

A TLA Perspective: Addressing the Forest Industry Labour Shortage

For the past decade, employers and forest industry stakeholders have been increasingly challenged to find well-trained, competent employees to meet their needs. Current and pending labour shortages were officially compiled in 2013 for the *BC Coast in the BC Forest Sector Labour Market & Training Needs Analysis*. Subsequent consultations with licensees, contractors, education and training providers, government and First Nations confirmed the veracity of the findings.

In summary, the 2013 analysis projected 4,700 job openings would appear by 2022 (95 per cent of which were due to pending retirements), or about a quarter of the current coastal forest industry workforce. As most contractors know today, the situation has not changed and finding young skilled people to fill immediate openings in logging and log hauling is becoming increasingly difficult.

On a provincial scale in 2016, the forest industry contributed more than \$8.56 billion to BC's economy, directly employed more than 60,000 people and provided more than \$2.56 billion in tax revenue to the province. It is clear to see that maintenance of this important part of the BC economy is critical given that it provides broad economic benefits to more than 140 rural communities across the province.

Approximately 12,500 job openings are expected in this industry between 2015 to 2025 across the province. The difficult part of this equation is that employers in the sector consist of more than 7,000 businesses, most of which are small businesses employing less than 20 employees.

About 75 per cent of forecasted job opportunities are in categories that are already experiencing high vacancy rates, such as hand fallers (17 per cent), forestry workers including professionals (13 per cent) and logging machine operators (7 per cent). These vacancy rates compare to provincial private sector vacancy rates of about 3 per cent.

Retirement-related turnover is the key factor supporting projected job vacancies over the next decade and is expected to reach 60 per cent in forestry and logging occupations in BC. This issue is compounded by the fact that fewer young people are joining the forest industry as a career with just 5 per cent of workers 24 years of age or younger choosing forestry as a career. The logging sector is particularly vulnerable to this trend given its physical nature and the remote and often seasonal or contract-based aspects of the work.

The most common pathway for worker training in the logging sector is predominantly through on-the-job work







experience and workplace knowledge which is passed down from more experienced, senior workers who tend to be the most productive on the crew. Even following academic training, the need to learn the skills of the jobs from more experienced people is paramount.

Unfortunately, taking top workers away from production to pass on valuable knowledge to the next generation reduces production and profitability. At a time when contractors are struggling to remain sustainable, this creates a disincentive to make training the next cohort of workers a priority. Rather, contractors try to seek out employees from a shrinking pool of experienced workers further perpetuating the problem—a lack of young, skilled workers.

Given that logging involves heavy machinery unique to forestry, a dangerous natural environment in a competitive business with razor thin or non-existent margins, the solution to the training problem cannot be as simple as just sending new entrants to a school. There are some opportunities for this type of academic training, such as those supported by the Interior Logging Association (ILA) at Thompson Rivers University (TRU).

At TRU, students can acquire either logging truck driver or heavy equipment operator training in a program that combines both academic training and hands-on practice on the actual equipment. Once complete, the students then typically join a contracting firm and complete their education in the field. The program trains about 10-20 students per year and the costs range between \$18-\$25,000 per student. However, this program, suffers from a lack of commitment of government funding and the ILA is currently working with the provincial and federal government to ensure funding for this year. “We have the students lining up to attend, the teachers, the equipment, the classrooms and jobs when they graduate. Consistent funding would help address the recruitment issues we face as contractors today,” notes Wayne Lintott, ILA General Manager.

The current provincial budget provides \$1 to \$10 million annually for three years in support of aboriginal skills training. Unfortunately, like many government sponsored educational funding opportunities, training must be done by accredited training providers instead of those with extensive field experience.

The current government recognizes the need to recruit and train for the forest industry. In the Minister of Advanced Education, Skills and Training, the Honourable Melanie Mark’s mandate letter, she is specifically tasked with developing more degree and certificate programs to increase the number of skilled workers in BC’s forest sector, focusing on growing innovation and the manufactured wood products sector. While positive, funding for existing programs like those at TRU are lacking and more degree and certificate programs are not a substitute for on-the-ground training.

In response to this dilemma, in 2016 the TLA proposed a logging contractor training tax credit to ease the financial burden of on-the-job training for contractors. This approach would help to ensure that the next generation of workers will acquire the necessary knowledge to be productive and safe, before the know-how is lost to retirement.

The previous provincial government engaged with the TLA to begin work on this idea. Together they established a framework for the training tax credit and had begun discussions with the Ministry

of Finance to determine funding mechanisms. At the same time, and as a complementary initiative, work began by the BC Forest Safety Council on job competencies and qualifications which would support a proposed framework, providing a checklist to demonstrate training.

An entry level program for new forest harvesting trainees is in pilot delivery with some colleges in forestry regions. Trainees exiting the program will have the essential safety knowledge and skills to start on-the-job training and advance their careers into falling, resource road building, mechanized harvesting, cable yarding, transportation and silviculture careers. Industry-developed toolkits are being implemented that enable supervisors to consistently assess and make defensible decisions when their trainees or workers are qualified-confirming they have sufficient knowledge of the work, the hazards involved, and the means to control them.

There is wide support from the TLA's 500-member companies for tax credit training support because there is a desperate need for an immediate and impactful solution to the lack of young, skilled

workers within the forest sector. Anticipated benefits of this approach include:

Incentivizing employers to free up resources for targeted skills training for occupations that are in most demand by the industry and not being provided by the current educational system.

Encouraging increased hiring of younger trainees into the sector and by extension, improving employment prospects in BC's rural and remote communities that rely on the forest industry for survival.

Reducing the number of injuries and fatalities in the sector by encouraging longer on-the-job training periods and job shadowing.

The Province of British Columbia currently has several existing training tax credit programs including: The Training Tax Credit for Apprentices; Training Tax Credit for Employers (of apprentices); and an industry-specific Shipbuilding & Ship Repair Industry Tax Credit.

While no model currently exists for an entirely employer-led, on-the-job training tax credit, it is the TLA's view that BC's Employer Training Tax Credit for Apprentices would be the closest model

for developing a logging contractor training tax credit.

"This approach to ensuring proper on-the-ground, industry specific training for new recruits is not new to this province and given the significant economic impact that the forest industry has on the province and especially in BC's rural and First Nations communities, it should be an obvious solution," says David Elstone, Executive Director of the TLA.

The TLA is asking the new government to review the work done thus far on this creative idea to resolve a major challenge for our industry.

Logging contractors are the economic backbone of rural communities across the province. By supporting contractors, you are supporting the rural communities where they live and work. Talk to your mayor. Talk to your local MLA. Help them understand the need for support to ensure BC's forest industry has the manpower to address growing markets while at the same time supporting rural communities.▲



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