November 27, 2015 | Robin Silvester, President and Chief Executive Officer | Vancouver Board of Trade

Good afternoon, everyone.

This is an event I very much look forward to, because the Board of Trade has been such a strong regional voice for business for so many years, and because it’s thus a chance to speak to a broad group of port stakeholders about things that really matter to us all.

Now, if you are sitting there thinking you are not a port stakeholder, I ask you to think again - all of you! Whether you work for a terminal operator, are a shipper, an importer or an exporter, or... whether you work in the retail sector, represent government, you supply a port business, or simply live in this great port city of ours, or, for that matter you have ever bought anything that plugs into a wall, the port touches you.

Today, I want to help you imagine our collective future. And I want to call on each and every one of you to join me, to shape the ongoing evolution of the Lower Mainland in a way that will benefit us all – and for that matter all Canadians.

I want to excite you about what is possible, but also be frank about the obstacles that stand in our way. Let me start with some context: Canadian port authorities, are unique, and not like most ports around the world, because we manage federal lands and waters in the national interest.

Most ports around the world do not have federal responsibility and therefore, are simply not positioned to lead the creation of a nationally significant legacy for generations to come. Our federal mandate really gives us the ability to plan, facilitate, support, and lead a sustainable future for Canada’s largest port.

Many of you are familiar with our Port 2050 scenario planning work – indeed, many of you developed those scenarios with us. We have identified four possible scenarios for our port city in the year 2050, just 35 years from now. The scenarios consider the impact of many local and global factors. They are described in detail on our website, and they make for good reading – a bit of a crystal ball moment if you will.

Of the four scenarios, there is one we feel is most worth striving for – we call it the Great Transition. It describes a few years of intense volatility – due to changing energy markets and the geo-political stage – that drive rapid transition to a model of prosperity focused on the triple bottom line.

The developing world continues to experience moderate growth. By the end of the 2020s, there is growing global consensus that stronger action is required to deal with climate change and with increasing inequalities in wealth across the globe.

B.C. fares better than most because of our valuable commodities and resources, and because early leadership in sustainability really pays off. We are also exporting more B.C.-produced, value-added goods through the Vancouver gateway.

Now, while overall that may sound appealing, it is by no means guaranteed.
Let me tell you about one of the other scenarios, again, equally plausible. We call this one, *Missing the Boat*. This is a scenario where emerging market growth is strong, but the Vancouver gateway misses key opportunities and doesn't live up to expectations due to supply chain inefficiencies, poor stakeholder alignment and a lack of community support.

Support for continued port activity and growth declines because of the local impacts of port operations and a lack of understanding of the gateway’s value. We become less competitive, and we are unable to overcome key challenges, losing out to competing ports.

Without clear direction, public infrastructure projects are delayed or fail to proceed, traffic worsens due to a growing population, and increasing competition for land further erodes public support.

It becomes increasingly hard to attract qualified people to the region, the gateway as a hub of trade declines, and the future moves on without us.

I think you will agree, not a desirable scenario.

The port authority is just one player in our region’s future. We are certainly doing what we can to move toward the more positive *Great Transition* scenario, but much depends on many other stakeholders.

So let me now explore some of the critical things requiring our collective attention if we are to maintain our quality of life and the livability of this region for the long term.

First, we see continued trade growth ahead of us. Here in Vancouver, in the past five years, we have added the equivalent in cargo tonnage of the next largest Canadian port – the Port of Montreal.

In the next five years, we expect to do the same yet again. It’s absolutely mind-boggling.

So the question becomes, how do we manage that growth, and what are the implications for our port city and our country?

For our part, we are working to make sure current port operations are as efficient as possible, maximizing the cargo-handling capability of existing assets and making use of technology to improve operations. We are seeing some astounding examples of technology in use at ports worldwide as well as here in our gateway, and there are opportunities for us to do more.

There is also the potential for participants in the supply chain to share data so that we can plan better and reduce wasted capacity – something we have called for in our submission to the *Canada Transportation Act* review panel.

We can also manage more trade by collaborating with governments, rail lines and others to fund critical, trade-enabling infrastructure.

Recent such investments in road and rail improvements have encouraged private investment in terminals around the port. Next, through the Gateway Transportation Collaboration Forum, another round of projects is being proposed to the federal government for funding.

We are also proposing our own Terminal 2 project to manage growth in container trade.
In all, we estimate that between 2009 and 2025, about $17 billion will be invested in trade-related infrastructure and other construction in the Lower Mainland – again, a staggering number. Seven billion dollars of it has already been invested.

But what about the implications of that growth on the community?

More trade means more cargo, more ships, more trains and more trucks. It means more warehouses and distribution centres. What about the air emissions and traffic? What about the impact of shipping on our oceans and sea creatures?

I can tell you a bit about how the port authority is addressing some of these tough questions. For us, sustainability means three things: economic prosperity through trade, a healthy environment and thriving communities.

I have mentioned some of what we are doing on the trade and infrastructure front to ensure prosperity through trade.

We have also developed, and are continuing to develop, many programs and initiatives to protect the environment. You may have read recently about our ECHO program – a collaboration with science, government and industry to assess the impact of marine shipping on marine mammals, especially south resident killer whales.

Or you may know we led the development of Clear Seas, the Centre for Responsible Marine Shipping, which was launched in July and will provide an independent and objective source of fact-based information on safe marine shipping.

But what about the community? How do we ensure community support and avoid the Missing the Boat scenario?

Community support is tied to continued livability of the region, and nothing threatens that more than the shrinking amount of available industrial land. I am talking about trade-enabling land, suitable for the movement of goods. That is, land that is close to the port, other trade centres and high-capacity road and rail infrastructure so the movement of goods can be as direct and efficient as possible.

Canadians are buying, and trading, more than ever. Goods movement requires not only a port terminal, but usually a distribution centre, a truck or two, perhaps a train, a warehouse. The closer those points can be to each other, the more efficient goods movement can generally be.

Forcing distribution centres and warehouses to exist in less-than-ideal locations outside the Lower Mainland means more traffic on our roads, increased emissions and higher prices for consumers.

And, it means choking our nation’s trade. This point was brought home clearly to me during a recent trip to Saskatchewan. I was told by a provincial minister that her province relies almost exclusively on the Vancouver gateway for 60% of its economic activity, so without it, the province may just as well shut down!

According to a study we recently commissioned, there is about 1,200 acres of available industrial land in the Lower Mainland that is suitable for trade from a size and location perspective.
At current rates of demand, that inventory of remaining land will likely be exhausted within the next decade.

There are other costs too. According to analysis completed by Site Economics Ltd., every 100 acres of developed industrial land results in $1.9 billion of direct and secondary economic benefits to the local area. Without a secure industrial land base, we simply cannot compete for new investment and new jobs – jobs for us now and jobs for the next generation.

Here’s a great example. Oxford has recently completed phase two of its development in New Westminster – a 240 thousand square foot warehouse and distribution facility – which it proposes to sublease to Arc’teryx Equipment Inc. Arc’teryx, as anyone who enjoys the outdoors will know, is a manufacturer of high quality outdoor gear – I can vouch for its quality - I’ve carried one of their backpacks around the Torres del Paine national park in Chile, as well are round parts of our own coastal mountains!

This is certainly the kind of business we want to support and encourage here in B.C., and this is the kind of business that is going to find it increasingly difficult to locate in this region.

Now the port authority has taken some heat for purchasing a modest piece of farmland in Richmond a few years ago, and I want to be clear that we would really much prefer not to buy farmland. We bought that parcel – located next to an existing warehouse zone -- as a safety valve, recognizing the critical squeeze on land. And here we are five years later and the situation is even worse as rezoning industrial lands to other uses has continued unabated.

So, my ask of you today is this; can we come together as a region and protect our land – whether industrial, agricultural or otherwise – in a coordinated, meaningful way? In a way that helps us retain jobs, protect the environment, and maintain our excellent quality of life.

Prohibiting the rezoning of trade-enabling industrial land now, before it’s too late, is the first step. At the same time, there needs to be a broad, regional approach to land management.

The issues we are all grappling with are interconnected – transportation, land, affordability, growth, density, environmental protection, traffic congestion, air quality, and so much more. Ultimately, the goal must be to do what is best for Canada while maintaining the livability... sustainability.... of this region across environmental, social and economic dimensions.

I was inspired by the recent words of former B.C. Attorney General Geoff Plant, when he spoke to a BC Business Council gathering of business and First Nations leaders.

He said “Certainly now is the time for change. It’s time for an interest-based approach that promotes collaboration – which again sounds easier than it really is, but it is an approach that definitely holds more promise than the alternatives. What we need to focus on is how to deliberately, systematically, and programmatically, create economic and social opportunity for everyone.”

I echo those words, and call for collaboration in developing this region, and our country, for the betterment of all.

I ask you to join us, partner with us, and raise your voice to lead with us towards a future that inspires the confidence of our community and our country, and supports everything we hold so dear.

Thank you.