



LETHBRIDGE
CHAMBER of COMMERCE®

The Need to Invest in Truck Driver Training

Statement

The trucking industry continues to be chronically impacted by driver shortages (Canadian Trucking Alliance, 2016). Estimates from the Canadian Trucking Alliance (2016) suggest that by 2024, there will be a need for 34,000 truck drivers. Some of that demand will come from an expanding industry, while a significant percentage will be needed to replace a retiring workforce. It is essential that the trucking industry work alongside the government to ensure that they can leverage the skilled professionals that are necessary, while still being conscientious of public safety.

Background

The transportation industry - which includes trucking - is very important to the Canadian economy. Statistics show that trucks haul 90% of all consumer goods and food across Canada (Beck, 2014). They are also responsible for two-thirds of Canadian trade with the US, including more than 80 percent of all US exports to Canada (Beck, 2014). As well, data suggest that trucking in Canada is a \$65 billion industry that employs over 260,000 drivers and somewhere in the order of 400,000 employees including dispatchers, office staff and managers (Beck, 2014).

In Alberta, The Gross Domestic Product for the Transportation, Storage and Transportation Equipment industries represent 6% of the total GDP (Government of Alberta, 2018). Transportation factors have been shown to rank above all other considerations when industries look to new locations for development. Indeed, a recent Fortune magazine which polled 1000 major companies about factors that would attract them to new locations found that access to trucking was the top factor, followed by access to markets and skilled labour (Korosec, 2018).

The trucking industry in the province pays over \$350 million in different levels of taxes, permits and licensing fees (Northern Labour Market Information Clearinghouse, 2000). The industry creates business in warehousing, dispatchers, mechanics, truck and truck parts supply and other occupations (Northern Labour Market Information Clearinghouse, 2000). It is estimated that for every dollar of revenue earned by the for-hire trucking industry, \$0.71 in GDP is generated by other industries (Northern Labour Market Information Clearinghouse, 2000). In Alberta, this equates to \$1.6 billion annually (Northern Labour Market Information Clearinghouse, 2000).

Despite trucking being a growing industry, a stagnant supply of drivers has resulted in an estimated driver supply and demand gap projected at approximately 48,000 drivers by 2024 (Northern Labour Market Clearinghouse, 2000). Further, according to labour market information, the trucking industry had the highest vacancy rate among all Canadian industries,

averaging 6.6 percent in 2018, or more than double the Canadian average (Northern Labour Market Clearinghouse, 2000). This shortage has been cited as less of a supply and demand of drivers and more of a shortage of qualified drivers. That is to say that recruiting employees with the right training experience is the main challenge.

In an effort to set a higher training standard and improve the safety and competency of truck drivers, the Government of Alberta introduced Mandatory Entry Level Training (MELT) for all new commercial driving applicants in March 2019. This new program requires driver candidates to take a minimum of 121.5 hours of professional classroom and room instruction before becoming eligible to take the commercial driver's test (Government of Alberta, 2019). This program has been touted for adding a level of commitment by truckers to the industry and possibly reducing occupational attrition (Northern Labour Market Clearinghouse, 2000). Moreover, this program has been credited for moving the industry towards a degree of professionalization. Certainly, when an individual feels they are in a professional occupation, they are more likely to remain in that occupation. That said, while MELT has been recognized for the latter, it has also been cited as possibly creating an additional barrier to entry for some candidates because of additional training costs and time required to attend a formalized training program (Northern Labour Market Clearinghouse, 2000).

Driver training is complicated by different regulations in each jurisdiction within Canada and the United States. Concerns continue to be raised over inconsistent levels of training and weakness in license testing for commercial drivers. The FMCSA Federal Motor Carrier Safety Administration in the U.S. is proposing harmonized regulations while Ontario is seeking mandatory entry level training for drivers.

This coupled with the National Occupational Classification (NOC) requirement adds to the deficit. The NOC is a federal organization responsible for classifying jobs based on requirements and duties and considers long haul trucking to be an unskilled profession (Government of Alberta, 2018). Because of this, the NOC requirement hinders the trucking industry from giving individuals the opportunity to qualify for funding and grants to support their training. Changing this classification would result in allowing the industry to access government programs but also change the stigma that is associated with trucking as an unskilled profession.

Currently, the Government of Alberta offers employment and workforce development programs such as Second Career and the Canada-Alberta Job Grants. These have been viewed as successful tools to bring people into the industry. Some employers have suggested that navigating and using employment programs as onerous and many of the smaller companies are unskilled, unaware or not interested in accessing training and development programs. Certainly, there is an inconsistent awareness and a limited uptake of employment programs, services and funding.

RECOMMENDATION(S):

The Lethbridge Chamber of Commerce recommends that Provincial Government and Federal Government, in coordination with the provincial and national trucking associations:

1. Create a minimum standard for accreditation of commercial driving programs based on the national occupational standard
2. Work with high schools to introduce students to professional truck driving at a much earlier age and provide them with opportunities to train for a professional driving career
3. Change the National Occupation Classification Code (NOC) for the occupation of truck drivers and give individuals the opportunity to qualify for funding and grants to support their training
4. Better promote provincial programs, services and funding opportunities so that the industry is aware of and can leverage them

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