

ROAD TRANSPORT

Sector Profile



Sector Facts and Figures, 2016

Total GDP <i>Share of Canadian GDP</i>	\$35 billion 2.1%
Total Exports*	\$5.5 billion
Total Imports*	\$3.7 billion
Foreign Trade Balance* <i>Inflation-adjusted change since 2007</i>	\$1.8 billion +65%
Total Employment <i>Change since 2007</i>	440,000 +9%
Average Hourly Wage (Excluding overtime) <i>Inflation-adjusted change since 2007</i>	\$22.71 +2%
Productivity Growth 2007-2016	4%
Average Work Hours/Week (Excluding overtime)	33
Average Overtime Hours/Year	68
Greenhouse Gas Emissions (Kilotons, 2014) <i>Share of Canada's total industrial emissions</i>	23,500 3.8%
Union Coverage Rate (Approximate)	30%
Unifor Members in the Industry	23,000
Share of Total Unifor Membership	7%
Number of Unifor Bargaining Units	177
Average Bargaining Unit Size	128

Source: Cansim; Unifor Research Department.

*2015 data.



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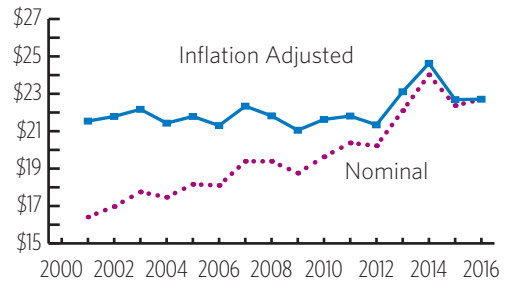
Current Conditions

Road transport is the backbone of the Canadian economy. An estimated 90 per cent of consumer products are transported via the trucking industry, contributing \$17 billion to Canadian GDP. The estimated GDP contribution of Canada's public transit system, with over 100 systems carrying two billion passengers annually, is a further \$10 billion.

Road transportation is one of the largest employers in Canada, with roughly 440,000 people working in trucking, bus, taxi, courier and associated road transportation occupations. Employment growth in this sector has also been strong, having added nearly 40,000 net new positions since 2007. This is despite the fact that taxi and limousine services saw a five per cent decline in employment in recent years and the courier and messenger sub-sector saw employment growth stagnate.



Average Hourly Wage, 2001-2016



Road transport added \$35 billion to Canadian GDP in 2016. This sector consistently runs trade surpluses which help offset significant and chronic trade deficits in the wider transportation sector. In 2015 Canada exported \$5.5 billion in road transport services internationally and purchased \$3.7 billion in return. Canada's trade surplus in this sector rose by 65 per cent in inflation-adjusted terms over the past decade.

The average worker in this sector pockets nearly \$23 dollars per hour, which is slightly below the average Canadian wage. Over the past decade, wage growth has managed to slightly outpace inflation, having risen by two per cent (in comparison with the four per cent increase in labour productivity over the same period). Average hours of work per week have trended down slightly over the past decade, having fallen from 35 to 33 hours. The same holds true for annual overtime hours, which fell from roughly 90 hours a decade ago to 70 hours more recently.

In 2014 the road transportation industry emitted nearly 24,000 kilotons of CO₂, which was nearly four per cent of total industrial emissions in Canada. And while Canada's total industrial emissions rose by six per cent since 2009, emissions in the road transport industry soared by 20 per cent, which highlights the challenge Canada faces in decarbonising its economy.

Ontario or British Columbia. More than one-third of the membership is employed by the five largest employers, including Coast Mountain Bus Company, Loomis Express, Brinks Canada, Blue Line Taxi and First Student.

Moving Forward: Developing the Road Transportation Industry

Unifor in the Canadian Road Transportation Industry

Select Unifor Employers	Approx. # Members
Coast Mountain Bus Company	4,200
Loomis Express	1,300
Brinks Canada	1,100
Blue Line Taxi	850
First Student Inc.	850

Road transport efficiency and safety are a concern for workers and the public alike. Increased road congestion and deteriorating road infrastructure in urban areas remain critical public policy issues. It has been estimated that billions of dollars is being lost in Canadian productivity due to traffic congestion in large urban centres. Constrained municipal budgets and inadequate government funding for public transit are causing increased stress on existing public transit infrastructure. It is estimated that the transit industry will need \$54 billion in capital funding between 2014 and 2018 to renew existing infrastructure and expand service networks. The lack of adequate public transit funding also impacts wages and working conditions in the industry, leading to the possibility of increased labour disputes.

Union coverage in this sector is roughly 40 per cent, which puts it above the Canada-wide service sector average. Unifor represents workers in a variety of road transport sub-industries, including public transit, school bus transportation, couriers, taxi services, secure logistics, and warehousing and storage, among others.

In the 2017 federal budget the government announced the creation of a \$35 billion Canadian Infrastructure bank. This specialized fund will be used to attract private funds and investors to help

Unifor's 23,000 road transport members make up roughly seven per cent of total membership. They are distributed across 177 bargaining units, with roughly 85 per cent of the membership employed in either

support the development of community infrastructure projects such as roadways, bridges and highways. While the government is touting this as a way to build and improve Canada's infrastructure and support the creation of middle-class jobs, this move has been criticized as a scheme to increase the number of P3's (public-private partnerships), effectively privatizing Canada's transport infrastructure. P3 projects are known for costing more than publicly financed projects, partially because private investors expect a minimum return of 7-9 per cent (even though government costs are below two per cent). The profit-driven nature of P3s also entails greater pressure to keep labour costs low and the introduction of user-fees.

Privatization and contracting out in various road transport industries, such as urban transit, school bus transportation and waste and recycling, will continue to have negative impact on wages and working conditions. In Ontario, for example, school bus drivers in certain regions make little more than minimum wage, with little or no access to benefits.

Unregulated ride-hailing services, such as Uber, continue to make inroads into the Canadian market, circumventing municipal by-laws and creating a two-tier system

that has profoundly negative consequences for the taxi industry. Taxi drivers, who are required to invest thousands of dollars in acquiring licences, insurance and safety training, are losing riders to unregulated service providers, who, until recently, have not been required to pay taxes or carry the proper insurance. Recently, the town of Innisfil in Ontario announced a partnership with Uber that will see the service used as a substitute for public transit.

Major Sector Development Issues

- Public investment is needed in Canadian road transportation infrastructure, not P3s, to improve safety and boost productivity.
- Resist creeping privatization and RFPs, especially in municipal waste and the school bus industry, which threaten to undermine employment and put downward pressure on wages and working conditions.
- Ensure ride-sharing services such as Uber are properly regulated and taxed to ensure a level playing field with the taxi industry.