



FOREST SECTOR JOB LOSS—CHECK THE FACTS

It was another great year at the TLA's 76th Annual Convention & Trade Show. Judging by the calibre of speakers, the full room at each session, engaging question and answer periods, robust conversations and networking, and all of the great feedback I've heard from many of the more than 1,200 delegates who attended, this year was a resounding success.

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The silent and live auction combined raised more than ever at over \$150,000. Thank you to the donors and bidders for their generous contributions. I'd also like to take this opportunity to thank the TLA staff who worked tirelessly to ensure all three days were enjoyed by everyone.

At our AGM, we said good-bye to three board members; George Lambert, Doug Sladey, and Adam Wunderlich, and I would like to thank them for dedicating their time and knowledge to the board. We also welcomed two new board members, Tyson Lambert of T-Mar Industries and Jen Norie of VIH Helicopters Ltd.

This year's convention theme, "Making it Work," was the catalyst for each session's topic, including the Premier's address at the sold-out Leaders' Luncheon. The highlight, of course, was the culmination of the Contractor Sustainability Review when the Premier announced the elimination of the fair rate market test (page 23), which drew a standing ovation from the more than 350 delegates who attended. I strongly believe this announcement will pave the way towards a positive change for contractor sustainability and the forestry industry overall.

As a long-time advocate for the training tax credit, I was also very pleased to hear the government's commitment

to the TLA's proposed solution for our skilled labour shortage. While it's too late to be included in this year's budget, we're assured it will be considered in the fall.

The Premier also publicly announced the new Coast Revitalization Initiative (CRI) (page 31). I'm happy to hear the government is dedicated to rebuilding a strong and healthy coastal forest sector; however, it was somewhat disappointing

that their rationale for the CRI is based primarily on log exports and the jobs lost in the forest industry over the past 15 years, notionally suggesting that these jobs could be recreated with policy change aimed at a reduction in log exports and an increase in domestic processing.

While it is true log exports have risen in BC since 2000 and provide an easy target for the job loss rhetoric, it is not the entire story.

Based on TLA analysis, yes, log exports rose from 3 per cent of the provincial harvest to 9 per cent over 15 years and contributed to some job loss, but the bigger contributors to job loss were related to other industry changes over the same period.

Putting industry changes together with the job loss statistics reported by Statistics Canada and the conclusion drawn is much different than typically reported:

- A reduced harvest, primarily on the coast (down 34 per cent) following reductions to the AAC following reduction of the working forest land base, was responsible for 10 per cent of the job loss.
- The reduced AAC and lower harvest resulted in mill closures accounting for another 17 per cent of job loss.
- Increased productivity in wood manufacturing at BC sawmills, pulp

and paper mills accounts for another 38 per cent of job loss and these improvements contribute significantly to BC's ability to remain competitive in the global marketplace.

- Increased productivity in logging accounts for another 27 per cent of job loss and the increased mechanization within the industry has made it a lot safer.

Combined, these specific changes point to the fact that 92 per cent of the Statistics Canada reported job loss between 2000 and 2015 in the BC forest industry were as a result of productivity improvement or mill closures following a reduction in the AAC.

On the other side of the coin, a mere 4 per cent of job loss can be attributed directly to an increase in log exports with the balance lost in secondary manufacturing. As such, we caution the Premier that as the CRI is rolled out that realistic benchmarks for success are established.

In the same vein, we also caution the government on their old growth strategy. Over the past year, I have been amazed at the amount of media coverage garnered by environmentalists protesting old growth logging, especially by how much that has been reported is inaccurate and catastrophizing information. One campaigner stated, "it'll never grow back." In fact, forestry is the only natural resource that is renewable; trees will always grow back. Our fear is that the new old growth strategy will result in further reduced AAC and more jobs lost. Our hope is the government will do their part to protect our working forests.▲

Mike Richardson, President, TLA
Tel: 250.203.2649
Email: mike@tsibass.ca