



CHALLENGES WILL LEAD TO OPPORTUNITIES

It is both my pleasure and honour to be writing to you for the first time as your new executive director. First things first; I'd like to express my personal appreciation to the TLA membership and Board for allowing me the opportunity to serve the TLA in this capacity. The TLA has a decidedly proud history and a critical ongoing role to play in the current and future prosperity of our industry. I will do my best to live up to those standards and expectations.

One of the interesting side notes of this first editorial is that I'm doing it prior to officially even starting the job, as staff deals with the realities of press run deadlines. As I muse what to say and as a bit of an understatement, I have some homework and listening to do to more fully understand the current priorities, challenges, and opportunities in front of the TLA. From that perspective, I suppose I am permitted a few liberties in my first messaging.

The other harsh reality facing us is the ongoing emergence and challenges posed by the COVID-19 outbreak. The world has certainly changed over the last few weeks and your predictions are as good as anyone's as to what the next weeks or months will bring. Being an optimist, we will get through it but the consequences to our industry are yet to be clearly determined, although short-term impacts are unavoidable.

We are decidedly in a period of challenges for the forest industry. But perhaps such challenges will lead to opportunities. For myself, I look at the major categories of challenges to be our competitiveness, our ability to extract additional value/jobs from the resource, and our ability to work collaboratively with others (primarily the Province) on a future industry we can all be proud of.

In terms of our competitiveness, the global forest industry is and will remain one in which BC must compete aggressively in terms of our cost structures and revenues per whatever measure of products we produce. A person only needs to go to a distribution yard in the southern US or Asia to see the quality of products from all regions of the world to know we have to do a stellar job in production of quality products to compete.

Our cost structures remain an ongoing challenge also with many of the factors being related back to the current climate of policies and regulations in BC. In short, the simple ability for you to plan for your operations in a cost-effective manner is significantly hampered by the timelines and complexities associated with getting approved harvesting areas. Such approvals are simply taking too long, are very costly for those submitting the permits, and there is an overarching veil of uncertainty as to what is truly the working forest. All of these contribute to a higher cost structure than we can sustainably afford. Hopefully the work done by the TLA on the Contractor Sustainability Review will bear results soon.

The future will also see expectations from the Province for the creation of more value-added jobs and a reduction in log exports. We can probably all agree that these are admirable objectives. The trick is to create the climate for this to occur while not impacting current operations and businesses during this transition. As usual, that's a balancing game in which those involved play by different rules and expectations.

My personal conclusion, and I would guess is shared by many, is that the changes needed to bring our industry to increased prosperity will require

change to our current tenure system. There are certainly many ideas and thoughts on how to structure such changes, but the objective should be to create the business climate where those investing have increased certainties of their cost structures, wood supply, and overall profitability.

For all of these challenges, as I mentioned before, there will be opportunities. I am hopeful to be able to provide TLA members with some benefit in this regard. I've had my stints working in government, market logging, custom cutting, forest management, and working afresh as a new company in the First Nations climate. In all of these roles, there has been the requirement to balance many thoughts and ideas in conjunction with maintaining both profitability and jobs.

I will do my best to provide responsive support along with practical and pragmatic solutions. I am excited about the future of the TLA in the forest industry and appreciate the opportunity to be a part of it.▲

Bob Brash, Executive Director, TLA

Tel: 604-684-4291 ext. 1

Email: bob@tla.ca