

METRO VANCOUVER FUTURE OF THE REGION SUSTAINABILITY DIALOGUES

SHAPING REGIONAL PROSPERITY AND COMPETITIVENESS

October 30, 2012, SOUTH OF THE FRASER

The Future of the Region Sustainability Dialogues are a series of discussions intended to assist decision makers shape the future of the region by inviting a range of views that challenge conventional wisdom and stimulate fresh thought on regional issues. The sessions explore topics such as housing, industry, labour and immigration, drugs and crime, the regional economy, transportation, energy and agriculture. The “issues summary notes,” below, provide an overview of unique points raised in the October 30, 2012, dialogue on regional prosperity. Summary notes from each regional dialogue and related board reports are available on the Metro Vancouver website www.metrovancouver.org.

Issues Summary Notes

ABOUT THE TOPIC:

SHAPING REGIONAL PROSPERITY AND COMPETITIVENESS

- We are here to discuss the regional economy and how we might influence and ensure a prosperous and competitive region.
 - We will be hearing about regional economic drivers and how to leverage assets and overcome the many challenges.
 - We will consider the future of jobs in the region and regional affordability, and what that means in attracting and keeping talent best suited to the jobs that we envision.
 - These are large issues and they affect how and if we will prosper and maintain our competitive edge in this economy.
- How can we work to create a diversified and dynamic regional economy in the midst of the uncertainties that we find throughout the world?
- We have low median household income and high cost of living. Is the growing income gap constraining our ability to prosper as a region and to attract and keep the talent we need?
- What can government, private sector, academia and citizens do to ensure the prosperity and competitiveness of our region?
- We’re not necessarily considering the competitiveness of the South Fraser versus [other municipalities]. [We’re considering] our competitiveness in the province, in Canada and ultimately in the world.
- While we’re in agreement at Metro Vancouver about some of the structures of the economy and our competitive advantage, there are different viewpoints on what will drive the future of the economy, and that’s why we’re having these discussions. We also have sub-regional economies throughout Metro Vancouver that are linked together and sometimes slightly in competition with each other.
- Is the region currently prospering and, if so, what is the number one contributing factor?



THE DIALOGUE

1.0 Context

- There's a lot of discussion today about the structural changes taking place within the economy and the growing gap between those at the top end of the income distribution and those at the bottom.
 - We are seeing increasing cost pressures in a number of areas and a growing number of middle-class households that are starting to feel squeezed out.
- Metro Vancouver is known for its high quality of life and its exceptional beauty. We all feel pride about this. But as we continue to grow, we know that there are certain areas that are starting to lag and where we're starting to see pressure:
 - Affordable housing, although Surrey is doing reasonably well relative to some of the other parts of the region.
 - Investment in transit.
 - Finding a balance between jobs and housing in communities.
- I believe that the type of conversation and the type of commitment that people show here in the City of Surrey are part of how we'll move forward.
- Forums like this are incredibly valuable because they allow people share different perspectives and to think about how we are looking at the same problem from different angles. This is an important time to look at what kind of region we want to be, how we want to move forward, and how to do that in a fair and equitable way. We're doing well as a region.

1.1 We are prosperous

- In comparison to a lot of other countries we certainly are [prosperous]. When you look at the mess in Europe we are [doing well], but there are some fundamental problems that we still have in our economy here in Canada and here in B.C. One of those problems is affordability.
- For the first time we're looking at the next generation being less well-off than this generation has been.
- We are prosperous in comparison to many countries in the world, and also in absolute terms. Think back over your own lives, about what we've got today compared to what we had.
 - We are prosperous not just in material terms. I travel to some very grotty parts of the world, and I do some research before I go there. The one statistic that I always look at first is life expectancy. That's the bottom line, and we're way up there by world standards.
 - That is not to deny that we have many problems that are need to be addressed and addressed sensibly. And it's not to say that we can't do a better job. But I think we'd all be a lot happier if we spent a little time each day recognizing our privileged place in this world.
- We are all incredibly lucky to be living where we are. Don't lose sight of the fact that we've been doing a lot of things right. We're better off than a whole load of other countries that are in a total mess.

1.2 A healthy economy is necessary to maintain a high standard of living

- Economic growth helps pay for our standard of living, which includes our social benefits, education and our medical system.

- [People use the word “economy” in a negative way,] but [if something is] “economical” that’s a good thing. Without an economy you don’t have a society.
 - The economy is what it is; it’s bad or good depending how it’s managed. The important thing is how you set up your policies.
 - The two big things in the economy are education and transportation: what you think about and what you teach people to do when they grow up and take over this economy, and how you can get around it.
- [We businesspeople] are doing a job. We live here, we play here, we raise our kids here. We don’t have any ulterior motives. We want to make money, but so do you.
- For the future, don’t forget the three economic drivers [harvesting, mining and manufacturing]. Drive one out or scare one off, and your economy suffers as a result.

1.3 Large income disparities affect economic growth and quality of life

- To be a truly great region or a great city, we have to create the capacity for people to move forward together, so that a rising economic tide lifts all boats.
 - There is a growing body of research and literature that is starting to quantify that growing income disparities affect not only those at the bottom, but also those at the top. [A large income disparity] affects opportunities for growth and the quality of life we want and need and that future generations deserve.

1.4 It’s more effective to change policy than to add programs

- There’s a fair bit of agreement on this panel and in this room on what the big problems are. However, there is some difference of opinion when it comes to approaches [to solving these problems]. I’ve detected a broad difference in arguments.
 - [For example, to address the problem] that too many people have problems finding housing, a number of people will conclude that we need programs to provide assistance to get people into decent housing. I would concede that may be the case. But I think that’s the secondary strategy.
 - Virtually every problem we’ve got stems from the fact that the policies in place are in some ways inadequate. My knee-jerk response is not to develop a program to address these inadequacies, it’s to fix the policy.
- You’ll find a lot of flawed policies as you look around the public sphere. Don’t try to work around them; fix them.
- We should fix the policies, then look and see what problems remain and see if there are affordable and sensible programs to address them.
 - Housing is a good example. There are people in this region, especially in the City of Vancouver because of the downtown eastside, who probably won’t be able to take care of themselves no matter what governments and societies do to free up the dynamics of housing and make it more affordable.
 - So we are going to need programs, but if we had good policies, we would need far fewer programs. They’d be far more manageable, and we’d be dealing with problems around the margins rather than the central problems.

1.5 Diversity is an important economic asset

- Diversity is a really important economic asset.
 - Diverse communities help to create new markets, contribute to the development of new enterprises and provide an important consumer base.
 - The City of Surrey has been excellent at creating diversity, and respecting and responding to it.

1.6 Investing in social infrastructure in Metro Vancouver

- It may seem strange to have a social planner here to address this question, but increasingly society understands that there are important points of intersection between different policy areas and the quality of life in our community.
 - It is at the community level that we see the impact of many policies and decisions adopted by other levels of government.
 - It's important for local government and civil society to engage in conversation and to think about the kind of region and society that we want to be. As a society, we are stronger when we work together with a shared vision and a common purpose.
- Economic competitiveness in Metro Vancouver [depends on] investments in the social and economic infrastructure in this region: jobs, housing, education and, especially in this part of the region, transportation. We need to think about what investments are needed to make the economy vibrant and create a thriving middle class.

1.7 Investing in education

- In order to have trained workers ready when the jobs are available, [we need] education. Education needs to be affordable, and people have to have the opportunity to gain the skills they need to create a decent living for their families. Partnerships are critical.
- The policies are wrong on training. There is something fundamentally wrong with the training programs we've got.
 - We're not training for what industry needs. We're training for what universities, colleges and schools want.
 - The government's statistics will show you that certifying 4,000 teachers more than we have jobs for.

2.0 Initiatives to improve prosperity and competitiveness in the City of Surrey

- [Increasing the number of local jobs, making intensive use of our agricultural land, improving access to post-secondary education, expanding public transit and reducing homelessness] are some of the things we're working on behind the scenes to remain competitive within our growth environment.
- The city has some incredible policies going. Things aren't always great here, because we've got a past that we're getting over. But we are getting over that. This is a fabulous region to live in.
- [Surrey city planning] works a lot with outside clients. [We put the] the electrical permit application system online.
 - That saved a lot of trips to City Hall for those contractors, which in turn saves greenhouse gas emissions, time and parking.
 - It's a small thing that has a big ripple effect.
 - The more dialogues we have with our customers and residents the more ideas are generated that translate into either savings or better quality of life.

2.1 Surrey is growing fast

- In the last five years, there were about 75,000 new residents in Surrey. That's almost a fair-sized town's worth of new people within our city.
- This growth helps drive the economy. We have a lot of development and quite a bit of construction to accept those new residents.
- Fast growth also creates pressure on [jobs, housing and transportation].

2.2 Increasing the number of jobs in Surrey

- Surrey is trying to have a 1:1 job ratio: one resident for one job.
 - We always find ourselves a little bit [short] due to the influx of new residents.
 - The ratio of [residents to] jobs is at 1.76 and we want to be at 1.0, so we have to make an effort to keep jobs.
- We could certainly do a lot about establishing more jobs here in the south Fraser rather than pushing everybody into the Vancouver area and thereby reduce the transportation costs.
- When we do new capital projects in Surrey, we've got a good pool of skilled labour. They enjoy working on Surrey projects because they don't have to travel as far. We usually get good prices, and that's good for the residents.

2.3 Creating affordable housing in Surrey

- The influx of new residents is driven in part by the affordability factor. Surrey has a wide range of housing available to people. A lot of first-time buyers are buying south of the Fraser because of the affordability.
- The City of Surrey has a high number of [people working in the service sector]. That has implications for housing affordability.
 - A recent Metro Vancouver poll showed that 77% of people in the region are concerned about the affordability of housing in the region.
 - The City of Surrey has 22% of the region's cashiers, 27% of those who provide security services, 12% of those in the hospitality sector and 18% home and child care support providers. These are critical contributors to the economy, but jobs that require a particular housing match.
- Surrey is 30% cheaper for a two-bedroom apartment than Metro Vancouver as a whole.
 - The city is doing what it can to create that kind of housing, but the region itself has a significant burden in high housing costs.
- According to recent Fraser Valley real estate statistics, a single detached house is between \$500,000 and \$600,000.
 - You'd need a household with a \$100,000 in income to be able to afford that, and you'd need a down payment of 50%.
 - It's more affordable than [buying a house in] other parts of the region, but it's not as affordable as we need for some households in the community.
 - For renters, there would be 2,000 renter households in Surrey that could afford that house. [Building a] diversity of housing types and finding ways to build complete communities becomes critical.

2.4 Reducing homelessness in Surrey

- We're working hard to reduce homelessness. We've been lucky to be part of a pilot project with the provincial government and Fraser Health to deal with some of our issues.
 - People who are homeless often have mental illness or addictions.
 - Fraser Health and B.C. Housing were able to reach about 30 people who would go to the emergency room five or six times a month. They're now being housed, and they haven't been in again.
- This will help us be competitive. [These initiatives are] at the micro scale, but every person who becomes autonomous and contributes to the economy is a big win for us.

2.5 Coordinating child and youth programs in Surrey

- How sustainable is prosperity and competitiveness if our greatest resource is not developed fully? That resource is children and young people.
 - A third of Surrey's population is under 19. Surrey has the greatest concentration of children and young people in B.C. It seems to me that the City of Surrey has a special responsibility in that area.
 - Many children are latchkey kids because their parents both work. There's a big gap before their parents get home. What kind of development is occurring then?
 - I'm not just talking about formal education, but also informal and non-formal education, such as systematic after-school care. These kind of programs are important to develop the interest, skills and creativity needed in the future so that we don't have large pockets of people hanging around on the street because they were left behind by an increasingly complex society and a little minority that is highly privileged and highly influential.
- We have large areas in Surrey with high vulnerability because of poverty or dysfunctional families. What is the city's coordinated approach to this?
 - What we find is piecemeal approaches. That's the same throughout the world, where you find that NGOs everywhere are doing their own thing without coordination. Lots of people fall through the gaps.
 - It seems that a city must be a collective enterprise and must support the full development of all the people inside. The region, of course, has a bigger role in that respect for a larger area.
- It's a multi-pronged approach; we have the Child and Youth Friendly City Strategy that was established recently to cover [children and youth] up to 19 years old.
 - There are quite a few programs geared toward the young population, including library, recreation and parks.
 - That's very important because it's also [part of] the crime reduction strategy. If you guide a person through their younger years, they usually go well afterward.
 - There is a lot of collaboration.
- Recently, Surrey was awarded one of the IBM Smarter Cities Challenge grants, which was geared toward youth.
 - A team from IBM coming from around the world spent a few weeks with us. That was a fantastic exercise. We're implementing phase two of their recommendations.
 - A lot of people are doing things in the region for youth, but it's not all coordinated. The idea is to build a database so that we understand things better and to try to be more coordinated across the region.

2.6 Creating more opportunities for post-secondary education in Surrey

- The City of Surrey has been active in making strategic partnerships across other levels of government with universities.
- One of the most important things that came up from the economic study that we did for Surrey is we need to increase the number of students that go to post-secondary education, from grade 12 to university. About 50% of university students are coming from south of the Fraser.
 - Simon Fraser University and Kwantlen have been very successful. SFU Surrey is ahead by about 3–5 years on their enrolment. They're bursting at the seams and need to expand.

- Surrey council signed a memorandum of understanding with SFU Surrey to try to expedite their expansion so that there are more opportunities for students south of the Fraser to go to post-secondary education south of the Fraser. The Surrey Board of Trade and the chamber are also involved in that project.

2.7 Investment and development in Surrey

- [The City of Surrey is] are working on some other partnerships with some business improvement organizations.
- The taxation rate for businesses in the region, Surrey is probably toward the lower end [compared to other parts of Metro Vancouver]. Fiscally, that's very healthy. Surrey is also in a good position regarding development costs [for businesses].
- It's important to plan for creative cities. Our economy is based on ideas and innovation. Innovation will happen if you create a climate that will foster people getting together, exchanging ideas and going from there to start a small business.
 - We're refining some of our key city centre plans so that we create an environment that fosters meeting places. Some zoning needs to be specific so that maybe on the street you want more groceries, coffee shops, things that will facilitate people getting together more than a bank or a travel agent. That's it's very important when you look at building a creative city.
- Five or six years ago, council met with some key stakeholders that asked them how to advance the city centre. Nothing happens overnight, but it's happening now.
 - [Concord Pacific is] a newcomer in the city centre. They're a fairly large player in the real estate market.
 - Up to their arrival, Surrey city centre was a bit of a pioneer market for real estate.
 - To have Concord is very healthy because they're a serious developer and they will draw others. There has been quite a bit of land bought by another significant Lower Mainland developer, and I think there's a certain momentum.
- In recent years, there's been quite a bit of public investment in Surrey. Look at the [RCMP] "E" division that's relocated in Green Timbers, the Surrey Memorial [Hospital] expansion, Kwantlen's Cloverdale [campus] and SFU.

2.8 Surrey's agricultural land is an important economic asset

- We do have a few other assets that are a little bit different than north of the Fraser. A third of Surrey is ALR. There's a lot of food being produced in Surrey. We're so close to a huge market and as the price of fuel keeps increasing, it's going to make sense to make even more intensive use that asset.

2.9 Transportation in Surrey

- Transit is very important for the economy.
- In 2006, the City of Surrey had a workforce of about 200,000 people, but half of them had jobs in other parts of the region. Without access to good transit and the ability to connect people to jobs you start to face some challenges.
- There's a significant ALR component in this municipality and this is used as an excuse for an inadequate transit service.
 - The bus from King George SkyTrain station only runs twice an hour.
 - When you factor out the ALR component in Surrey, there's a population density equivalent to Burnaby. Metro Vancouver has half the population of the province.
 - Vancouver [should acknowledge] what Surrey is doing for the benefit of the entire region and be supportive of more balance in [transit].

- Transportation is always on the forefront of discussion with Surrey's elected officials. South of the Fraser, there has been quite a push to work on the transit area plan. There's quite a bit of good work done and a better understanding.
 - We've got the plan in place. Now we have to fund the plan.

2.10 Using industrial land in Surrey

- Surrey has about two-thirds of the available industrial land in the region. We believe we have to preserve this asset. We're well positioned to be competitive in the future.
- In the City of Surrey we haven't seen erosion of industrial land for other uses, such as residential. That has been a very strong focus of council, and it's part of the [City of Surrey's] economic development strategy.
- In the Campbell Heights area, the City of Surrey decided to provide industrial densification.
 - Why was that area chosen over something closer to 176th street access? I live close to that community. We're dealing with farm roads coming in and out of that area, and 32nd avenue is now a major right-of-way to Highway 99 with large vehicle traffic. When trucks are stuck in traffic, that increases the cost for manufacturers. How do we make these plans?
 - If we're going to give up ALR, why wouldn't we place [new development] near territory where we already have a nice right-of-way?
- Campbell Heights was not in the ALR. The 22 municipalities all compete a bit for industry and jobs. There's a market-driven demand. If you look at where industrial land is located, I think the region is counting on Surrey to protect the industrial base for future jobs. It's all a balancing act.
- Surrey has no need for an industrial land reserve. Vancouver needs it because they've been converting their industrial land to residential, just as they did their farmland. They have a problem that they want us to solve.

3.0 Jobs inside and outside Metro Vancouver

3.1 Is there too much emphasis on developing housing and transit in Metro Vancouver instead of jobs?

- Is there too much emphasis on developing residential real estate and condos, and not actually creating jobs? We talk about transportation infrastructure. What jobs are they going to? I don't know if there's enough emphasis on industrial development. I'm interested in more ideas about what policies could help get more jobs in this country.
 - I graduated in 1980 in Alberta and came to Vancouver to work as an engineer. I got a bad, low-paying job, so I went east and I got a great job with Bell Canada and Northern Telecom. I put fibre optics across this country. Now I'm back in Vancouver again and I still see the problem. There are jobs, but there don't seem to be enough jobs.
 - I get approached by many immigrants, who say, "Immigration Canada told me they need my skills. I bought a house; how come I can't get a job?" I tell them they're living in Vancouver, and 200 people a week arrive here looking for a job too.
- Can we create jobs for people before they immigrate? [SPARC] is dealing with a lot of people who have come [to Canada and find] the jobs aren't there.

3.2 There are labour shortages outside Metro Vancouver

- Vancouver is an international market.
 - People come, there's a period of settlement and adjustment, and eventually you have to make a match between the jobs and the opportunities, but they're all necessarily in the Lower Mainland.
 - Because it's an international market, your cost of housing is extremely high, so that creates an added dimension to an already complicated problem.
- Vancouver likes to brand itself as a global city. Are we actually a provincial city that's a pretender?
 - A bit of both.
- There seems to be an attitude of entitlement in the Lower Mainland: "I live here; I want a job here; you owe me a job here."
- There are 178 jobs that Alcan is trying to fill in Kitimat today and it can't fill them. [Canadian Manufacturers and Exporters] did a job fair in Prince George. We had 21 companies from that area for the job fair. We told the government we'd probably get about 500–600 job seekers. We ended up having to cut off at 800. We turned 200 away. We had something like 1,200 résumés. Out of that, probably 20 jobs were filled, which was a pathetic percentage. A lot of that is because people won't move to Prince George.
- Prince Rupert [has had a] 47% increase in activity at the port of Prince Rupert over the last year, and they're looking at that increasing at least another 50% next year. You can imagine the jobs that are available there.
- A liquid natural gas plant is coming in. A lot of this activity in the north-northeast. Where are they going to find the people [to fill the available jobs]?
- B.C. has got a real problem, because we're not going to be able to find the people we need and that's going to inhibit the economic activity in this province.
- [CME] has a program we run for the federal government called E-MAP. There are foreign-credentialed engineers living in B.C. who are driving taxis because they don't have a P.Eng. designation and so some companies won't hire them. We match these people with companies that are looking for those skills, mostly SMEs.
 - It's been very successful, except that about 85% of immigrants who come here want to be in the Lower Mainland. They will not move up to Prince George or Kitimat.

3.3 Offering incentives to new immigrants to settle outside Metro Vancouver

- [You can't tell] immigrants they have to go to Prince George. Or maybe you can if it's done right.
 - In the immigration procedure, you could give someone some extra points if they will go to an area where their skills are needed and agree to stay for a fixed term, say, three or five years.
 - You can't have two classes of citizens, where some citizens aren't allowed to live anywhere else, but as a temporary measure that helps people who want to come get in the door, I don't see that as a problem.
 - If people go to Prince George for three or five years, some of them will like it. They'll get married and buy a house, and they'll take up the joys of living in that area and stay. Some of them won't, and they'll move on, just as native-born Canadians do. But things will work out a lot better in the end.

4.0 Resources and manufacturing are essential economic drivers in B.C.

4.1 Manufacturing is essential to national economic health

- There are three ways of creating economic growth: harvest it, mine it, or manufacture it.
 - By manufacturing, I mean adding value, not exporting raw resources out of the country, but adding value within the area. It's a three-legged stool. If you weaken any one of those legs, you will impede your economy's ability to provide the standard of living that we here in B.C. have become accustomed to.
- The manufacturing and export sectors of Germany and the U.K. led their countries' economic recovery in the last two world recessions. Germany has high labour costs, and yet their manufacturing is very successful. The United States has recognized the need to revitalize their manufacturing sector, with the key to reversal being greatly expanded efforts to support the competitiveness of small and medium-sized firms.
- As explained in *The Case for a National Manufacturing Strategy*, a report by the Information Technology and Innovation Foundation, it is impossible for major economies to remain competitive without a viable manufacturing sector for five key reasons:
 1. Manufacturing plays a vital role in helping countries achieve balanced terms of trade.
 2. Manufacturing provides large numbers of above-average-paying jobs.
 3. Manufacturing is the principal source of our economy's R&D and innovation activity.
 4. The health of a nation's manufacturing and services sector are complementary and inseparable. You can have a services industry, but a lot of that [industry] is attached to the manufacturing sector, and so they're inseparable.
 5. Manufacturing is essential to a country's national security, which is why you have been seeing a whole load of issues down in the United States with regard to Chinese telecom companies.
- The global industry output was 57 times greater in 2010 than it was in 1900. Manufacturing has grown far faster than the overall economy, globally. The main reason for this is that factories keep getting smarter in ways that hair salons do not. The volume and variety of goods soar even as prices tumble. One estimate states that the world's factories crank out more unique products than there are people in this world.

4.2 Resource extraction is important in the B.C. economy

- The biggest factor in B.C.'s prosperity is resources. As Lower Mainlanders we often forget that.
 - The direct impact of the resource-based industries is still huge in B.C. Far larger than any other sector.
 - That permeates down to everything. Baristas at Starbucks sell more coffee because people are employed in the resource sector and can afford to buy it. Wheeler-dealers on Howe street, the same story pretty much everybody in between. The people at the port told me that the port is responsible in some way for 13% of the employment in Metro Vancouver and much of that is resource-based.
- Resources also permeate [the economy] in many other indirect ways.
 - Tourism is based on the B.C.'s resources, and that's a very big industry.
 - People want to live here. It's a nice place. A lot of our economic activity is because of the lifestyle choices that people make, which are tied to resources.

- It makes the stewardship and the allotment of resources an absolutely prime consideration for B.C., despite the fact that probably all of us in the room are urban animals who don't dig many holes in the ground or chop down many trees.

4.3 Manufacturing plays an important role in B.C.'s economy

- Manufacturing has the biggest economic footprint in the province.
 - There are 12,000 companies, 400,000 jobs, 8.6 billion in wages and the wages are 15% above average.
 - Manufacturing pays a third of business tax revenues, while [people employed in manufacturing] contribute more than \$2.5 billion in personal taxes every year.
 - [Manufacturing makes up] 11.2% of the provincial GDP, and this expanded by 43% since 1997. The comparable growth rates were 5% in the high-tech sector and 3.8% in tourism, two areas that we see a lot of focus on.
 - Manufacturers are responsible for 75% of merchandise exports.
 - Economic spinoffs generate over \$3 in new economic activity for every dollar invested into manufacturing.
 - Manufacturing represents 42% of private-sector R & D in B.C.
- Small and medium-sized firms represent over 90% of companies here in B.C. These have been the job creators of today.
- Contrary to popular belief, manufacturing has not all moved to China. Rather it means that any firm, anywhere can hook up to a global supply chain. A product may be designed in one country and assembled in another using components from dozens more.
 - We have examples of this throughout B.C. I can think of one company that imports components from 23 countries into its final assembly, and about 80–90% of what it assembles and manufactures is exported around the world.
- B.C. is the only province where more than 50% of its exports do not go to the U.S. Compare that to Alberta where still 85% of exports goes to the U.S. B.C.'s manufacturing and export sector performs as a strong economic engine for the province. This is borne out by the fact that the sector has increased 43% since 1997.

4.4 B.C.'s manufacturers need more skilled workers

- We have close to a 7% unemployment rate in B.C., and yet 64% of [the Canadian Manufacturers & Exporters] membership is saying that their growth is being impeded because they can't find the skilled workers they need. The problem, to start off with, is a mismatch between skills that are available and the skills required.
- We train people with little or no consideration for the job market, but you can't really tell people that they have to be a teacher when they grow up, or that they have to be a forklift driver instead. You can't do that with people of any age.
- The Province of Quebec has a really good awareness program for grades 11 and 12, and for kids who have dropped out of high school to try and entice them to come back to high school to graduate.
 - The program shows them there are other things out there besides university. That includes manufacturing and many other trades, but [the point is] that there is another world out there besides what maybe their parents have been talking about, which is university, university, university.
 - It's coupled with industry, so students go to visit some pretty exciting companies like Bombardier to see planes being made.

- People aren't shovelling coal. There's scope for all sorts of different abilities and ways of working: working with your hands, working with your brain, and a whole bunch of other things.
- It's a good awareness program and it is working.

4.5 High taxes are causing manufacturers to move out of Vancouver

- It's important not to chase manufacturing away, which has been happening in the Vancouver region, where a lot of manufacturing has migrated out into the valley.
- High commercial to residential municipal tax ratios are a problem, and Vancouver has the worst record of any major city in this country.
- The ratio of industrial to residential tax rates can be 3:1 for some municipalities, and it can go as high as 30:1. There has to be a balance.

5.0 Foreign trade zones

- About a year ago [there was talk of] having a foreign trade zone in Delta or somewhere that could stretch along the river right into Surrey.

5.1 It's better to create good policies and focus on being globally competitive

- There are pros and cons to trade zones.
 - We focus on trying to have manufacturing competitive globally, not just locally. Because it's a global industry, it has to be competitive among all other jurisdictions around the world.
 - Trade zones will help get things started, but I'm in favour of focusing on key industries and those that we can champion to become global leaders regardless of where they are. We do pretty well at that, although not well enough.
 - Scandinavia and Germany have been really successful without having to have trade zones.
- If you get the policies right you don't need them.
 - I haven't looked at the more sophisticated [trade zones]; I've looked at the more basic ones. In the trade zones that I have seen—I'm thinking of the one just inside the border in Haiti from the Dominican Republic—there is an element of racing to the bottom. They have not been terribly successful.
 - As a country, as a province and as a metro region, we should have policies that foster business and manufacturing development.
 - We should also have genuine standards. Not super-complex, not spelling out every nitpicking little bureaucratic step, but underlining a very specific bottom line: thou shalt not screw up, pollute, poison people etc. That done, I'm not sure that the trade zone would have that much impact.

6.0 Land use planning

6.1 Densification is essential for efficient transit and low housing cost

- When you turn down densification of residential areas, you facilitate sprawl.
- We also facilitate sprawl by subsidizing transportation.
 - If any of you commute regularly, you can get your tomatoes ready to throw at me, because I will tell you point-blank that car drivers do not pay their freight when it comes to the cost that cars impose on the economy. They're subsidized.
 - We subsidize people to drive until they can afford to buy and then we panic about the problems this causes.

- Your housing cost is not just your mortgage. It is your mortgage, your taxes, your condo fees if you have them, and your transportation. If you live in a place that demands you have two cars and use them a lot, your housing cost is very much higher than if you live in a place over the shop, so to speak.
- The survey of household spending showed that for Metro Vancouver area households were spending on average \$10,000 per car in a year just to have it on the road and run. That's taking \$20,000 out of a household budget.

6.2 Densification is the key to maintaining agricultural and industrial land resources

- Especially in Langley where 80% [of the land is] in the ALR, you have to densify.
- Metro Vancouver did a study a year or two ago on intensification of industrial land, and they're pursuing that, but business has changed.
 - For example at Costco, now everything is vertical within one building. There's been a lot of intensification in how they design those buildings. They use a smaller footprint to produce more and have higher density. It doesn't show when you drive on the street, but if when you're inside a lot of them are making more intensive use of their premises.
 - That makes sense because the land is not really cheap here in the Lower Mainland. The more you can do in a smaller footprint, the better off you are.
- To make small business more viable, we need to reduce their costs.
 - One of the areas that is very expensive is the cost of having a shop. Industrial land is not being properly used.
 - We've been doing a lot of densification of residential lands, but we've done nothing about densification of the industrial lands.
 - Let's make the accommodations for business less expensive, cheaper in construction, and cheaper in land cost by densifying.

6.3 Preserving industrial land

- [Trying to create] jobs in Metro Vancouver is an area where policy and where the worst side of competition among communities really does a bad job. The biggest single problem is the complete absence of protection for industrial land. Industrial land is in its way, every bit as important as agricultural land.
- The industrial land issue is exactly the same as the issue with office parks.
 - One of the things about densification is that you can get green locations.
 - For manufacturing, a green location is one that gives you efficient transportation for your products but also efficient arrival and departure of your people.
 - In the office parks this breaks down dreadfully. They tend to be widely scattered, a lot of people come at the same time in the morning and leaving at the same time in the afternoon. There's no other activity. You can't get a sensible public transportation infrastructure there. There's a huge amount of land tied up for parking lots. It's really wasteful of the limited land resource available in the region.
 - It comes about because of what I refer to as the worst aspects of competition among municipalities. They'll take it at any cost rather than taking it sensibly.
- A lot of industrial land is used for manufacturing. That leads to the elimination of waste. In a lot of cases, companies are producing [far more] on the same footprint as they did in the past. They've become more efficient.
- If people [start living on] industrial lands, you don't have the density of people [to justify building transit].

- In an article about the port last weekend, I noticed that Robin Silvester seems to have had a 180-degree change of heart about the ALR. In the spring he was saying we could get our food from China and we need this land for industrial use. It seems that when he was interviewed [recently] he'd had some kind of epiphany. Do you think that's a genuine thing or is it political expedience?
 - I don't pretend to have particular insights into people's hearts when I speak to them. That's what he said. Did he mean it? I think in some significant ways, yes. But most of us are capable of having some very grand principles that [suffer] a bit when it gets up close and personal. That's a very, very common phenomenon that I have noticed in me and a great many other people. My guess is that [whether Silvester meant what he said] falls somewhere in that realm.

6.4 Maintaining the ALR is essential to food security

- In spite of the fact that I'm in manufacturing, I wouldn't lay waste to the ALR and put manufacturing in there.
- Food security is going to be increasingly important down the line. I don't think any economy, whether it be provincial or national, should lose sight of that.
- In China right now you'll see something you'll never see here.
 - A Chinese chocolate ice cream is sold for the equivalent of about 10 or 15 cents. Two doors away is Haagen-Dazs, selling what looks like the same thing for eight dollars.
 - A lot of the Chinese who can afford it are buying the eight-dollar product. That's not for status. It's they because they trust what's in the Haagen-Dazs product, and they don't trust what's in the Chinese product.
 - If there's product for retail with a maple leaf on it, it's huge, because they trust it.

6.5 Protecting land for a given purpose has a cost

- [Protecting agricultural and industrial land] comes at a cost, and this is something that people who are concerned about food security and protecting agricultural land should understand.
 - If you protect large swaths of land and say nobody can live there because it's for industry, agriculture or a golf course, people who would otherwise live there have to live somewhere else.
- [The Campbell Heights area in Surrey is an industrial development that is causing traffic problems in the area. It could have been placed closer to existing highways.] The land that was taken, which I believe was gravel pits, was not in the ALR.
 - Why isn't there some flexibility to allow things to move around? Can we use sustainability as a reason to be more flexible?

7.0 Investment in transportation in Metro Vancouver

7.1 We need a high-speed rail line between Metro Vancouver and Portland

- We need to get high-speed rail into Metro Vancouver with stations here in the south Fraser area to be able to get better communications between here and Portland and other parts of the West Coast.

7.2 Transportation is not worth running a deficit for

- You have to have the money to pay for these systems. Transportation is hugely important, but it's not worth running up deficits for. You have to have the income in order to spend it. It's a service.

- [They're paid for] out of the taxes of the residences and commercial businesses in the jurisdictions. If you've got it there and that's a priority, fine.
- Look at France, which has fantastic transportation in most of its cities. There is a prize example of a country spending more than it's taking in. They've got an unemployment rate of 25-year-olds of over 25%.
- China is putting some incredible transportation systems in cities like Shanghai, but they're not running a deficit. They've got a huge surplus, so they've got the money to do it.
- You can't have everything first, and there is a choice [to be made] between really big expensive bridges and really big expensive train systems.

7.3 Funding high-speed rail in Metro Vancouver would benefit Metro Vancouver at the expense of the rest of the province

- There are other areas of B.C. here too. On a provincial basis you impose a carbon tax to drive people into transit, but outside of Metro Vancouver there isn't an alternative.
 - In West Vancouver, people have a four-by-four truck as a status symbol that has never been off the road in its life, but that is not the case in the interior and up north. The people that are operating the land in Okanagan and in Prince George have got four-by-four trucks [because they use them].
 - Now you're taxing people [in the interior of B.C.] for a transportation system in Metro Vancouver. You've got to revisit the policy to consider what you are trying to achieve and how to do it without penalizing a whole section [of society].
- I think rail would be a very good idea, but I don't think I should get to decide. I live in the West End of Vancouver.
 - The people who use the services should be the ones making the decisions and setting the priorities. That means straightening out the governance mess in Metro Vancouver. The problem is that the people who are affected don't get to decide because of crummy policy and the dysfunctional governance structure we have in this region. We have 21 or 22 municipalities, Metro Vancouver and TransLink, and then the provincial government comes in and [makes the decision].
 - I am neither for nor against the Port Mann Bridge. I am against decisions on mega-spending like that being made by people who don't use it.

7.4 Transportation is not an economic generator but it can support competitiveness and efficiency

- Transportation isn't an economic generator. I'm not against transportation. I'll tell you what I would be for. Give me a high-speed lane for transportation of trucks because that's your economy.
 - Every time a truck is stuck at a traffic light or is stuck trying to go down Hastings Street, that's making this economy less and less competitive.
 - That's another land issue with the port of Metro Vancouver. You don't want to block that port. You want to be able to give it access for goods coming in and out. That's our competitive advantage. It's great having a port, but if you can't get stuff in and out, it's impeding our competitiveness.
- In the long term, public transit benefits the region.
 - The survey of household spending showed that in the Metro Vancouver area, households were spending on average \$10,000 per car in a year just to have it on the road and running. That's taking \$20,000 out of a household budget.

- If you could improve the cost of alternative transportation, [households could spend that money on] other important expenses.

7.5 Part of the reason we don't have public transit is because we subsidize car travel

- Why is there no transit in a lot of B.C.? Because they don't have to [have it]. They've got relatively cheap car transportation.
 - A former finance minister from Prince George told me once that he "needed" his SUV because of where he lived. When I really quizzed him, it was to drive to his cottage. That's why most of them up there are needed, exactly why they're needed here.
 - People have them because we subsidize vehicles. They don't pay their full freight.

7.6 Public transit systems require high density

- Transit only works if you've got density. Every SkyTrain that's gone in has produced immediate requirement for densification. That's why you're seeing it down the Cambie corridor.
 - The only way you can justify transit like that is by having densification of the population.

8.0 Developing more post-secondary education opportunities south of the Fraser

- I teach college prep math at Kwantlen. I was delighted to come in here and hear people talk about the need for education, for training appropriate for the job, for levels of education and for increasing the size of the post-secondary out here.
 - I looked on the Metro Vancouver website at policies and issues, and education wasn't mentioned.

8.1 The area south of the Fraser is underserved in opportunities for post-secondary education

- Compare north and south of the river in the Metro Vancouver region.
 - Relative to the number of people, the area south of the river has one-fifth the opportunities for post-secondary education.
 - Relative to the number of people in the province, we've got a third of the opportunities for post-secondary education per person south of the river.
 - For trades training, let's forget about BCIT; they serve the whole province. If we don't count BCIT, we've got 6.5% of the trades training in this region and we've got twenty-some percent of the population in this region. Something's got to change.
- This south of the Fraser part of the region has been shortchanged for decades in many things, but post-secondary education is [one of the most important.]
 - Education is hugely important in encouraging growth and dealing with homelessness.
 - A person's level of education correlates inversely with how likely they are to end up in jail or on the street.
 - If we're going to fix some of the social problems, we're going to need more education for adults and school districts to be treated better.
- We need to make more training available in trades and in technical areas. That's particularly important for the students in the south Fraser area.

8.2 Metro Vancouver's role in increasing educational opportunities south of the Fraser

- I know it's not directly Metro Vancouver's mandate to deal with this issue, but likewise it's not City of Surrey's mandate and they're certainly taking it on by supporting SFU and Kwantlen in their growth. What's Metro Vancouver going to do to push this along?
- The panel can't speak on behalf of Metro Vancouver. [Education is] not one of Metro Vancouver's core responsibilities. Metro Vancouver does have a responsibility to talk to the community, as we're doing today to find out what issues others and maybe Metro Vancouver should be dealing with in the future.
- There's a lag [between population growth and social infrastructure meeting the population's needs]. Each community brings different assets and resources to try to address these problems. Conversations between communities and universities and colleges are an important link and glue for the whole region.
 - Sometimes it's impossible to get a comprehensive plan, but shining the light on strong effective partnerships starts to get the next conversation going.
 - Kwantlen has been a tremendous partner for the City of Surrey.
 - [SPARC] worked with the City of Surrey on a poverty reduction strategy. Kwantlen, the city, and SPACR were at the table bringing social policy work. It's probably one of the first municipalities that has thought that although they might not own all the levers to address this problem, we can take a run at what a city can do to address poverty. Kwantlen played a really valuable role in that.

9.0 BCIT does a good job of providing post-secondary education outside Metro Vancouver

- BCIT is a fantastic organization. [CME] helps deliver some of the programs into the interior of the province, but it's a real struggle.
- If you're a company in the Okanagan or in Prince George, it's very expensive to send people down to the Lower Mainland to get training at BCIT.
 - You've got all the transportation, you've got to bring them back at weekends, you've got to pay for the course etc.
 - Then you run the risk of them not coming back. They see the lights of the big city and maybe they stay, if they can get a reasonably-paying job.
- In the case of Prince George, private enterprise has gotten together.
 - There's a company that has donated a whole building, and Canfor is putting some money behind that to try and get BCIT to open a campus there.
 - Here you have industry recognizing the need and private enterprise trying to put up the money, where is government?

10.0 Intergovernmental co-operation and regional disparities

10.1 Municipalities need to work with other levels of government

- We have a very, very serious governance problem here. Metro Vancouver tries to span [governance across municipalities], and does that successfully in some ways, but is not successful in other ways.
 - I am reluctant to say that all the municipalities should amalgamate. In theory that can be a very good idea, but I've watched it play out in a couple of places—Toronto and Halifax—and it was a disaster. They took the worst of everything and put it together. That's possibly what the fate would be here.

- Getting the policies right is really important. A municipality can only do a limited number of things if other levels of government aren't also involved. Only 8 cents out of every tax dollar is [available] at the municipality level.
- Are we stuck with certain silos in government? There's the provincial government, the unions have control over certain things, the city has its responsibilities. Is it time to look at the big picture again and ask how we can reshape things?

10.2 Co-ordinating different levels of government to address poverty and homelessness

- You need better policies in this area, and targeted programs to address certain needs.
 - The city can play an important role in bringing other levels of government in. You need to align all the levels of government but you will see [changes] at the community level first.
 - During [SPARC's] poverty reduction project with the City of Surrey, we learned that the librarians knew more about the income assistance rules in the province than anyone else. This is because the province switched to an online application form, and suddenly people were without the resources they needed to get access to basic social safety net services and the librarians and the city were filling in the gap.
- It's absolutely true that these issues cut across policy domains. Most of these are very complex problems, but I think you can [solve them] through partnerships and innovation.
 - For example with homelessness, that's [a case] where the province and the city sat down to find a better way to deal with chronic homelessness. Access to education and early childhood development are the same kinds of things.
 - You need to have local-level strategies tied to some of the resources that happen at other levels of government. Local innovations can show the way to rethinking these problems in a real way.

10.3 The region south of the Fraser seems to get less funding for infrastructure

- For any region to prosper, there must be investment in infrastructure. Why does the south of the Fraser region [and particularly Langley] always seem to lose out when it comes to the balance of funding for infrastructure, particularly for transportation?
- I drove across this bigish bridge on the Trans-Canada highway on the way out here. I believe that goes on to Langley.
 - I wouldn't say there's no infrastructure that serves your community. If you're telling me that the mix of infrastructure and the priorities of infrastructure you're getting are not very good, I certainly find that credible. Langley is relatively small, so in this mix of communities infighting, you lose a lot of arguments. What can I say? You're the little kid in school who gets picked on.

10.4 Different municipalities have different focuses and needs

- Different regions with Metro Vancouver have different needs.
 - People in Langley, Newton and in the downtown core are working hard to get densification going the right way, but it doesn't have to be the same way.
 - We can't get out of our cars in a great deal of the south Fraser is because Metro Vancouver's livable regions policy says you can't build transit outside a certain area. If they'd done the Gretzky thing and gone to where the puck was going to be, we would have a much better, more efficient and more economical region.
- Politics trumps [other considerations]. Unfortunately, in the midst of this region, it's the politics of Vancouver. You [at this dialogue] have given us the opportunity to confirm

what we've been saying to Vancouver for a long time. There are some differences south of the Fraser and we need the region to help us address them. Otherwise we're going to get nowhere.

11.0 Municipal-level action and innovation

11.1 Municipal employees need to be more open to innovative community planning

- What can the communities in the Lower Mainland do to create a more innovative community and urban development mentality?
- What could Metro Vancouver do to educate municipal employees and council members to create innovation?
- [I have run into a] silo mentality in [my municipality]. Even with Metro Vancouver, this risk-aversion is an important thing.
- It's tough being on the leading edge of innovation, because people don't always understand what you're trying to do. Local councils and staff have to bridge [the technical and the social side of planning], and that's very difficult, especially when you're pushing the margins and advancing ideas that aren't fully landed.

We need to figure out how to be creative and innovative without having the leaky condo.

11.2 Municipalities are risk-averse about innovative community design

- My background is architectural education and urban design. Since 2002 I've been in a local community here [south of the Fraser] working on land development.
 - From the municipal employee level to the council level there is a risk aversion when it comes to innovation.
 - I found that it is as difficult to make a complete community neighbourhood plan as it is to pave over nature. There was no distinguishing favour between the two.
 - Hundreds of thousands of dollars had to be spent on consultants, and it took from 2002 to the spring of 2011 to make the first sustainable neighbourhood plan that followed Metro Vancouver's 2040 guidelines for building complete communities.
 - When I began my career in land development I went to a lot of seminars on community development. The people there and were all social workers, and they were surprised that a land developer wanting to know about community development.

11.3 Planning for long-term sustainability is currently very difficult

- Densification is important, especially in Langley where 80% [of the land is] in the ALR, you have to densify.
 - But you can't just shove a lot of people in a box without solid community development, such as helping local organizations to create affordable services, or creating a healthcare co-op.
 - I had to go to the provincial level even to ask the Fraser Health Authority if they could help us do these kinds of community services.
- I'd like to do sustainable infrastructure but nobody wants to insure it.
 - It took a while for green roofs to be insured.
 - Right now you have to do both the normal black book engineering infrastructure and then on top of that [deal with red tape]. People who want to do that [currently have to] fight and spend their capital on a long process.

11.4 Forums for discussion between communities increase acceptance of innovative ideas

- Forums like this are valuable. As people start to wrap their minds around concepts that are difficult to operationalize, they see how to connect the dots in a different way.
 - People don't fully understand what density means. If they were to see [examples of] density in a design context and understand how it connects to other aspects of community life, then they would start to see that it could work. When you add the cost profile to that, you start into different kinds of conversations.
 - Complete communities are another concept that means different things to different people. When you get together and talk about what's important to you, you start to see others understand more fully. [You have to explain] the technical side and the day-to-day quality of life side, which is what the community cares about.
- I take pictures of good examples of good design, so that when I'm out there talking, I can [show concrete examples].
- I love seeing communities roll up their sleeves and engage in conversation.
 - At an earlier dialogue, the Maple Ridge economic development officer talked about how she connected a community kitchen with [people working on] food security for seniors, instead of doing her job as an economic development officer. But in a way, she's doing her job plus the really important work that glues communities together.
 - [We make progress] when everyone respects that we all own part of the problem and part of the solution.

11.5 Municipalities have limited autonomy

- Some of the impediment on innovation is the *Local Government Act*. The rules and the regulations are the same for everybody, including the joint and several liability.
 - There are two municipalities in B.C. who have their own charter: Vancouver and Whistler. [Surrey], with a population of half a million, has to obey the same rules as a city of 5,000.
 - Recently we had someone who wanted to build a house that was different. [They wanted to use] panels manufactured in Williams Lake, which is good for the economy. It's a nightmare for us to administer because they don't have the certification of the product. That needs to be done in Ottawa for us to approve it here. We administer the public good, so it's easy for me to say no problem just receive, stamp, approve, but if there's a lawsuit the residents are on the hook for it because they pay their taxes to the city.
- There are things that are out of our control that tie our hands as far as innovation is concerned. We've had lots of discussion about that with the province. We still have ongoing discussions because we believe that it would be better for the province and for the economy if we could look at things differently that could help to push innovation further.

12.0 Government hasn't increased in efficiency

- I have a lot of sympathy on the difficulty of breaking down the silos, but my sympathy runs out at some point.
- Here are two quick anecdotes about products that I have researched recently:
 - I can buy a new 42-inch flat-screen plasma TV for \$450. What percentage of an average wage would a TV have cost in 1952, '62, '72, '82 or '92? Way back, it would have cost several weeks' or months' pay, and now it's \$450 for a much better TV.

- I also investigated a building permit. I live in a small condo building. The building next door has been torn down and it has temporarily exposed a piece of ugly back wall of our parking garage. We've had a couple of incidents of graffiti on it that we painted over. A neighbour and I were talking about whether we could put a mural there. I phoned city hall to see what's involved: \$700 for a building permit to put up a temporary mural. What percentage of annual wealth would a building permit have cost in 1952? And would the building permit have been any less good?
- Manufacturing, in almost everything except maybe housing, has hugely increased in efficiency. We get way better stuff for less money. Government hasn't even made a dent [in improving efficiency]. Until we get really cranky about that as citizens, my guess is that they're not going to make a dent.

13.0 Considering the environment

13.1 Do economic considerations override environmental considerations?

- The economy seems to be force behind this forum. Our thinking on economics is based on a very Darwinian principle of survival of the fittest. Ultimately that has a major impact on our environment.
 - This is more of a challenge to the chambers of commerce. Various municipalities talk about sustainability and the environment as being an important part of their growth strategy. What I'm hearing here is that growth is good, but I often wonder how much time people spend thinking about the impact on the environment when they make a decision.
 - I think at the end of the day economic considerations trump environmental considerations. Is this naive thinking on my part or is this how business deals with decisions that affect the environment? Is the human species more important than our fellow species?
 - In Langley, there was a massive housing development built, which had a huge impact on the animals in that area. Now Langley city council is fighting about whether to put up signs telling people to slow down so they don't hit so many animals with their cars.

13.2 Political considerations override both economic and environmental considerations

- I don't think the economy always trumps the environment; I think politics trumps both. That's very unfortunate.
 - A lot of things cast as economic considerations are phony, and a lot of things cast as environmental considerations are phony. We tend to conduct debates very poorly, but generally it's politics that trumps both economy and environment.
- Going to the bigger picture, politics trumps both every time.

13.3 Manufacturing is becoming more environmentally friendly

- Manufacturing is the one key industry that has met the Kyoto targets. It's not because manufacturers are holier than thou in wanting to protect the environment; it just makes good business to reduce costs and eliminate waste.
 - Companies look for ways to reduce consumption of power, like electrical and gas. We're very fortunate in this province in having probably the second-lowest rates in North America. Other jurisdictions have become much more conscious about preserving energy, but it is working here. [This decreases your release of] greenhouse gases.

- At the last company I ran, we really annoyed our recycling company, because we went from a pickup every two days to a pickup once a month. We did have a target of zero waste for our company, but the reason for it was that it reduced our costs. We got charged one or two hundred dollars for a pickup, regardless of how full the container was. Reducing our pickup frequency to once a month saved us about \$45,000 a year.