Do You Have What It Takes?

WESTERN CANADA'S OILPATCH NEEDS workers and is willing to pay what it takes to get them. The Alberta Wage and Price Survey, compiled by the federal and provincial governments, assesses what skills are in the most demand by employers. Three energy-related job categories placed within the top 10 among the 478 occupations tracked in this year's survey. Those employment categories were:

Professions related to the physical sciences had an acute labour shortage, estimated at 17.7% for jobs that paid an average hourly wage of $40.43 and had annual earnings averaging $79,130. Fabricators and fitters who handle structural metal and platework — such as rigs, gas plants and oilsands facilities — had a job vacancy rate of 13.2%, an average hourly wage of $21.37 and an average annual salary of $44,806. Oil and gas drilling, servicing and related labourers had a vacancy rate of 9.7%, an average hourly wage of $16.63 and average annual earnings of $46,990.

Alberta Human Resources and Employment commissioned the study together with Human Resources and Skills Development Canada (HRSDC), Alberta Economic Development and Alberta Advanced Education. The survey is conducted every two years. "The data will help job seekers and students make better career decisions by providing up-to-date information about wages, industries and occupations," said HRSDC Minister Belinda Stronach.

Oilfield wages are already significantly higher than the 2005 survey shows, according to the Canadian Association of Oilwell Drilling Contractors. CAODC president Don Herring reports that a floor hand — the commonest job on a drilling rig — earns $23.50 per hour. "When you take into account that crews earn time-and-a-half after the first eight hours and their shifts are 12 hours, a floor hand earns $329 a day along with a generous living allowance," Herring explains.

Although shift patterns vary, two weeks on the job and one week off is the classic schedule. On that basis, a floor hand who works year-round other than during spring break-up and a vacation can target earnings of $70,000 per year. A derrick hand — one promotion up from a floor hand — earns 25% more, and a driller about 50% more. Given the living allowance (currently $125 a day if the rig crew is not living in camp), drilling rig hands can rack up impressive take-home pay.

Herring is enthusiastic about the rig technician program, an innovation for a business that traditionally had few trade qualifications. "By the spring of 2008, everyone on a rig will either be a journeyman or an apprentice," the CAODC president says. The technician program, in his view, helps rig workers in a variety of ways, from maintaining a career focus to getting housing mortgages from a bank.

Two factors drive the need for new oil and gas employees, according to Roger Soucy, president of the Petroleum Services Association of Canada (PSAC). First, the annual well count, drilling rig fleet and other oilfield services have grown rapidly. Even more important, Soucy comments, is employee turnover. Gone are the days when field crews could be staffed with farm boys accustomed to tossing hay bales and helping their fathers repair agricultural equipment. Farm populations have declined drastically.

"When a kid finds himself working hard physically in 20 below weather at 4 a.m. for a few nights in a row, he might not stick it out," the PSAC chief says. Nor is a strong back sufficient any more, he adds. "A modern field operator often has to be able to cope with mathematical equations and chemistry. If you have the aptitude and intelligence, you can be making $70,000 a year or more within two or three years as an operator. Not everyone can make that cut but it's a good life for the right individuals," says Soucy.

Trucking companies are particularly hard-pressed for staff, with 49% of their employers reporting hiring difficulties in the 2005 wage survey. Truckers were paid an average $19.29 per hour, with annual salaries of $49,246 and work weeks of 49.6 hours. Soucy says that oilfield haulers have introduced occupational categories and standards for their drivers.

Professional jobs are also going begging in the petroleum industry. The 2005 federal-provincial survey indicated that geologists, geophysicists and geochemists averaged $34.62 per hour in Alberta with an annual salary of $71,677. Twenty-nine per cent of employers reported hurdles in finding professionals in this category.

Petroleum engineers reportedly averaged $37.68 per hour with an annual salary of $97,464. Average hours worked per week were 51.3. Hiring shortages were reported by 24% of employers. Geological and mineral technologists and technicians averaged $25.93 per hour and $56,680 per year, worked 42.5 hours per week and were difficult to hire for eight per cent of employers.

The labour pinch among professionals is not going to evaporate any time soon, forecasts Wendy Cooper, executive director of the Consulting Engineers of Alberta (a non-profit association). "We have projects in hand which will keep us busy for the next ten years, and more projects continue to be announced," she says. The energy industry has already recruited virtually every available engineer in Canada, Cooper reports. "The university programs are experiencing stellar numbers."

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At every level, oil and gas firms clearly need a larger work force. But anyone familiar with the petroleum industry's past is bound to ask a question about its future: Will the current boom last — or will this volatile business perhaps plunge into another bust?

But Soucy cautions that the oilpatch must face the fact that conventional discoveries of oil and natural gas are diminishing. Remaining resources, although very large, will require new tools and methods to draw from the ground.

"Our industry presently employs about 100,000 people," the PSAC president says. "To help flatten the production decline curve as long as possible, and to maintain government revenues and employment, the public and private sectors should be investing a billion dollars a year in research. I think we're only starting to come to grips with that challenge."

By Mike Byfield