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Opening remarks to the House of Commons of Canada's Standing Committee on Transport, Infrastructure and Communities relating to its study on *Anticipated Labour Shortages in the Canadian Transportation Sector*

Good afternoon and thank you for the invitation to speak with you here today.

Trucking HR Canada is a national non-profit organization that works collaboratively with stakeholders in commercial transportation, public policy, training and economic analysis - ensuring Canada's freight transportation network has the skilled workforce it needs to meet growing demand. We offer a range of HR related programs and supports including driver training and other wage incentives and subsidy programs which all are informed by our sought-after labour market information work.

I had the opportunity to review some of the testimony that has already been heard by this committee, and my comments today will build on this with labour market data on shortages as well some considerations to address them.

The trucking and logistics sector is the most significant enabler of post pandemic economic recovery in Canada. Our labour market information data shows that in the third quarter of 2022, Canada's truck driver labour force amounted to close to 320,000 drivers including those who are fully employed or who are actively seeking work. 60% of these drivers work directly in the truck transportation sector, with the remaining 40% working in industries such as construction, agriculture, mining and oil & gas extraction, manufacturing, wholesale and retail trade, and more.

In that same quarter, employment among truck drivers increased by 11.8% with some 33,000 additional drivers actively employed compared to the previous quarter. At the same time the number of unemployed drivers fell by 1/2. The low level of unemployment among drivers means that employers have a much smaller pool of experienced workers to draw upon and must therefore look to hire, train and on-board new drivers - a lengthy and costly process. The unemployment rate among drivers stands at 2.1% compared to 5.3% in the overall Canadian labour force.

The most recently available vacancy data shows there are some 20,110 vacancies in Truck Transportation (NAICS 484) with a vacancy rate of 9.4% These vacancies include jobs for over thirty different occupations including truck drivers, mechanics, dispatchers, shippers and receivers, managers and administrators, IT workers and more.

For the occupation of Transport Truck Driver (NOC 7511), the vacancy rate is similar at 9.1% - with 28,210 vacancies across Canada – this is 8,100 more vacancies than in the Truck Transportation sector overall. How is this possible? As already mentioned, it is because most other sectors in the Canadian economy depend upon the services provided by truck drivers both to receive goods required to conduct their business and to move their products onward in the supply chain. As a result, the shortage of truck drivers impacts the ability of these other sectors to recover from the pandemic and to grow.

Even before the pandemic, the driver shortage was threatening growth. In 2020, Trucking HR Canada estimated that the driver shortage was costing the truck transportation industry as much as \$3.1 billion in lost revenues every year. And other sectors are experiencing the impact of the driver shortage too. For example, the Forestry Products Association of Canada estimates that the truck driver shortage is costing their industry about \$450 million in lost business.

The shortage of drivers might actually fuel inflation – if it costs more to move food, fuel, medical supplies and other consumer goods by truck, it is likely that these costs are passed on.

In terms of underlying causes - our research suggests that safety concerns, high upfront training costs, work-life balance, and environmental concerns are some of the reasons.

Retirements are a factor too – with 35% of our truck drivers being 55 and older, compared to 22% in all sectors.

Our industry also has some of the lowest representation of women and youth – each group accounting for under 4% of our truck drivers.

What are some considerations to help address this?

- 1) Our driver training subsidies and wage incentives are helping get more young people in the sector and helping employers with onboarding and employment readiness. Here – we need access to more of these programs.
- 2) We need to better bridge the gap between entry-level training and employment-readiness. Trucking HR Canada currently has a proposal into the Federal government to support this.
- 3) We see a need to develop more tools to equip employers in the recruitment and retention of a diverse and inclusive workforce.
- 4) We see a need to better support and educate our federally-regulated employers with increasingly prescriptive Canada Labour Code compliance requirements.
- 5) We need to continue with our labour market information to support evidence-based decisions by employers, career seekers, as well as inform government policy and skills/training investments.

Our truck driver shortage is real and worsening. The shortages amongst other key occupations is also worsening, all posing a serious threat to economic recovery. We need significant and immediate interventions to ensure we have the skilled workforce needed to support a growing, competitive and sustainable supply chain.