

**GOVERNMENT FORECASTS \$1.3 BILLION SURPLUS BUT REQUIRES MONEY-LOSING ICBC TO FUND MORE TRAFFIC ENFORCEMENT**

On 26 November 2018, the minister of finance forecast a surplus of \$1.35 billion for the current year, approximately \$1.1 billion higher than the initial surplus forecast in February. The next day the government announced that it had ordered ICBC, which had just increased its deficit forecast to \$890 million, to fund an additional \$2.4 million for enhanced traffic enforcement.<sup>1</sup>

The announcement is a sad commentary on the government's approach to reducing ICBC's deficit by increasing funding of traffic enforcement -- but only if ICBC pays for it. Also, while the announcement seems like a good news story, a closer look suggests that the increased funding for traffic enforcement only restores the funding contributed by ICBC's Basic policyholders to the provincial enhanced traffic enforcement budget in 2016.

**Provincial Parsimony**

The government inherited a financial crisis at ICBC and has taken important steps to strengthen the financial sanctions against high risk drivers, and changing coverage levels to reduce litigation and claims costs. Yet it appears to be unwilling to fund greater enforcement of traffic laws, relying instead on beleaguered policyholders to fund the province's share of the joint enhanced policing initiative.

The province did order that the ICBC-funded intersection radar cameras be operated on a 24x7 basis, and the additional \$2.4 million operating costs have been promised by the province. However, the government ruled out allowing ICBC to retain the estimated \$13 million in fine revenue, preferring to add this to the fine revenue transferred to the municipalities.

**What Is Enhanced Policing?**

For many years ICBC's compulsory Basic premium revenue has been used to fund certain enhanced policing traffic enforcement activities. These programs began with the CounterAttack campaigns against impaired driving, and have expanded to a number of fulltime police (both RCMP and municipal) positions in road safety units throughout the province.

Through a memorandum of understanding between ICBC, the ministry of Solicitor General and the RCMP, ICBC funds approximately 70% of the cost while the "E"

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<sup>1</sup> <https://www.timescolonist.com/news/local/beleaguered-icbc-shifts-funds-from-ads-to-traffic-enforcement-1.23511601> and <https://news.gov.bc.ca/releases/2018AG0100-002282>

Division of the RCMP funds 30% (presumably with provincial funding through the provincial force contract.

The operational direction of the integrated road safety funding is controlled by “E” Division, as ICBC explained to the B.C. Utilities Commission in 2016;

While the government can set broad priorities and standards for police agencies, the operational deployment of provincial police services falls within the internal management and control of the RCMP. Individual enforcement decisions and investigations occur at arm’s length from government and government cannot interfere with or direct police on such matters.<sup>2</sup>

Municipalities do not contribute funding for their seconded officers. In fact, through a separate arrangement most of the provincial traffic ticket fine revenue is paid to municipal governments.

### What Is Funded?

Table 1 shows the budget of the joint enhanced policing program for 2014, 2016 and 2017. Included are the local road safety units, the auto theft and bait car unit (IMPACT), intersection safety cameras (ISC), funding for CounterAttack and other impaired enforcement initiatives, training at the Justice Institute, and funding for a traffic safety secretariat for the B.C. chiefs of police association.

**Table 1 – Budget for Enhanced Police Enforcement (\$=million)**

	<b>2014</b>	<b>2016</b>	<b>% Δ</b>	<b>2017</b>	<b>16 to 17 % Δ</b>
ICBC	24.24	25.84	6.6	22.14	(14.3)
RCMP E Div.	9.34	10.04	7.5	8.33	(17.0)
<b>TOTAL</b>	<b>33.58</b>	<b>35.88</b>	<b>6.8</b>	<b>30.47</b>	<b>(15.1)</b>

Source: Enhanced Traffic Enforcement Program annual reports

<https://www2.gov.bc.ca/gov/content/justice/criminal-justice/policing-in-bc/publications-statistics-legislation/publications/road-safety>

In 2017 the funding was reduced by 15% or \$5.4 million, with the RCMP contribution being cut by \$1.7 million (17%) and the ICBC funding reduced by \$3.7 million (14.3%).

The increase of \$2.4 million to the ICBC funding will result in a budget of \$24.5 million, which will be slightly more than the amount ICBC funded in 2014 but still less than the 2017 budget.<sup>3</sup>

### What Is the Benefit?

Enforcement statistics suggest that police are giving a lower priority to traffic enforcement despite the growing number of crashes and the cost to ICBC.

<sup>2</sup> ICBC 2016 RR IR1 BCUC 59.2 [https://www.bcuc.com/Documents/Proceedings/2016/DOC\\_47830\\_B-2\\_ICBC-IR-No-1.pdf](https://www.bcuc.com/Documents/Proceedings/2016/DOC_47830_B-2_ICBC-IR-No-1.pdf) pdf p. 471/735.

<sup>3</sup> ICBC spent \$24.2 million in 2014 for enhanced policing.

Since 2010 the joint enhanced traffic enforcement program has published detailed performance measures relating to traffic enforcement and other related matters.<sup>4</sup>

Table 2 shows the number of provincial violation tickets (VTs) issued by the RCMP and municipal forces for 2012 and 2016. The 2017 data was not comparable because many police officers were reassigned to support fire fighting during the summer.

The “Base Enforcement” refers to VTs issued by police funded by the normal base budgets of “E” Division or the municipalities, while “Enhanced” were officers funded from the integrated enhanced enforcement program.

**Table 2—Violation Tickets Issued (000’s)**

	<b>2012</b>	<b>2016</b>	<b>Change</b>	<b>Per Cent</b>
Base Enforcement	428.3	316.6	(111.7)	(26.1)
Enhanced	100.6	111.2	10.6	10.5
<b>TOTAL</b>	<b>528.9</b>	<b>427.8</b>	<b>(101.1)</b>	<b>(19.1)</b>

Source: Enhanced Traffic Enforcement Program annual reports.

From 2012 to 2016 the number of VTs issued by base funded police has steadily declined; in 2014 there were 401,400 and 333,200 in 2015.

It appears that the RCMP and the municipalities have placed a lower priority on traffic enforcement, while those officers paid by dedicated funding have kept up traffic enforcement activity.

### **Intersection (Red Light) Cameras**

Funding the expansion of the Intersection Safety Camera (ISC) program is the only new money that the government has promised for enhanced traffic enforcement. This is expected to cost an additional \$2.4 million per year (including nine additional ministry of solicitor general staff).<sup>5</sup> The value of VTs issued through this program is expected to increase by some \$13 million to approximately \$17.2 million annually.

Its time that the government directed the RCMP and municipal forces to raise the priority of traffic enforcement in their operational plans. Increasing financial penalties for traffic violations is useless unless there is proper enforcement.

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<sup>4</sup> ICBC, in contrast, does not include information on the number of claims and other unit cost data in its annual report.

<sup>5</sup> ICBC 2017 RR, IR1, BCUC 67.1 and RL 6.4 see [https://www.bcuc.com/Documents/Proceedings/2017/DOC\\_50367\\_B-2\\_ICBC-Responses-to-IR-1.pdf](https://www.bcuc.com/Documents/Proceedings/2017/DOC_50367_B-2_ICBC-Responses-to-IR-1.pdf) pdf p. 384 and p, 1149.