



The Policy Quarterly is part of the Mining Industry Human Resources (MiHR) council's Policy Research & Analysis (PRA) project, which aims to provide timely and policy relevant information to mining industry stakeholders.

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**MAC**  
 The Mining Association of Canada  
 L'Association minière du Canada

*The Policy Quarterly is a collaborative effort between the Mining Industry Human Resources (MiHR) Council and the Mining Association of Canada (MAC).*

## The Demographics of Rural and Remote Mining Clusters in Canada

### Community Development Trust Fund

In January 2009 the federal government approved \$1 Billion in additional funding for the Community Development Trust Fund (CDTF), a fund designed to support rural and remote communities dependent on labour markets generated by a single industry.

Provincial and territorial governments are responsible for administering programs resulting from the allocation of this funding. Priority has been given to the forestry industry but some opportunities could be available for mining.

Some provinces and territories will likely issue either a second round of calls for proposals this coming fall and winter or provide ongoing funding for feasibility studies when project financing can be generated from other sources.

Proposals for projects or studies backed by evidence-based statements of need will have a greater chance of succeeding. Generally, only community-based organizations are eligible to apply for funding. This could include Aboriginal Human Resources Development Agreement Holders (AHRDAs), Band Councils, post-secondary training institutions or economic development organizations serving the local community.

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## Statistics on Rural and Remote Mining Clusters

Data from Statistics Canada's Community Profiles provides a unique perspective on the opportunities and challenges facing rural and remote mining clusters (RRMCs) in Canada. According to the Mining Association of Canada, there are 28 clusters serving the mining industry across the country. Yellowknife is currently the only mining cluster in the territories. Nearly 70% of mining clusters are located in the top four mineral producing provinces – Saskatchewan, Ontario, British Columbia and Quebec. Roughly one fifth of mining clusters are located within large, urban, provincial capitals. The remaining communities, however, are potential recipients for funding from the CDTF, which will see funding allocated over a three-year period.

Nearly 70% of mining clusters are located in the top four mineral producing provinces – Saskatchewan, Ontario, British Columbia and Quebec.

Mining is an important economic contributor to these communities. Based on data from Statistics Canada, in 2006 61% of RRMCs had a median after-tax income for households with children greater than the provincial median. Moreover, 61% of these clusters had more couples with children than the provincial average. These percentages were derived using the number of RRMCs showing figures greater than or less than the averages associated with the respective province or territory.

During 2001 and 2006, more than half of all RRMCs experienced negative population growth – in contrast to the growth experienced by most of the mining industry during the same period. This negative population growth can partly be explained by the fact that 56% of RRMCs suffered from unemployment rates higher than the provincial average in 2006. This suggests that a lack of training and/or education could be a barrier to employing more local people in mining.

## Demographics of RRMCs

Generally, employment in mining requires a minimum of high-school graduation. Higher-paying professional occupations and trades require apprenticeship training or a minimum of a college or university certificate or degree. The demographic makeup of RRMCs also varies from provincial and territorial averages. Consider these numbers from 2006:

- 78% of RRMCs have more people without post-secondary education than the provincial average.
- 9% of RRMCs have a higher proportion of individuals with a degree from outside the country than the provincial average.
- 13% of mining clusters have higher numbers of immigrants than the provincial average, the majority of whom settled in Canada prior to 1991.
- A much larger proportion of RRMCs have fewer immigrants who arrived between 2001 and 2006 than the provincial average.
- 87% of RRMCs have greater proportions of third-generation Canadians than the province as a whole.
- 13% of RRMCs have greater proportions of first-generation Canadians.
- 70% of RRMCs have a higher proportion of Aboriginal peoples than the province as a whole.

## Mobility in RRMCs

These figures support other Census 2006 data that suggests the existence of significant barriers in attracting foreign workers to rural and remote worksites. This could, in part, be due to limited access to foreign credential assessment and settlement services in rural and remote communities. Moreover, mobility is generally lower in RRMCs than on average in the associated province or territory. As of 2006,

- 13% of RRMCs had higher proportions of people who lived in a different country prior to 2001 than the provinces;
- 56% of RRMCs have more people than the provincial average who lived within the same province or territory the previous year; and
- 65% of RRMCs have more people than the provincial average who had not moved in the five-year period between 2001 and 2006.

The lower levels of mobility and population growth characteristic of many RRMCs could, in part, be contributing to the lower than average housing and rental costs of these communities. Eighty-seven percent of RRMCs had average housing prices lower than the provincial average in 2006. Notable exceptions are Fort McMurray, Alberta and Yellowknife, Northwest Territories.

## Eligibility Criteria

The Community Development Trust Fund is being allocated to provinces primarily on a population proportion basis. This means that provinces such as Quebec and Ontario will receive more funding than other provinces and territories. Seventy-eight percent of RRMCs had populations of less than 40,000 and 43% percent had populations of fewer than 10,000. However, population size within provinces will be less of an issue because communities are eligible under the Community Development Trust if their population is smaller than 250,000. All RRMCs included in this research meet this condition.

The goal of the Fund is to assist vulnerable communities and laid-off workers impacted by international economic volatility. Collaborative efforts could be made to attract funding towards training that fosters the development of the human resources in Canada's RRMCs. For further information, please contact the department or ministry responsible for community development in your province or territory.

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## Mining Clusters Included in the Research

- Yellowknife, Northwest Territories
- Kitimat, British Columbia
- Kamloops, British Columbia
- Trail, British Columbia
- Elk Valley, British Columbia
- Fort McMurray, Alberta
- Fort Saskatchewan, Alberta
- Athabasca Basin, Saskatchewan
- Flin Flon, Manitoba
- Esterhazy, Saskatchewan
- Thompson, Manitoba
- Red Lake, Ontario
- Hemlo, Ontario
- Timmins, Ontario
- Sudbury, Ontario
- Rouyn-Noranda, Quebec
- Val-d'Or, Quebec

- Becancour, Quebec
- Saguenay, Quebec
- Sept-Iles, Quebec
- Bathurst, New Brunswick
- Windsor, Nova Scotia
- Labrador City, Newfoundland & Labrador

## Amendments to the Employment Insurance (EI) System

According to the Conference Board of Canada, the Canadian economy is on the rebound. Yet history shows that a significant time lag occurs between economic recovery and positive effects on unemployment.

In response to the increasing number of unemployed Canadians, the Member of Parliament for the riding of Algoma-Manitoulin-Kapuskasing in Ontario – Carol Hughes – has tabled a Private Member's Bill on the Employment Insurance (EI) system. The Bill recommends the removal of regional distinctions and lowering the number of qualifying hours needed for EI eligibility. The Bill has already passed second reading in the House of Commons and has been sent to the House of Commons Standing Committee on Human Resources, Skills and Social Development, and the Status of Persons with Disabilities (HUMA) for a detailed review.

## Special Working Group on Employment Insurance

The Standing Committee resumes activities in mid-September, so the Private Member's Bill could receive attention by mid-October. However it could be overshadowed by a fall election or the recommendations from the special working group on EI. This working group was set up by the Prime Minister and the Leader of the Opposition this past June. The working group will look at reforms to the EI system that:

- a) allow self-employed Canadians to participate voluntarily in the EI system; and
- b) improve eligibility requirements in order to ensure regional fairness.

The working group, composed of three appointees of the Prime Minister and three appointees of the Leader of the Opposition, will have made their recommendations public by September 28.

Changes to allow self-employed Canadians to participate voluntarily in EI could affect those employed in the mining supply and service sector. Likewise, reducing the regional differences associated with EI eligibility could create more fairness for employees in fly-in/fly-out (FIFO) work arrangements. Many FIFO workers are doubly impacted by layoffs. First, difficulties arise in adapting FIFO work schedules to government-sponsored programming like the Work-Sharing Program. Second, higher unemployment rates are often found in regions where FIFO workers are employed than in regions where they have their permanent addresses. EI eligibility is based on where you reside – not on the location of your employer. Perhaps an exception could be granted for FIFO workers going forward.

Industry groups interested in submitting a brief to the HUMA Standing Committee can find out more at: <http://www2.parl.gc.ca/CommitteeBusiness/CommitteeContact.aspx?Language=E&Mode=1&Parl=40&Ses=2&Cmte=HUMA>

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## Foreign Credential Recognition

### Pan-Canadian Framework

In the fall 2008 edition of the Policy Quarterly, the article entitled “Mining for Foreign Skills” made reference to the impact of free trade agreements and the role that skilled immigrants play in expanding Canada’s labour force. Despite the economic downturn, the federal government’s Economic Action Plan, tabled in January 2009, highlighted ongoing skills shortages in some regions of Canada. As a result, the government allocated \$50 million, over two years, towards improving processes to recognize the credentials of foreign-trained workers.

Since the budget was tabled in January 2009, work has been done on a pan-Canadian framework for foreign credential recognition (FCR), to be presented to First Ministers this fall. The framework establishes

principles that federal, provincial and territorial governments will use to guide FCR; standards for timely recognition of foreign credentials; occupations that will be given priority; and an approach that would foster licensing and credential assessment processes abroad.

On August 1, 2009 Canada ratified a free trade agreement (FTA) with the Republic of Peru. The FTA is accompanied by a Labour Cooperation Agreement (LCA), signed by the Minister of Labour. The LCA outlines provisions for negotiating mutual recognition agreements for professional credentials from both countries. It should be noted that Citizenship and Immigration Canada will not issue work permits for foreign workers in regulated occupations whose credentials are not recognized.

### Priority to Engineering Profession

Under the agreement, priority will be given to the engineering profession. This provision of the LCA complements the framework being developed in Canada as a result of the Economic Action Plan. Mining companies and associations interested in these two initiatives should contact the professional engineering associations located in each province or Engineers Canada, located in Ottawa for further information. The contact at Engineers Canada is Ken McMartin, Director of Professional and International Affairs. He can be reached by email at [Ken.McMartin@engineerscanada.ca](mailto:Ken.McMartin@engineerscanada.ca).

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## Northern Labour Market Mobility Program

### Within the Scope of IBAs

The Assembly of First Nations launched the Corporate Challenge initiative in January 2007. This initiative calls for efforts to increase employment opportunities for members of Aboriginal communities. Impact and benefit agreements (IBAs) have become the primary vehicle through which the mining industry provides Aboriginal peoples with benefits derived from direct employment in mineral extraction. Currently, there are over 50 IBAs between mining companies and Aboriginal communities across Canada. Although

these agreements provide significant opportunities for employment, they do not cover communities outside the scope of an IBA with a particular company.

The Assembly of First Nations launched the Corporate Challenge initiative in January 2007. This initiative calls for efforts to increase employment opportunities for members of Aboriginal communities.

A direct consequence of IBAs is a need for programs that support training of the Aboriginal labour force in mining-related occupations. Examples of such programs can be found through the Mine Training Society and the Northwest Community College's School of Exploration and Mining, where 75% of the School's students are First Nations. The Mine Training Society is a beneficiary of Aboriginal Skills and Employment Partnership (ASEP) program funding. In addition to industrial skills development, many provinces and territories currently support essential skills programs using funding from Labour Market Agreements (LMAs). An additional source of funding for training has been through the Aboriginal Human Resources and Skills Development Agreement (AHRDA) holders.

## Outside the Scope of IBAs

As indicated, there are a number of mechanisms that provide Aboriginal communities with training in essential (pre-employment) and industrial (technical) skills. There is, however, an important supply factor to labour markets that has not been sufficiently developed: the mobility of trained individuals. Companies currently providing employment to Aboriginal communities through IBAs provide some level of transportation arrangement to communities within the scope of the agreements.

However, a number of communities that could be included as potential sources of labour remain outside the scope of these agreements. Although companies would not find it economical to carry out a fly-in/fly-out arrangement with pick-up points in many of these communities, there are many arguments in favour of governments managing this service directly, or at least coming up with a private-public partnership arrangement that would effectively provide the same results.

## Social and Economic Returns to Government

A critical mass of individuals would be needed from each community for this to be economical for the private sector. It is for this reason that companies often prefer to designate fly-in/fly-out pick-up points in larger urban centres much further south. On the other hand, there are significant arguments in favour of the social returns to governments in providing this service. The primary benefits would be reductions in unemployment in these communities, increased tax revenues for both provincial and federal governments, reduced expenditures on social programs, and the social benefits to be derived from providing training and work experience to otherwise isolated individuals.

Considering just the economic returns to government, even if the total yearly cost of transporting a single individual to a job in mining were \$15,000, the taxes collected from that individual on an average salary of \$70,000 - \$80,000 and the associated reduction in social transfer payments should more than cover the expense. This is assuming the individual lives off-reserve.

The best way of testing this model would be to run a pilot project with one of the northern remote mining operations. The program could be run in collaboration with the efforts currently under way through the Mine Training Society to provide industrial and essential skills training to local, northern and Aboriginal residents. To discuss this initiative further, please contact Altaf Lakhani, Manager of Operations for Indian and Northern Affairs in Yellowknife by email at [lakhania@inac.gc.ca](mailto:lakhania@inac.gc.ca).

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## Report from Advisory Committee on Labour Market Information

### Forum of Labour Market Ministers & Sector Councils

In May of this year, the Advisory Panel on Labour Market Information (LMI), led by Don Drummond, Senior Vice President and Chief Economist of the TD Bank Financial Group, put forth its recommendations for improving the capture and dissemination of LMI across Canada. The advisory panel was established in mid-2008 by the Forum of Labour Market Ministers (FLMM). According to the panel, labour markets continue to play a central role in the efficient functioning of the Canadian economy. This makes reliable and timely LMI crucial for both labour market participants and policy makers. MiHR contributed to the Advisory Panel process by collaborating with the Mining Association of Canada to submit a brief on the LMI needs of the mining industry.

Throughout the advisory panel's final report, reference is made to the central role that the FLMM could play in the coordination, capture and storage of LMI on a national level. The report focuses on LMI provided through the government's current surveys and ongoing census work. The report also recommends that a formal consultation mechanism be put in place that would enable the FLMM to work more closely with private sector organizations such as sector councils, organized labour and businesses. Sector councils are recognized in the report for the vital role they play in data collection, analysis, interpretation and dissemination.

### Recommendations from the Report

A number of the report's recommendations would have a direct impact on access to LMI for mining industry stakeholders:

- Increase LMI access by providing all data on Statistics Canada's website free of charge to end users.
- The FLMM and the federal government, in consultation with the councils, should enhance the role and long-term funding of sector councils with respect to LMI.
- Develop a Labour Price Index (LPI) similar to the current Consumer Price Index (CPI), which could be made available for different industry and occupational categories.

The report also recommends that a formal consultation mechanism be put in place that would enable the FLMM to work more closely with private sector organizations such as sector councils, organized labour and businesses.

- Include information on the breakdown of union and non-union workers in the census, which provides important data on small geographical areas.
- Increase the scope of information captured for small domain LMI (small domain LMI refers equally to data like the number of female mining engineers by industry and province/territory as it does to small geographical regions included in community profiles).
- Collect more data on under-represented groups such as the disabled, immigrants, visual minorities, Aboriginal peoples, youth, women and older workers.
- Collect employment data on Aboriginal reserves using the Labour Force Survey (LFS);
- Improve the accuracy of data on the number and class of immigrants in Canada.
- Establish a searchable database that would allow employers to view the resumes of potential immigrants (with the permission of the applicant) prior to arrival in Canada.
- Increase the quantity and quality of data on labour mobility, including information on itinerant (i.e. fly-in/fly-out) workers, who work in one province yet maintain a permanent residence in another.

These recommendations would increase the data available to MiHR for the purpose of providing policy-relevant information to industry stakeholders. The information would also complement forecasts on the mining workforce currently being developed through the Mining Industry Workforce Information Network (MIWIN). The full report submitted to the FLMM by the Advisory Panel on Labour Market Information can be accessed online at [www.imt-lmi.ca/eng/flmm/final\\_report-eng.shtml#OurRec](http://www.imt-lmi.ca/eng/flmm/final_report-eng.shtml#OurRec).

## House of Commons Standing Committee Report on Temporary Foreign Workers

### Linkages to Provincial Nominee Programs

In May 2009, the House of Commons Standing Committee tabled a report on the Temporary Foreign Worker (TFW) program. The report recommends keeping the program intact and to generally maintain the status quo in the short-term. However, the report calls for greater linkages to the Provincial Nominee Program (PNP), which would allow for a TFW to apply for permanent residency upon meeting certain criteria. Retaining good workers can be difficult. Therefore, it would be in the best interest of companies to have the option of retaining a TFW who adapts well to the job and is interested in remaining in Canada.

### Reducing Dependence on TFW Program

However, the Standing Committee recommends reducing dependence on the TFW program by introducing measures to develop the domestic labour market through improved labour market mobility. Further support could also be given to training programs that contribute to an increase in the participation rate of Aboriginal peoples in regional labour markets.

### Additional Recommendations

The following are a number of additional recommendations made by the Committee that could impact the mining industry:

- Use precedent setting for Labour Market Opinions (LMO) to allow for similar cases to be filed and/or assessed more quickly.
- Adjust the labour market assessment portion of LMOs to be separated from the employer and job offer portion, which has already been introduced to some degree through lists of Occupations Under Pressure.
- Make work-permits more sector- and province-specific and eliminate their current status as employer-specific, which would allow TFWs to work for multiple employers during the period their work permit remains valid.
- Allow a TFW to apply for permanent residency from within Canada.

However, the Standing Committee recommends reducing dependence on the TFW program by introducing measures to develop the domestic labour market through improved labour market mobility. Further support could also be given to training programs that contribute to an increase in the participation rate of Aboriginal Peoples in regional labour markets.

The Committee also recommends discouraging the practices of unscrupulous recruiting firms, which often charge fees to both the employer and the TFW. Charging fees to the TFW contributes to personal financial stress, which could affect productivity. Decreased productivity impacts the employer in both the short- and long-term. For further information please refer to the following website: <http://www2.parl.gc.ca/CommitteeBusiness/CommitteeHome.aspx?Cmte=CIMM&Language=E&Mode=1&Parl=40&Ses=2>

## Federal Framework for Aboriginal Economic Development

### Framework Priorities and Program Proposals

On June 29, 2009 the Minister of Indian and Northern Affairs (INAC) announced the new *Federal Framework for Aboriginal Economic Development*. The priorities set out in the framework are:

- Strengthening Aboriginal entrepreneurship
- Developing Aboriginal human capital
- Enhancing the value of Aboriginal assets
- Forging new and effective partnerships
- Focusing the role of the federal government

Engagement sessions on the framework are planned for the fall of 2009 and will likely continue into the winter months. The proposed agenda calls for draft programs to be developed for spring 2010. There is an opportunity to have proposals in place for the first meeting of First Ministers under the newly created Aboriginal Affairs Ministers Working Group. The working group has proposed to hold its first meeting in November 2010.

## Partnerships with Private Sector

The framework focuses on partnership opportunities with the private sector, which opens the door for the mining industry to become a significant catalyst in shaping the outcomes of the framework. The mining industry is currently advancing on work in all five priority areas through business and human resources development (i.e. ASEP programming), employment, and revenue sharing. However, industry could play a greater role in facilitating the grassroots implementation of the framework. This is especially true in the area of human capital development.

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Mining developments provide an impetus for both essential skills and technical training. However, core funding is currently lacking for programs designed to fill gaps in human capital development while meeting the specific needs and conditions of Aboriginal youth. Core funding for these programs would allow them to support multi-year plans adaptable to the cyclical nature of industry demand for labour. Education and training fall within provincial jurisdiction. Mining associations could enter into discussion with provincial and territorial departments and ministries to find a way to sustain funding for training programs that are essential to the long-term growth of the mining industry.

Mining developments provide an impetus for both essential skills and technical training.

For more information on essential skills please refer to the following website: [http://www.hrsdc.gc.ca/eng/workplaceskills/essential\\_skills/pdfs/awareness/what\\_are\\_es.pdf](http://www.hrsdc.gc.ca/eng/workplaceskills/essential_skills/pdfs/awareness/what_are_es.pdf)

We encourage you to provide comment, questions and/or feedback about this publication. We also invite you to suggest topics for future articles that reflect the concerns and challenges of your organization. To do so please contact:

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