

Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

**Canadian Wood Pallet and Container
Association**



August 2020

- **Recommendation 1:** That the government initiates a review of The National Strategy for Critical Infrastructure and provides specific designation for industries deemed essential. These designations should be aligned with the provincial designations to ensure uniform, unfettered roll out of essential services across Canada in the event of a future unique occurrences such as COVID-19
- **Recommendation 2:** That the government ease the requirements for businesses in the wood packaging sector to resource low skilled staff through the Temporary Foreign Worker Program or other like programs
- **Recommendation 3:** That the government pledges continued support and a guaranteed provision of monetary resources to the agencies involved in the oversight of trade in, and the phytosanitary safety of forest products both imported and exported. This, in an effort to ensure a level global playing field, uniform implementation of global phytosanitary strategy and policy, and to ensure that export markets for Canadian wood products are maintained
- **Recommendation 4:** That the government increase funding in order to facilitate an escalation in outreach and enforcement activities for agencies responsible for oversight, investigation and specifically prosecution of violators of domestic and international phytosanitary programs

As the COVID 19 pandemic continues to unfold and we learn from the experiences it has provided, the Canadian Wood Pallet and Container Association (CWPCA), acting on behalf of its members across the country, would like to contribute to this dialogue. Our industry provides the vehicle on which most goods are carried in both domestic and international trade, that being the simple, yet indispensable wooden pallet, along with other implements of trade including crates, cable reels, agricultural boxes and bins, fish boxes and other wooden materials handling devices. While our industry remained strong for the most part through the pandemic, there were certain “eye openers” encountered during the journey, some of which seem to have become further exaggerated by the response to COVID-19.

While we applaud the efforts of the Federal Government through the crisis, the CWPCA wishes to share some thoughts on how we may better react when and if there is a “next time”, but also highlight some other areas of concern that pre-existed the advent of COVID-19. Some of these pre-existing areas of concern deal with global plant and forest health, specifically recommendation's 3 and 4 above. By drawing attention to our phytosanitary forest products programs, it is our aim that Canada will be better positioned for foreign trade, but also ensure that we fulfil our obligations to the global community where plant and forest health are concerned. We hope that our insights and perspective will be seen as helpful to government, and that our recommendations will be met with a positive response that will not only benefit the many Canadians who are employed both directly and indirectly by the wood packaging and wood products sector.

Reaction to states of emergency and essential services designation

- **Recommendation 1:** The CWPCA recommends that the government initiates a review of The National Strategy for Critical Infrastructure and provides specific designation for industries deemed essential. These designations should be aligned with the provincial designations to ensure uniform, unfettered roll out of essential services across Canada in the event of a future unique incident, such as COVID-19.

As COVID-19 caused the country to lock down and required non-essential businesses to close, many industries, including ours, were left wondering if they were deemed essential. What transpired was a hurried rush and a frantic attempt to contact government representatives to ensure that we give our members the correct information with regards to the “essential” status of the industry. As we delved deeper, we came to realize that each province was listing their essential services differently, and that only the province of British Columbia identified the wood packaging sector by name as essential. The rest of the provinces listed their essential services in a manner in which one could only infer that our industry qualified as essential. Our suggestion is that the National Strategy for Critical Infrastructure be harmonized across the country and that specific industries that are the life blood of the supply chain, such as ours, be included by name to eliminate guess work and confusion.

Labour shortfalls

- **Recommendation 2:** The CWPCA recommends that the government ease the requirements for businesses in the wood packaging sector to source low skilled staff through the Temporary Foreign Worker Program or other like programs. Long before the advent of COVID-19, the wood packaging sector struggled to attract and retain staff to carry out the often manual, repetitive, and labour-intensive tasks associated with wood packaging production and recycling. While labour market surveys tend to indicate that there are plenty of suitable candidates, the reality is that most Canadian residents are not interested in seeking employment opportunities in our industry.

This has been further compounded by COVID-19. Although many wood packaging companies are in the position to hire new employees, and expand operations, labour shortfalls continue to stymie growth. Having to compete with the CERB benefits offered to unemployed Canadians has not helped in this matter. We feel that once the current pandemic has subsided, all indicators show

that it will continue to be a challenge to staff many jobs in our sector with Canadian residents.

As mentioned previously, the health of our industry is crucial to ensuring a fluid domestic supply chain as well as trade in goods with other countries. Labour shortages directly impact the availability of material handling conveyances, which in turn cause delays in shipping the goods that are crucial to Canadians. By eliminating some of the red tape associated with the Temporary Foreign Worker Program and granting the wood packaging industry access to this labour pool, this will provide many tangible benefits to many inside and outside of our industry.

Support for forest products industry

- **Recommendation 3:** The CWPCA recommends that the government pledges continued support and a guaranteed provision of monetary resources to the agencies involved in the oversight of trade in and the phytosanitary safety of forest products both imported and exported. This, in an effort to ensure a level global playing field, uniform implementation of global phytosanitary strategy and policy, and to ensure that export markets for Canadian wood products are maintained.

The CWPCA, in addition to being the country's only national wood packaging association, is also tasked with offering inspection services to over 450 facilities engaged in the production of wood packaging and other wood products registered in the Canadian Heat Treated Wood Products Certification Program (CHTWPCP). These inspection services are delivered under a third-party agreement with the Canadian Food Inspection Agency (CFIA) which oversee the program and to whom we are responsible. We view this program as integral both in facilitating safe trade with other countries and ensuring the health of forests around the world. We therefore want to remain assured that the Canadian Government intends to fully support the program and ensure adequate resources to the CFIA in order to facilitate proper oversight of the program long into the future.

Increased oversight and enforcement

- **Recommendation 4:** The CWPCA recommends that the government increase funding in order to facilitate an increase in outreach and enforcement activities for government agencies responsible for oversight, investigation and specifically prosecution of violators of domestic and international phytosanitary programs. The CWPCA provides a "boots on the ground" service to Canadian companies who participate in the CHTWPCP. Not only does this service involve the provision of oversight inspections, but it also involves fielding complaints from companies with regards to program violations and initiating investigations into program non-compliances. The CWPCA has no power to enact any disciplinary actions in most cases, and in fact, where facilities that are not registered in the program are concerned, have absolutely zero ability to react. In these cases, we rely on the CFIA to conduct investigations and set appropriate punitive measures where applicable. Typically, in any given year, we field up to ten complaints that require some form of follow up. While we do our best to obtain evidence and forward information to the CFIA, we find that their resources are too limited to react in an appropriate manner.

As such, in cases where it is clearly evident that program violations which could jeopardize the Canadian position in both trade and the global phytosanitary community have occurred, that the appropriate measures fail to be undertaken by the CFIA and the violators continue unchecked. This failure to react undermines the importance of the CHTWPCP and creates an environment in the industry where participants feel that the program lacks any teeth and often question the importance of participation. We feel that it is critical to the success of the CHTWPCP that nefarious program violations are prioritized and that the CFIA is not only provided with the resources to act and enforce remedial or punitive actions but are also mandated to do so.

To conclude, the CWPCA wishes to thank the committee for its time and consideration where our recommendations are concerned. We would welcome follow up discussions and remain available at your request to engage in further dialogue to support our position and ensure that the Canadian wood packaging sector continues to remain a strong, viable, and essential part of the Canadian economy.