

## Vancouver Board of Trade Address | November 28, 2017

### Robin Silvester, President and CEO

First, I would like to acknowledge that we are gathered on the traditional territories of the Coast Salish Peoples.

As a federal port authority, it's our duty to consult with Aboriginal groups when our operations or developments have the potential to adversely impact their rights and interests...but we're also working very hard to build real working relationships as neighbours with mutual interests.

This is my *ninth* time addressing the Greater Vancouver Board of Trade, and it's always a tremendous honour to be invited to speak.

And it's a particular honour to be here as past chair.

This room is full of the strengths of our business community – you bring vision, leadership, innovation, and resourcefulness.

Your strengths are critical to our region's future – and that's what I want to look at today.

#### **Scenarios**

To begin, I'd like to invite you to picture two very different futures.

In the first scenario, it's the year 2050.

Globally, China, India, Brazil and Africa are growing rapidly and driving international trade.

In the Lower Mainland, however, the gateway has fallen short of hopes and expectations.

The port community has failed to communicate its value to the broader community, and has lost public support.

Years of fractured, locally focused decision-making have stalled key transportation and trade infrastructure projects.

This, in turn, has caused chronic gridlock, escalating pollution and noise problems – and, worldwide, a damaged gateway brand.

With trouble attracting top talent, the Lower Mainland has been unable to reverse course.

These failures have helped shift trading patterns towards the south, at the same time as the southern hemisphere rises in importance, entrenching the gateway's decline.

This is a future we call Missed the Boat.

Now picture an alternative scenario.

Again, it's 2050.

Globally, the world is on the cusp of a shift to a new model of prosperity focused on alternative energy and the triple bottom line.

The Lower Mainland is reaping the rewards of its early investment in this new economic model.

The region has passed through a challenging transition, maintained long standing strengths in resources and commodities as part of a diverse and strong regional economy, while leading globally in environmental and community-focused best practices.

In 2050, that leadership is showing clear results:

- A focus on a low-carbon supply chain is now a major competitive advantage for the gateway.
- Investment in rapid public transportation has driven down emissions, reduced congestion, and connected workers to jobs.
- And innovative real estate policies combined with expanded transit have increased affordability and kept talent in town.

The region is thriving, prosperous, sustainable.

This is a future we call the Great Transition.

These two scenarios provide very different visions of where, as a region, we may be headed...but I think from here either looks plausible.

And today, we're here to talk about just that: our emerging future as a region – and the opportunities all of us have to shape it.

What I hope I'll have you take away with you, is that we have four concrete opportunities – as a region – to advance the future that we want.

### **Port 2050**

The scenarios I just described are part of Port 2050 – work the Vancouver Fraser Port Authority launched in 2010, together with a diverse group of port stakeholders, to develop a shared vision for the future of the Vancouver gateway.

Through that process, the port community identified four possible future scenarios that might materialize for our port city and Canada's largest port.

And since 2010, the port authority has been tracking 24 indicators to see what future is actively materializing.

What we're seeing is that, seven years on, it's not the case that any one scenario is clearly emerging as the most likely – we have three scenarios that are battling pretty closely for top place!

And that means, to some extent, that the future of the region is up in the air.

Currently, possibly in first place, is a scenario we called Rising Tide... It includes a robust – albeit largely traditional, carbon economy – and a strong port city, able to support Canada's trade.

It's perhaps quite reflective of how the gateway and the region is positioned at the moment so it makes sense that indicators favour it at this time.

In second place – and just one indicator behind – we have the Great Transition...which, you'll remember, involves a global economic shift toward a more sustainable, triple-bottom line prosperity model while our gateway still prospers as part of a strong diverse regional economy.

And this scenario is of particular interest – because it's the one we identified as our preferred outcome.

But in a close third place, we've got the darker scenario that I described: Missed the Boat.

This one is more troubling because it's essentially today's economic model – but without the gateway capacity to meet Canada's trade and economic needs.

So that's a concern.

And then in a more distant fourth place is the Local Fortress.

That's another very negative scenario, where the Lower Mainland has virtually cut its trade ties with the world completely...and sky-high land costs have reduced the region to a retirement community for the wealthy.

So that's how we're placed for now.

But there is a lot of uncertainty...It wouldn't take much for a couple of indicators to shift us more towards our preferred scenario – or towards one of the less-favourable scenarios.

### **Moving toward the Great Transition**

So what are the underlying indicators we are tracking?

Port 2050 indicators span from geopolitical and technology trends to more localized issues such as land use and talent availability.

Some are in our control, and others are not.

If the goal scenario is the Great Transition – a triple-bottom line prosperity model and a strong, dynamic port city – what can we do to help shift our region toward that future?

Considering all 24 indicators, there are five where we – as a region – can have a direct impact.

Those indicators are:

- Land use efficiency,
- Industrial land supply,

- The availability of a trained labour force,
- Public support for the port, and
- Supply chain reliability and efficiency.

Based that list, I'd like to propose four concrete ways that all of us – as business and community leaders – can work together to advance the future we believe is best for the long-term livability and prosperity of the region.

### **Takeaway 1: Grow support for the port**

So let's start with public support of the Port of Vancouver and our city as a port city.

The good news is that this Port 2050 indicator is faring well.

That echoes what we're seeing in port authority survey data: that a majority of residents see the port as a major economic contributor to the region, the province and the country.

That's a great start, underpinned by important community engagement efforts by stakeholders throughout the port system.

And we're hoping to further advance public support by raising the profile on the fantastic environmental protection work going on throughout the gateway, because we know this resonates with our communities as it does within our organisations.

You may have seen some of our recent TV and radio ads about the ECHO program – it's a world-leading program to study the impact of marine shipping on whales and other marine mammals.

ECHO is something we're very proud of as a port community because it is a broad collaboration with government, industry and scientists and it demonstrates our collective efforts to be the world's most sustainable port – And it's great to see that work resonating with the public.

But we need to keep advancing the understanding that Vancouver is a port city – like Singapore, Shanghai, Hong Kong or Rotterdam.

The port is foundational to our history in the Lower Mainland and it's a vital economic engine – but it's also a forward-looking community that's striving to create sustainable prosperity for Canada and local communities.

So I'd invite everyone here to join us in working to engage further with our surrounding communities and help ensure that message is understood.

That's our first opportunity.

### **Takeaway 2: Supply chain**

Our second opportunity shows up in a more technical indicator: and that's supply chain reliability and efficiency.

That might sound very port-specific, but it's actually a big-picture regional economic issue, because it deals with the transportation infrastructure that drives our economy and supports local jobs.

The good news is that the port community is advancing some great new initiatives to enhance our supply chain.

We're leveraging supply-chain data to provide industry-leading forecasts of cargos, and to track exactly how cargo moves from prairie to port.

As well, we've equipped the container trucking fleet with GPS tracking, which has supported marine terminal changes that are increasing efficiency and decreasing congestion and air emissions.

So as a port community, we're working hard to enhance our supply chain.

We're also very pleased to see government taking a lead in helping use big data to make our goods movement corridors more efficient.

But there's a bigger-picture piece to this puzzle – and that's what I'd like to put to you today.

Right now, the port authority, industry, and all three levels of government have come together to plan gateway infrastructure to meet Canada's trade projections.

A full \$3 billion in infrastructure needs for this region have been identified through to 2025, under a program called Greater Vancouver Gateway 2030.

These off-port road and rail projects are critical to both meeting Canada's trade demands, and to supporting our communities by addressing congestion, noise, and air quality issues that come with growing trade and growing population.

The challenge may be federal funding.

Even with many partners funding these projects, the region still needs significant support from the federal government.

Minister Garneau's Transportation 2030 plan is comprehensive and we are very pleased to see real progress on the Oceans Protection Plan.

It is very positive that the federal government has established the National Trade Corridors Fund. We commend them for that. We do though have a concern that, while certainly valuable, it is simply not sufficiently funded to meet Canada's growing trade needs through this gateway.

Only \$1.6 billion has been set aside for goods movement transportation corridors nationally, over 11 years.

What's more, I'm sure we're all closely following NAFTA talks – and we're forced to contemplate what the potential loss of that trade deal would mean for our region and for our country.

And one thing is certain: In a post-NAFTA reality, this port – Canada’s largest port – would become even more vital to Canada’s economic re-positioning, and to its pursuit of non-U.S. markets.

So to that end, I’d invite you, as business and community leaders to help us take this message to government...that we need more federal dollars in this gateway, Canada’s primary gateway.

### **Takeaway 3: Labour**

This brings me to our third opportunity, as a region, to advance the future we want – and that’s gaps in our labour force.

This is an issue that we all deal with as businesses and it could well be a constraint for all of us.

In our Port 2050 tracking, this indicator is faring quite badly...reflecting labour market projections that B.C. faces a potential shortfall of half a million workers by 2025.

We’re hearing that clearly from industries such as construction.

As we look toward the future we want as a region, we need to look at how to train, attract and keep the talent we need.

That’s our third opportunity to ensure we’re laying the foundation for the future we want.

### **Takeaway 4: Regional Land Dialogue**

And lastly, I’d like to highlight one final Port 2050 indicator that we can, and must, impact as a region.

And this one is all too familiar – but all too pressing: I’m talking about land.

Disappearing industrial land, crippling housing costs driving talent and jobs out of town, and mansions on farmland.

Our land challenges cut across nearly every policy conversation in this region...yet we have no convincing mechanism to address them.

Yes, we’ve seen some good efforts:

- Attempts to curtail foreign investment and tax empty homes.
- The provincial government has committed to revitalizing the Agricultural Land Reserve, and we hope that involves a broader land-use discussion, that includes protecting trade-enabling industrial lands.
- On port lands, we’re seeing excellent land-use efficiency, as terminals invest to maximize the throughput on their existing footprint.

So there is some good work underway.

But our land challenges are ferocious...and they are accelerating.

Consider this: The port is bordered by 16 municipalities, each of which hosts varying degrees of trade-related activity, whether it's terminals, major highways, railways, or warehouses and distribution centres.

Our current municipal system of government was established in a different time, to manage what were effectively villages.

Yet, to this day, each of those municipalities makes land-zoning decisions for the most part in isolation.

These are decisions that will impact us, as a region, for decades.

Can we become the city we want to be if we don't approach our land challenges regionally?

We can't be paralyzed by the size of this challenge.

Other regions are protecting their industrial lands...they call them their job lands and their employment lands.

In Metro Vancouver, one in four jobs is located on industrial land, the kind of land that is needed to create clean energy solutions as well as to handle Canada's growing trade.

Therefore, I put this to everyone here because there is so much creativity, so much drive, so much vision, and so much resourcefulness in this room.

And I call on the provincial government to take the lead on a robust and purposeful discussion about land in its entirety -- not just the housing crisis, not just the industrial land crisis, and not just the importance of agricultural land, but the entire picture.

Join me in advancing a regional land dialogue...to enable us, as a region, to ensure our continued and responsible growth and prosperity.

### **Conclusion**

To pull this all together, within the framework of Port 2050, we are seeing four key opportunities:

- to enhance public support for the port,
- to advocate for more federal funding for the gateway,
- to proactively address the skills shortage, and
- to launch a regional land dialogue.

And as we approach our region's challenges, we need to work through mechanisms that truly advance the regional good.

As one example, I'd like to commend Metro Vancouver for its Economic Prosperity Initiative, which is making real efforts to transcend municipal boundaries.

That program is modeled after very successful examples in other major cities and I encourage all of you to jump on board in favour of a broader perspective.

And perhaps that's a model for addressing our land crisis, in particular.

As well, I'd like to commend Premier Horgan for recently re-affirming that his government is looking at housing, transit and municipal affairs through a unified lens, and looking for synergies.

That's the kind of holistic approach that's needed to solve complex regional challenges.

And I'd also like to express my strong continued support for the Greater Vancouver Board of Trade's regional economic scorecard work.

Barometers such as the scorecard are necessary for all of us to sit up and take notice of the things that matter.

Now we've covered a lot of ground today – but what I hope you'll take away, is that we have significant opportunities to shape our future...as a region and as a port city.

And our success will depend on the strength of our vision, and the depth of our collaboration.

I'd like to leave you with one final image.

Again, it's the year 2050.

Around the world, the global leaders have shepherded a shift to alternative energy, and a triple-bottom line prosperity model.

Here in the Lower Mainland, we're reaping the rewards of our early investment in this new economic model, enjoying all that we have always loved about where we live and being the envy of the world for true sustainability.

Our region is green, efficient and highly competitive.

Our land is being used strategically, efficiently and for its highest value purpose.

Our creative policy solutions have kept jobs and workers in our vibrant, sustainable, thriving port city.

This is the Great Transition. This is our opportunity.

Thank you.