

WORK SHARE AGREEMENTS: KEEPING BUSINESSES SECURE IN UNCERTAIN TIMES

By Robin Brunet

At face value, Natural Resources Canada's inclusion of work sharing as part of its recently announced \$605 million loan and loan guarantee package seems like a logical way to cushion the blow for forestry companies having to pay US tariffs on Canadian softwood exports.

Indeed, work sharing agreements have proven successful in other sectors, specifically those in Alberta faced with laying off valuable employees due to the oil and gas downturn. "Work sharing enabled us to retain four of our administration team who we considered first class and didn't want to lose," says Tom Wilson, Chief Financial Officer for Heavy North, an Edmonton-based civil construction company. "Overall, the strategy is valuable to us, because like in the forest industry our work is cyclical and prone to slowdowns."

When Lynnel Kennedy, a bookkeeper for a small independent logging con-

tractor on Vancouver Island, heard about the latest work share initiative, she recalled how a similar program benefitted her in the 1990s, when she was a clerk for an automobile dealership. "Collectively we went from a five-day to a four-day work week and collected unemployment insurance for that fifth day, and although some people didn't like it because they were paid only \$60 instead of \$100 under EI, I thought it was far better than having to find a new job in a tough market."

skilled employees. How would the sharing of machine operating be achieved? Also, the potential for union conflicts could be huge."

Kennedy is hardly alone in her assessment. In Quebec, Resolute Forest Products has been an outspoken advocate for government action to combat the softwood tariffs, and yet company spokesman Karl Blackburn says of the \$605 million package announced by Ottawa in June, "The work share component is simply not feasible, at least for us. It

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But Kennedy adds, "While no one in the BC forestry sector has yet taken advantage of the program to my knowledge, I'm not sure how feasible it would be in an industry so reliant on specialty

might benefit office employees, but not field staff. We prefer to focus on loan guarantees as the way to combat the tariffs, and we'll be working closely with Ottawa to make that happen."



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Wilson, who supports the program, agrees. "While we retained our four administrative people, we had to lay off all of our field workers," he says, adding that they have since been rehired.

The Government of Canada website states that effective July 30, 2017 to March 28, 2020, work sharing "special measures" will be in effect for employers affected by the downturn in the forestry sector.

These measures extend the duration of work sharing agreements by an additional 38 weeks, for a total of 76 weeks. The mandatory waiting period has also been waived so that employers with a recently expired agreement may immediately apply for a new agreement, without waiting between applications.

Eligible applicants are businesses that have been directly or indirectly affected by the downturn in the forestry sector. In addition, eligibility applies if an individual has had a work share agreement that ended between October 30, 2016 and July 29, 2017; an agreement that will begin/end between July 30, 2017 and March 28, 2020; or will sign a new work sharing agreement between

July 30, 2017 and March 28, 2020 (with an agreement start date no later than March 29, 2020).

Under the extended work share scheme, \$10 million has been allocated to subsidize the wages of eligible workers. (By contrast, \$80 million has been earmarked for those who prefer to upgrade skills and move to a different industry.)

The human resources firm Jouta Performance Group believes if employees agree to a reduced work week, it could result in a 20 per cent instead of 40 per cent pay decrease or even less, with the cash savings available to reinvest in fortifying their company. "Recruiting and training costs are also avoided," states a report on the topic.

But despite the narrow parameters that work sharing seems to be confined to in the forestry sector, Brian Butler, President of United Steelworkers Local 1-1937, is supportive of the concept, "providing that under a collective agreement everyone with seniority agrees to the arrangement, otherwise you would have grievances."

The USW itself took advantage of the program in 2009 when three locals merged to create 1-1937. "It allowed us to retain four office staff, and we participated in the program for about six months," Butler recalls.

Butler doesn't rule out the possibility of work share being used in the field, "but it would have to be used by a relatively small company, maybe 15 people or less. It's not out of the question, people don't like to see their co-workers laid off and it can benefit operations, especially in light of the money and time that would have to be invested in retraining others to fill the position of those who are laid off and decide to go elsewhere."

However, for the time being at least, the potential of work share in BC remains to be determined. "The impacts of the US tariffs have not yet hit home, and the extent to which we rely on government support depends on the duration of the softwood dispute," says Butler. "So far, all we can do is echo the sentiments of people in the forest industry by stating that the package announced by Ottawa is a good start."▲



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