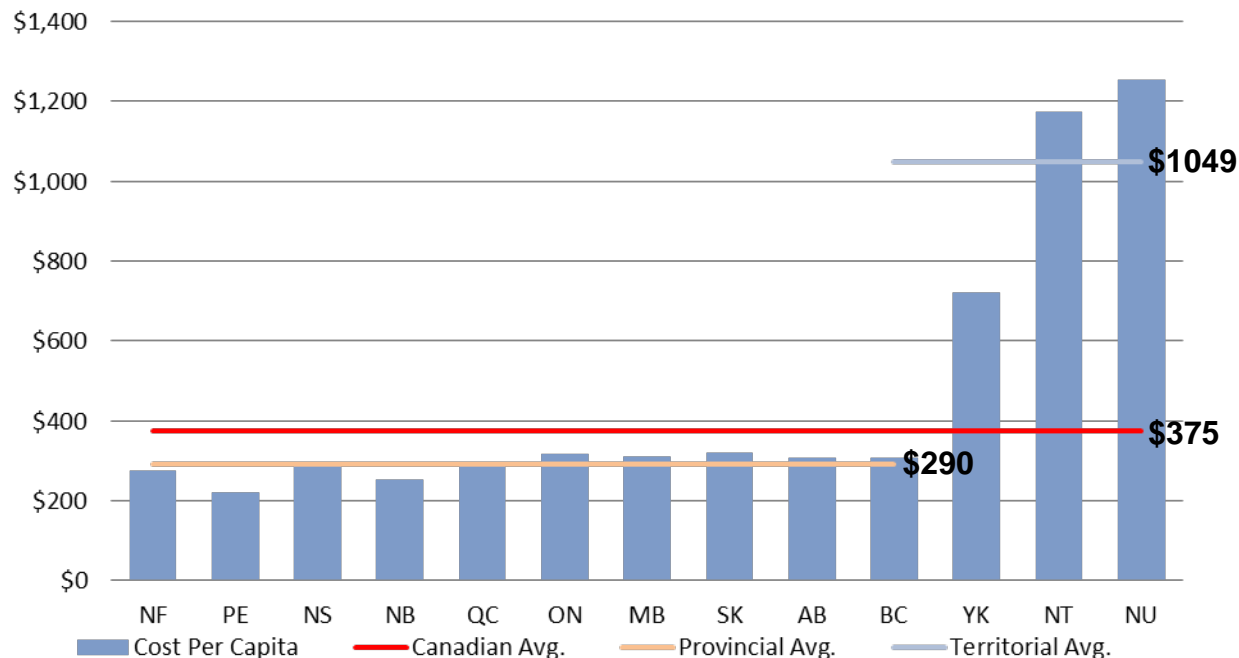
POLICE COSTS BY PROVINCE/TERRITORY



BUILDING A **SAFE AND RESILIENT CANADA**

- Police costs in all provinces are roughly equal.
- Police costs in all territories are well above the Canadian average of \$375 per capita, ranging from \$720 per capita in Yukon to \$1,253 per capita in Nunavut.

Cost of Policing Per Capita



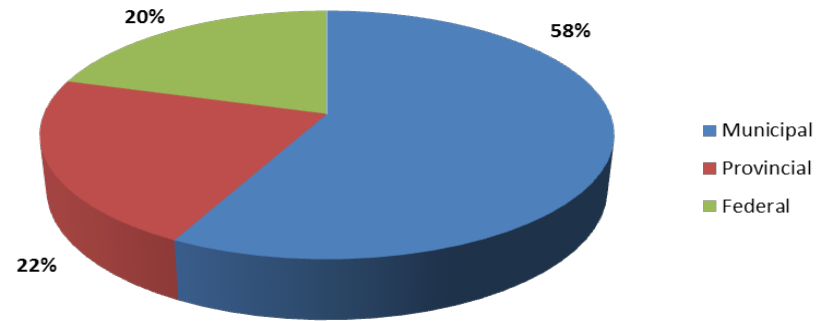
POLICE BUDGETS



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Expenditures by Order of Government:

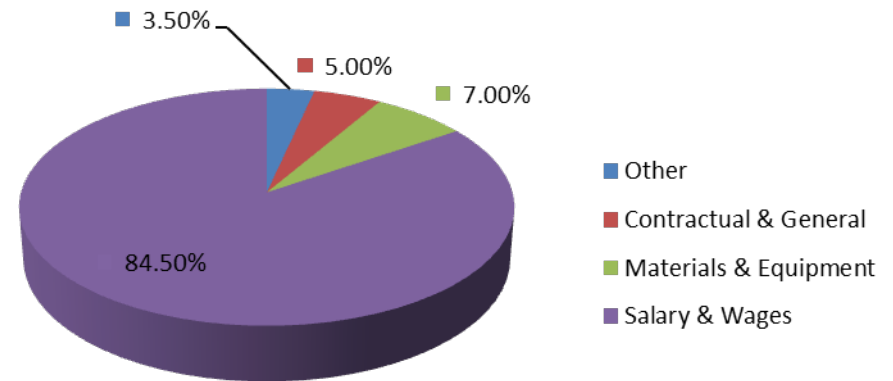
- Most policing is local.
- Based on 2012 spending (\$12.9 billion), more than half of expenditures were allocated to municipal policing and less than a quarter to both provincial and federal policing.



Police Service Budgets:

- Typically, salaries and benefits make up 80-90% of a police service's costs.

Example: Calgary Police Service Operating Budget, 2012



Sources: *Police Resources in Canada* (2012), Canadian Centre for Justice Statistics, Statistics Canada; Calgary Police Service, Finance Section.



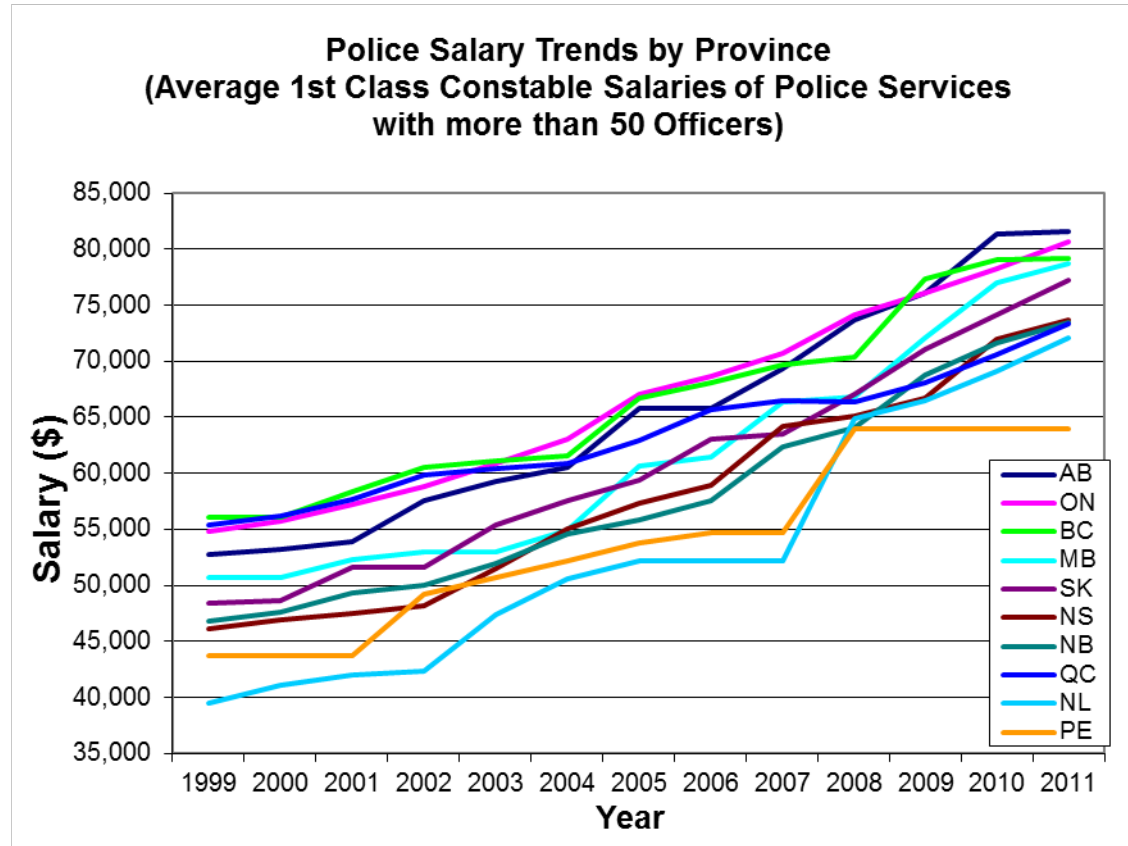
POLICE OFFICER COST



BUILDING A SAFE AND RESILIENT CANADA

Increasing Cost of a Police Officer

- In 2010, the average salary of a First Class Constable (five years of experience) was \$76,000 (excluding overtime).
- Salary compensation for police personnel (in police services with more than 50 officers) has increased by an average of 40% since 2000.
- By comparison, salary compensation for all employed Canadians increased by an average of 11% since 2000.
- Compensation “ratcheted up” based on the collective agreements of other police services (and other first responders).





- **Police work has become longer and more complicated**
 - Changes to policies, legislation, and procedures increase investigation workload, for example:
 - Warrant applications for electronic surveillance now require affidavits of over 350 pages, up from 25-35 pages.
 - Impaired driving investigations can consume most of an entire shift for the officer involved.
 - Higher standards for arrest and DNA samples impact the cost and time to prepare and execute.
 - Greater expectations and need for accountability from governments, courts and the public.
- **New priorities have emerged**
 - **Organized crime** networks have become increasingly pervasive at the domestic and international levels, and have been amplified through the use of technology.
 - Since 9/11, most police services have taken on a greater role in **counter-terrorism** efforts.
 - Increasing reliance on information technologies has also increased vulnerability to **cyber crimes**, including identity theft, intellectual property crimes and disruption of critical infrastructure.
 - **Commercial and financial crimes** have also been on the rise, crossing national and international boundaries to lessen the chances of detection (e.g., telemarketing fraud).
 - **Child sexual exploitation** is a growing focus of police work and considerable resources are also being applied to dealing with **large gatherings and protests**.
- Continued growth in time spent dealing with incidents related to **mental health and addictions**.

OTHER COSTS: OVERTIME, BENEFITS, TRAINING AND ADMINISTRATION



BUILDING A **SAFE AND RESILIENT CANADA**

- Other costs are also increasing:
 - Increasing expenditures on overtime are straining many police budgets.
 - Health services costs and occupational health and safety costs (e.g., health care benefits, dental plans, pensions) have risen.
 - Travel and transportation have become more costly. The increasing complexity of investigations have also increased the need for more frequent travel by officers.
 - Fewer schedulable hours are available due to increased leave and training requirements.
 - In some police services, frontline officers have approximately 12 weeks of unschedulable hours due to vacation, training, and other forms of leave.
 - Corporate functions have expanded due to increasing accountability and reporting requirements.

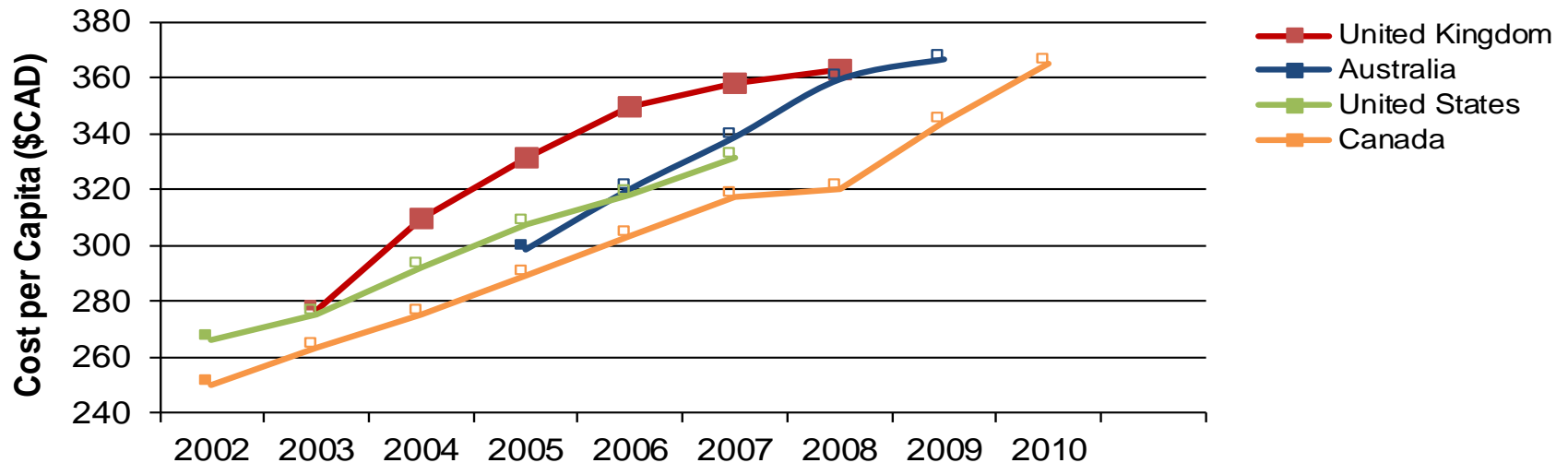


INTERNATIONAL COSTS



- In comparable jurisdictions, policing costs have also increased significantly over the last decade.

Costs of Policing per Capita



- Aggressive measures are being taken to address rising police costs in certain countries (UK and US).

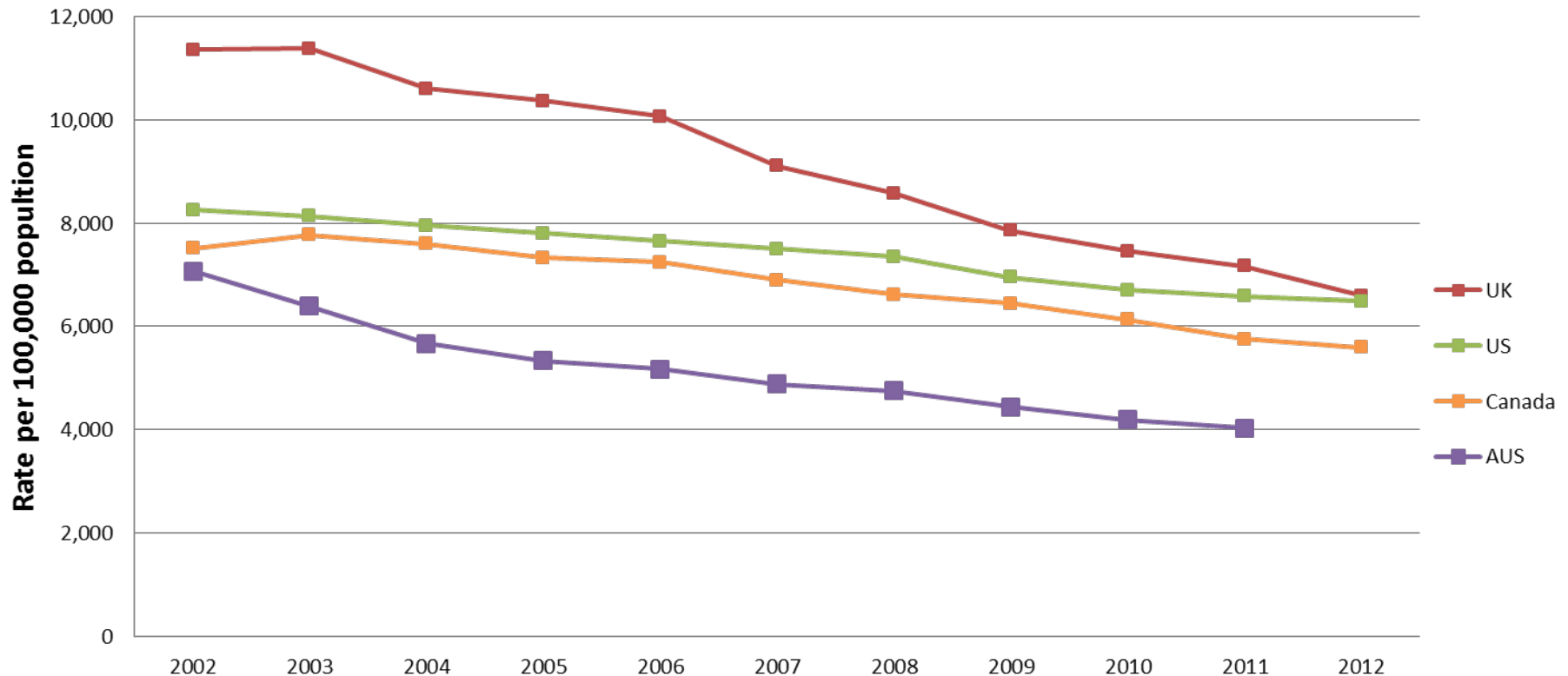


INTERNATIONAL CRIME RATES



BUILDING A **SAFE AND RESILIENT CANADA**

UK, US, CANADA & AUSTRALIA - 2002-2012



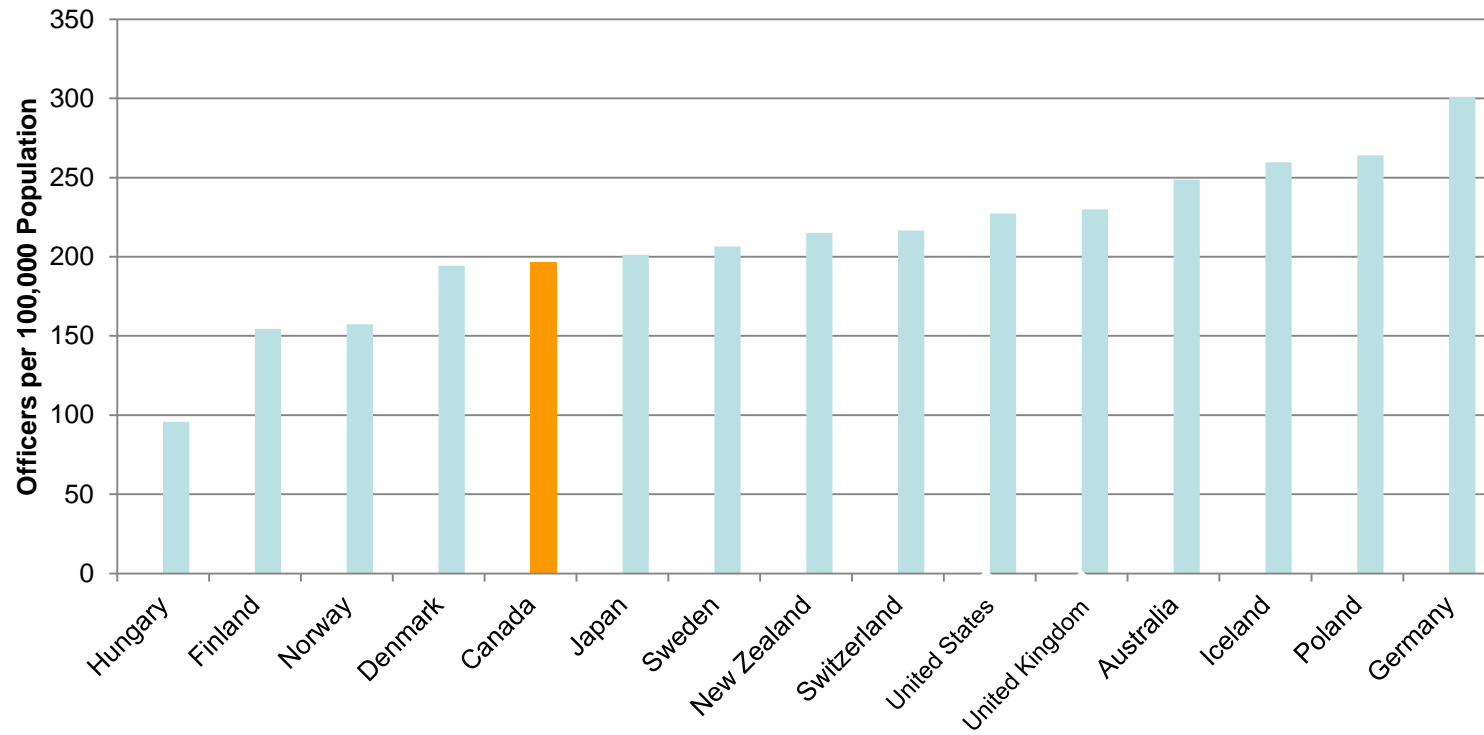
INTERNATIONAL POLICE LEVELS



BUILDING A **SAFE AND RESILIENT CANADA**

- Canada has fewer police officers per capita than many countries.

International Comparison of Police Levels



PART 2: STRATEGY & ACTIONS



BUILDING A **SAFE AND RESILIENT CANADA**

- **Strategy & Actions** - To move forward in a focused and collaborative way on actions to strengthen the efficiency and effectiveness of policing and public safety in Canada.
 - Governments and the police community are already pursuing opportunities to enhance efficiency and effectiveness.
 - Engagement with citizens, police services and stakeholders on performance measures, priorities, role of police and the future of policing;
 - Taking actions to increase operational and structural efficiency and effectiveness;
 - Investing in proactive, integrated community safety approaches to get at the roots of crime.
 - Momentum of change and innovation can benefit, in many areas, from a common strategy and actions.



MINISTERIAL DIRECTION AND STATUS



BUILDING A **SAFE AND RESILIENT CANADA**

In January and October 2012, all federal, provincial and territorial Ministers of Justice and Public Safety agreed to:

1. Convene a **Summit** on the Economics of Policing.

Completed: Summit held January 2013.

2. **Share information** across jurisdictions on policies and practices that are targeted at improvements in the efficiency and effectiveness of policing.

Launched and On-going: *Index of Police Initiatives* released August 2013.

3. Develop a **Shared Forward Agenda** or strategy for policing and public safety in Canada.

Strategy approved November 2013.





- The main principles behind the Shared Forward Agenda are to:
 - Cooperate collectively in those areas where it makes sense to do so, while respecting jurisdictional responsibilities;
 - Adopt a comprehensive and holistic approach to public safety.

STRATEGIC OBJECTIVES



BUILDING A **SAFE** AND **RESILIENT** CANADA

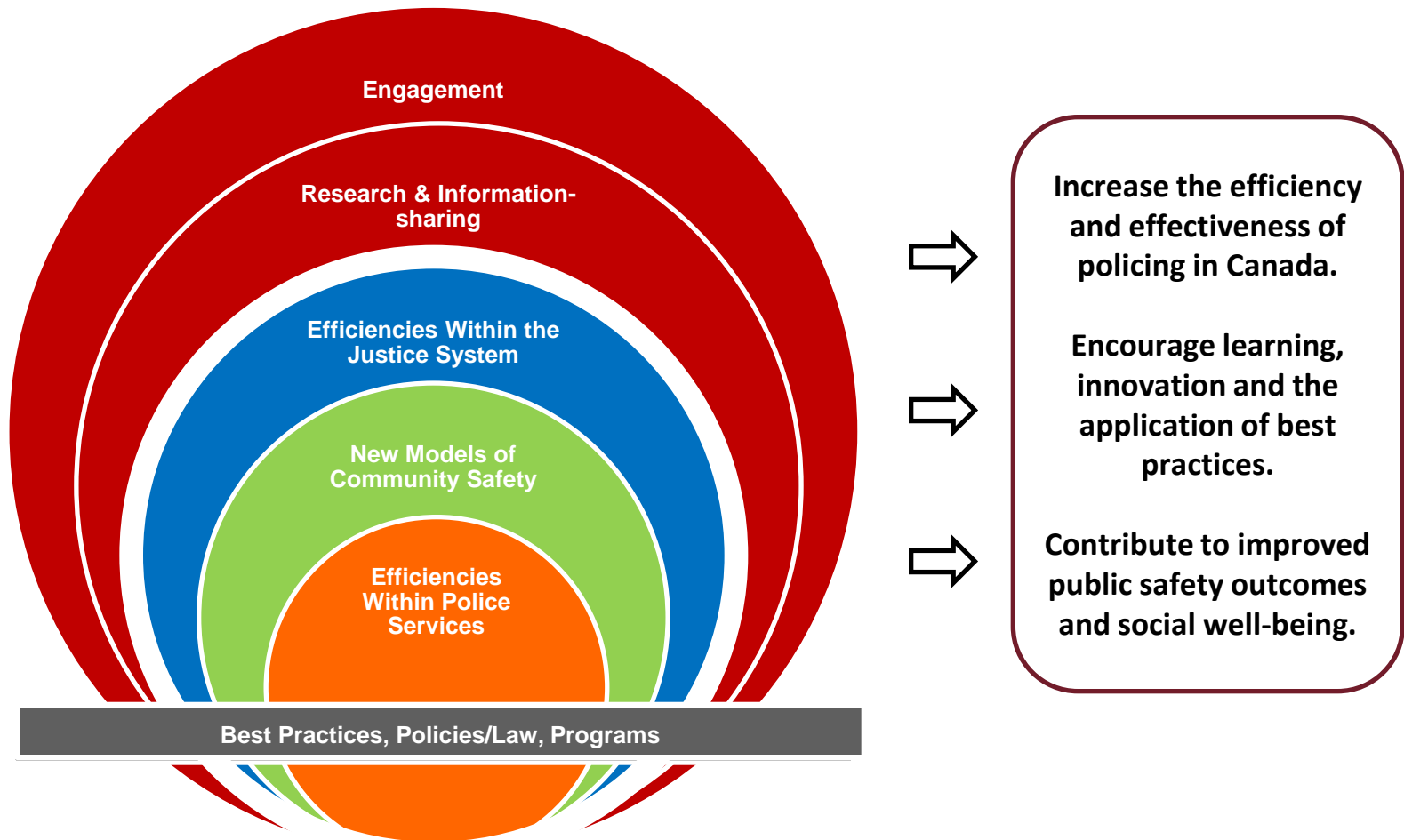
- The goals of the Shared Forward Agenda are to:
 1. Increase the efficiency and effectiveness of policing in Canada;
 2. Encourage learning, innovation and the application of best practices;
 3. Contribute to improved public safety outcomes and social well-being.



SHARED FORWARD AGENDA - FRAMEWORK



BUILDING A **SAFE AND RESILIENT CANADA**





- **Phase I - Early Actions:**
 1. Develop a police research plan.
 2. Establish a police research network.
 3. Implement a police research-sharing portal at Public Safety Canada.
 4. Draw on existing funding sources to advance a Canadian police research plan.
- **Phase II - Actions for Consideration:**
 1. Engage Canadians on the evolution and future of policing.



- **Phase I - Early Actions:**
 1. On-going evolution of *Index of Police Initiatives*.
 2. Continued use of Public Safety Canada's Economics of Policing website as the main portal for information sharing.

- **Phase II - Actions for Consideration:**
 1. Organize on-going focused learning events (e.g., training, research, civilianization, tiered-policing, technology, etc.).
 2. Undertake exchanges of best policing practices with other democratic countries.
 3. Convene a second Economics of Policing Summit in January 2015 to review the progress of reform.

PILLAR #1: EFFICIENCIES WITHIN POLICE SERVICES



BUILDING A **SAFE** AND **RESILIENT** CANADA

- **Phase I - Early Actions:**
 1. Develop and implement shared key police performance metrics linked to efficiency and effectiveness, as well as public safety outcomes.
 2. Expand implementation of human resource competency profiles and qualifications standards.

- **Phase II - Actions for Consideration:**
 1. Establish networks for procurement (uniforms, equipment) and shared services (information technology).
 2. Harmonize police recruitment and training and link to qualifications standards.
 3. Launch a pilot project to support the provision of reform advice to police services and the development of internal capacity to support continuous improvement.



PILLAR #2: NEW MODELS OF COMMUNITY SAFETY



BUILDING A SAFE AND RESILIENT CANADA

- **Phase I – Early Actions:**
 1. Coordinate and support the expansion of successful models of community safety in Canada and elsewhere (e.g., the HUB).
 2. Strengthen data collection and assessment of models.
- **Phase II - Actions for Consideration:**
 1. Collaborate on the examination and modification of practices, policies and legislation related to privacy and information-sharing to facilitate integrated, proactive models of community safety.
 2. Launch a pilot project to provide collective coordination and support to implement new models of community safety across Canada.



PILLAR #3: EFFICIENCIES WITHIN THE JUSTICE SYSTEM



BUILDING A **SAFE AND RESILIENT CANADA**

- **Phase I – Early Actions:**

1. Share information on reforms that improve justice efficiency (e.g., procedures, operations, technology, alternative measures, etc.).
2. Identify policing priorities for justice reform and incorporate this information into current and future justice reform initiatives.

- **Phase II - Actions for Consideration:**

1. Examine *Criminal Code* and other federal, provincial and municipal statutes in order to re-categorize lesser offences to ticketing/regulatory violations.





Engagement:

- Strategy development and implementation to continue to be led by all FPT governments and multi-stakeholder Steering Committee.

Implementation:

- Implement **Phase I** actions.
- Return to FPT Ministers in fall 2014 with a detailed workplan and timelines for **Phase II** actions.