



## A YEAR OF CREATING CHANGE

**N**ow, more than ever, I understand the true value of being a TLA member. As the current president, I see firsthand the importance of our advocacy efforts, the amount of work required, and the impact—especially this year.

This has been an exceptional year for the TLA, with the release of the long-awaited, TLA-initiated Contractor Sustainability Review (CSR) and the government's resulting recommendations. Since its release, the TLA has been at the table together with the other associations to negotiate the implementation of the recommendations with the Council of Forest Industries (COFI), led by government-appointed facilitator Dan Miller. We are all in this together for the betterment of our industry as a whole.

We have been fighting hard for the industry to make the important and necessary changes that contractors have been demanding for years—specifically, a reasonable opportunity to negotiate rates through the recommended use of a standard rate model. It has been a challenging process that is certainly neither straightforward nor simple, but we have the bench strength of industry experts available to support us by providing advice and input. My direction to our TLA team is very specific: the status quo for contractors cannot continue. Contractors' conditions need to improve by changing the relationship with major licensees.

As an independent business owner, the new 1.9 per cent Employer Health Tax implemented on January 1, 2019 is a significant concern that I personally feel warrants our advocacy efforts. We have already sent a letter to the Minister of Finance and expressed to both the NDP and Liberal MLA caucus that it is unacceptable for the industry to be hit with this tax; from the PNL Consulting Services report for the CSR, we have learned that the tax amounts to the bulk (if not all) of contractors' net margins. In 2019 and beyond, the majority of timber harvesting contractors in this province

could literally be working for zero revenue. We have expressed our deep unease and requested that our contractors be exempted from the tax.

Old-growth logging is not a new issue, but one that continues to garner significant media attention as a result of efforts initiated by environmental activists. Our apprehension is that, if pressured enough, the government may react by reducing the amount of old-growth timber allowable for harvest, thereby decreasing the AAC; this would have a significant impact on contractors, jobs and the BC economy. Voicing our stalwart concerns about maintaining the working forest is a key strategic effort we make on behalf of the TLA membership.

In October 2018, the TLA assisted the CBC with coverage of an old-growth harvesting story on Vancouver Island. While I am disappointed that important messages were missed and inaccurate information was shared in the story that ran on the CBC National (and to a lesser extent in a subsequent online article), upon reflection, had it not been for the TLA's efforts, there would have been no forest-industry voice on this significant issue. The most important message here: simply, the diverse conservation efforts made by the industry ensure there will always be plenty of old-growth timber left on Vancouver Island, and elsewhere on the BC coast, that will never be harvested. In short, we are not running out of old-growth timber.

As a career logger and business owner for 42 years, I have a vested interest in the future of logging in BC, and have personally withstood numerous government changes and market cycles. I am troubled that various policy changes and the downturn in lumber prices may cause a double hit to the already tenuous timber harvesting contracting community in this province. Will the changes to timber harvesting and subcontractor regulation, along with implementation of the CSR recommendations, be enough to allow

my fellow business owners to survive if poor markets and operational challenges persist? We know all too well that many contractors' balance sheets are not well prepared for this type of impact. In fact, this is one of the predictions the TLA has warned about previously, and I certainly hope we are not right once again.

Now, more than ever, your support is needed if we are going to continue to bring about changes for contractors and the betterment of the entire forest industry in BC. Contractors need and benefit from the TLA's support. Consider: if not the TLA, who would speak up on the many issues affecting your business? I encourage each of you to become a TLA member—the more members we have, the stronger our voice.

There are a lot of challenges out there for contractors (and, to be honest, licensees as well), but somehow, we continue to figure out how to make it work and survive. This year, in fact, "Making it Work" is the theme of the 76th Annual TLA Convention & Trade Show to be held January 16–18. The convention provides an opportunity to network and learn from one another, so I sincerely hope you will come out to learn, ask questions and speak to my fellow TLA board directors, our staff and me about the important issues that impact your business. I look forward to seeing you there! ♣

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