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## Speaking Notes

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Check against delivery

Good morning and thank you for coming out.

My name is Rob Ashton and I am the President of the International Longshore and Warehouse Union - Canada.

Joining me is John O'Grady. John is the founding partner of PRISM Economics and Analysis.

We asked PRISM to conduct a study that quantifies the economic impact of automation and digitization in marine terminal operations in British Columbia.

In a moment, John will walk us through his forecast. His findings point to, at best, an uncertain future for communities that rely on good middle-class jobs in British Columbia's marine terminal sector – and potentially a disastrous one.

That's because automation and digitization are sweeping our industry world-wide.

Technological changes bring steep declines in employment. Semi-automated facilities operate with 50% fewer workers. Up to 90% of employment is lost when marine terminal operations are fully automated.

It's a trend that is well-advanced in Europe, Australia and the Far East, and it's beginning to take hold in North America.

That puts us in an enviable but challenging position in Canada. Hopefully we can learn from the experiences of other countries to ensure changing technology in marine terminal operations brings both commercial and community benefits.

Canada needs to protect good, middle-class jobs in the marine industry, not throw them away.

So, a first step is to get a grip on the likely impact here at home. That's what PRISM's economic forecast has done.

Let me be clear. Automation should not simply benefit only corporations while leaving workers and their communities to deal with the damage left behind.

Everyone should benefit, including working people.

John, over to you.

Thanks, Rob. First a few words about how we did the study:

Methodology:

- The study is based on data provided by Statistics Canada and Statistics BC
- PRISM uses the term "core" employment is used to describe jobs held by ILWU members, and "supporting" jobs are held by non-ILWU workers
- Only container related employment is considered which accounts for two-thirds of the work because the container sector is where most automation is concentrated; only occupations likely to be eliminated as a result of automation are accounted for.

- The analysis discounts short term construction jobs that may be associated with automation projects.

The analysis is based on two scenarios:

The **Brownfield Scenario** forecasts that 50% of selected marine terminal occupations are automated out of existence when existing terminal facilities are modified to allow for partial automation of their operations.

The **Greenfield Scenario** forecasts that 90% of selected occupations would be automated out of existence when newly built facilities are fully automated.

No matter how you slice it, it's clear that automation and subsequent job loss will be significant at the provincial level.

We forecast that between 5200 and 9300 jobs will be lost after taking into account employment that automation is likely to create.

Many of these are good paying jobs. Income loss could exceed half a billion dollars a year province-wide, every year.

Of course, no one likes taxes. With this scope of employment loss there will be less tax revenue to finance services - in the communities that would need them the most.

We were also asked to estimate job loss in specific communities where marine terminal operations play a large role in the local economy.

As mentioned, the employment losses we can expect include many good-paying jobs that support middle- and higher income earning families. These are not McJobs.

Our data suggests that job loss arising from automation of marine terminal operations places a significant portion of middle-class and high-income employment at risk in the communities where marine terminal operations are concentrated.

The community of Delta – with major port operations today - would experience a significant economic shock from anticipated longshore employment loss. This community relies on marine longshore employment for 11% of all jobs paying more than \$70,000 per year and 23% of its high-income jobs paying more than \$100,000 per year.

The loss of employment because of automation in this sector would have a devastating impact in Prince Rupert, eliminating a significant portion of the community's middle-class and high-income jobs.

In Prince Rupert, longshore employment accounts for 26% of all jobs in the community paying over \$70,000 per year and two-thirds of all high-income jobs paying more than \$100,000 per year.

Vancouver's middle-class and high-income cohort is less reliant on longshore employment. Still, longshore jobs account for 2% of all jobs paying more than \$70,000 and 3% of all jobs paying more than \$100,000. BC's largest city would not be unscathed by significant job loss in this sector.

Thank you, John.

Your report should be a red flag to our politicians, especially those who are asking for our votes on October 21<sup>st</sup> in the federal election.

Marine terminal operations are not the first and won't be the last industry to automate employment out of existence. It's happening in almost every sector. Even journalism.

Given this reality, it is long past time for the next federal government to modernize its approach to labour market adjustment.

Sadly, in spite of widespread disruption to many industries in our country, there has not been a single major change in workforce adjustment programs in Canada for 30 years, apart from actually cutting the Employment Insurance program to disqualify more workers from benefits.

And it is simply not good enough to offer minimal short-term support in the form of Employment Insurance to workers who lose their jobs to technological change, then wish them well once EI benefits run out.

The next federal government needs to quickly establish retraining, job search and other programs to mitigate the economic harm that is done to workers and communities hit by employment loss of this scale.

I would add that government should stop rewarding companies with tax breaks and subsidies when they automate good middle-class jobs out of existence to their exclusive benefit, leaving workers and communities to pick up the pieces afterward.

That is literally killing good, middle-class jobs – and doing so with tax payer dollars.

All political parties are jockeying for the middle-class vote.

Putting forward a comprehensive plan to protect workers jobs and modernize Canada's approach to job loss through automation would be a good place for them all to start.

Workers and their communities across BC are depending on it.

Thank you. We are happy to take your questions.

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