



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.

## Table of Contents

### Current Initiatives

Providing Reference Points through Labour Market Information	3
A New Federal Government Framework for Aboriginal Economic Development	4
Responding to a Call for Proposals for ASEP Funding	5

### Potential Solutions

Innovation amidst Uncertainty	1
Avoiding Temporary Layoffs: The Work-Sharing Program	5
A Career in Mining beyond Retirement	6
Federal Budget 2009	7



**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).*

## Innovation amidst Uncertainty

The McKinsey Quarterly recently published an article entitled "Upgrading Talent: A downturn can give smart companies a chance to upgrade their talent". The article points out how downturns can put the talent strategies of companies at risk because of workforce rationalization and other short-term, cost-cutting efforts that affect human resources. The Conference Board of Canada recently projected that some commodity prices may see an increase in 2010. Evy Hambro, manager of BlackRock's World Mining Fund, has suggested that despite current circumstances, the fundamentals for demand of commodities are sound; and instead, what global markets are facing, is a financial crisis or cash flow problem. A likely consequence of this will be the restructuring of those companies facing the constraints that tight cash flow imposes on the heavily indebted structure of the mining industry.

**Restructuring doesn't happen overnight, but in the meantime, steps can be taken to minimize the impact of adjustments on the long-term availability of a highly-skilled and mobile mining workforce.**

Restructuring doesn't happen overnight, but in the meantime, steps can be taken to minimize the impact of adjustments on the long-term availability of a highly-skilled and mobile mining workforce. Companies typically respond to downturns with hiring freezes, aggressive personnel reductions and by cutting professional development budgets. These measures may be justified, but the timing (i.e. prior to or following a thorough assessment of alternatives to layoffs) and methods of deploying them (i.e. communication strategies) show the ingenuity of companies and also send a signal to all current and potential employees about a company's dedication to its workforce. Companies that are quick to lay off workers during a downturn are equally likely to find it difficult to recruit workers during upturns when skills shortages are more prevalent.

The mining industry stands to benefit from taking a long-term approach to developing talent and this should include both the upward and downward trends of a normal business cycle. The current economy provides an opportunity for companies to refocus attention on optimizing their operational processes and consolidating resources to increase productivity in the industry. But we must not ignore the challenge of keeping students, who are enrolled in mining-related university and college programs, engaged with the industry. Doing so risks gambling away our future workforce.

The Canadian Mining Innovation Council (CMIC) is currently working on a number of initiatives to develop a highly-qualified workforce for the mining industry. The current downturn presents an opportunity for industry to work more closely with its stakeholders to develop counter-cyclical strategies and programs that address the financial volatility and global scope of the industry as well as the need for a highly skilled and mobile workforce. The suggestions that follow highlight actions the industry can take to alleviate the negative impact of the current downturn on the mining labour force.

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### 6 Months – 1-year options:

- Take advantage of provincial programs that provide training options for Employment Insurance- (EI) eligible candidates. Companies that lay-off workers could use these programs to bridge the period between the lay-offs and when the economy picks up again. The 2009 federal budget included a five-week extension to these programs.
- Investigate Service Canada's Work-Sharing Program, which provides income support for EI-eligible workers willing to work a temporary, reduced work-week (the program can be used for up to a maximum of 52 weeks) as a way of averting temporary layoffs (see article on Avoiding Temporary Layoffs: The Work-Sharing Program).

- Get engaged in the mentorship program at MiHR in order to stay connected to university and college graduates that are currently following mining-related fields of study.
- Look into federal and provincial government income support programs to help support new graduates develop their careers in the mining industry (i.e. Service Canada's Career Focus Program).
- Offer older workers early retirement packages to help reduce your workforce through attrition.

### 1-year – 2-year options:

- Encourage skilled personnel to return to school to complete a master's program or a university degree that will help them to contribute to projects with a broader perspective on mining (e.g. MBA, rural development studies, applied research, etc.). Additional funding was allocated in the 2009 budget to extend funding for the Industrial Research and Development Internship Program, which is implemented in part by the Natural Sciences and Engineering Research Council (NSERC).
- Provide internship or work placement opportunities for recent graduates so they can gain experience and stay engaged in the industry.
- Use national, regional and sector council Career Focus Programs, which are administered through Service Canada and Human Resources & Skills Development Canada (HRSDC).
- Place university and college graduates in programs that link them to the new geo-mapping initiatives that will be funded by the federal government.
- Investigate the Targeted Initiative for Older Workers (TIOW) program at HRSDC to help retired workers become trainers for the next influx of workers who may need their skills assessed under MiHR's Prior Learning Assessment & Recognition (PLAR) and National Occupational Standards (NOS) system.

Companies should take a long-term approach to their talent strategies. Part of the solution to the challenges now facing the mining industry, is to collaborate on industry-wide initiatives that tap into existing programs and initiatives. For further information on these programs and initiatives please contact MiHR.

## Providing Reference Points through Labour Market Information

Benchmarking is used in the financial world to calculate the relative performance of companies and projects in specific industries. Human resources management can be viewed in a similar context. Timely and accurate labour market information (LMI) provides industry stakeholders with reference points to adjust business systems and human resources planning strategies to changes in economic outlook.

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But there are several challenges in making use of LMI currently available through Human Resources and Social Development Canada (HRSDC), Statistics Canada, Industry Canada and Citizenship and Immigration Canada.

- The National Occupational Classification (NOC) system is not sufficiently specific to the mining industry.
- The North American Industrial Classification (NAIC) system typically aggregates information from mining with other natural resource-based industries.
- Emerging subsectors like diamond mining are not highlighted in government statistics.
- Statistics are primarily focused on the production phase of mining and provide fewer insights into the exploration phase of the mining cycle.

The Forum of Labour Market Ministers' (FLMM) Labour Market Information Working Group (LMIWG) consultations with industry come at a time when sensitivity analysis and benchmarking in the Canadian labour market are of crucial importance to government program and policy development.

The recent economic downturn highlights the importance of providing industry with a point of reference from which it can focus collaborative

efforts on developing a skilled and mobile mining workforce. A number of industry stakeholders will benefit from improvements in mining-related LMI:

- Aboriginal groups can benefit from better awareness of career paths most likely to show consistency in demand, so that training dollars are spent on programs that will meet expectations and show long-term results. Federal, provincial and territorial government departments can benefit directly from timely and accurate LMI for the development of programs and policies.
- Aboriginal Skills and Employment Partnership (ASEP) projects require LMI because the focal point of these projects hinges on the ability to anticipate the mid- to long-term human resources needs of industry. ASEP projects are benchmarked on key indicators and these indicators are in need of constant adjustment as economic circumstances change. LMI can be used by the private sector to assess the need for collaboration on broader industry-wide human resource issues such as the funding and development of university and college professional training programs.
- University and college faculties depend on information about the demand for their programs derived almost entirely from the private sector and prospective students.
- Students require timely and accurate LMI to make decisions about their career paths and the investments they are making in their education and training.

The Mining Industry Human Resources (MiHR) Council gathers LMI for mining industry stakeholders through the Mining Industry Workforce Intelligence Network (MIWIN). MiHR works closely with the Mining Association of Canada (MAC) to reply to requests for consultations from the LMIWG.

In December 2008, MiHR and MAC presented a joint submission to the Advisory Panel on Labour Market Information, which included recommendations on how to improve the gathering and dissemination of LMI that is relevant to the mining industry. Companies and associations that are interested in either submitting comments to the Advisory Panel on Labour Market Information or accessing current LMI can contact MiHR at [info@mihr.ca](mailto:info@mihr.ca).

## A New Federal Government Framework for Aboriginal Economic Development

Indian and Northern Affairs Canada (INAC) is currently developing a new framework for Aboriginal economic development, which should be ready this coming spring. Significantly, the Discussion Guide developed last year for consultations on the framework, declares that mining and the resource sectors can be catalysts for Aboriginal Canadians to become full participants in the labour force and the economy.

A guiding principle of the framework is the support of greater coordination across all federal government departments and agencies. Human Resources and Skills Development Canada (HRSDC) is currently also reviewing its Aboriginal Human Resource Development Strategy (AHRDS).

Essential skills and apprenticeship training will likely receive increased attention as the government's new framework and strategy emerge. The solutions to labour and economic challenges that these initiatives propose should bring positive outcomes for both the mining industry and the Aboriginal workforce. It is in the best interests of industry to follow these developments closely since both the framework and the strategy are expected to place a primary focus on private-sector partnerships.

Mining is one of the major employers of Aboriginal people in Canada. As of 2006, 5.8% of the mining industry workforce was of Aboriginal

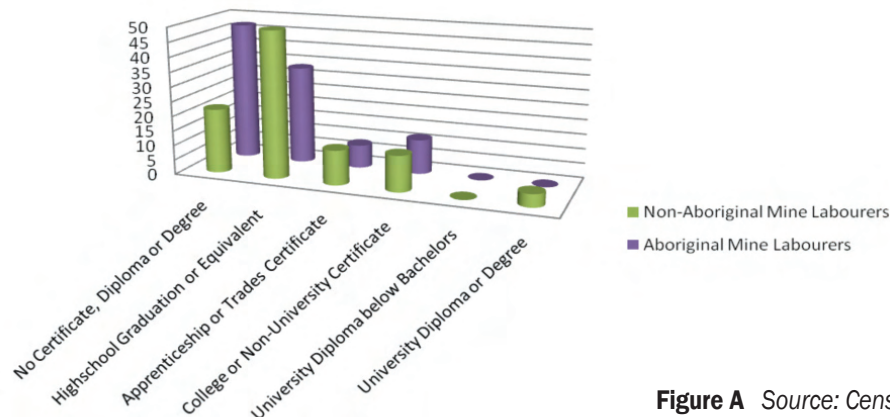
descent. Census 2006 data reveals that 6,775 Aboriginals were employed in mining in 2006, which represents an increase of 2,935 over 2001 census results. However, census data also reveals that only 50 Aboriginal workers in the mining industry were employed as engineers in 2006.

The occupation of mine labourer is often viewed as an entry-level job in the mining industry. Non-Aboriginal mine labourers between the ages of 15-35 tend to have higher education levels (see Figure A) than their Aboriginal colleagues. This largely explains the difference in advancement levels between non-Aboriginal and Aboriginal labourers. In 2004, the Aboriginal - Mining Industry Roundtable Report highlighted the concern that lower education levels of Aboriginal workers in entry-level occupations was preventing them from advancing to roles with higher levels of responsibility. These barriers will likely receive increased attention in the new federal government framework. For further information on the new federal framework for Aboriginal economic development please consult the following website:

<http://www.ainc-inac.gc.ca/ecd/ep/dfd/index-eng.asp>.

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**Education Levels 15-35 Yrd Mine Labourers**



**Figure A** Source: Census 2006 – Canada

## Responding to a Call for Proposals for ASEP Funding

The 2009 federal budget assigned additional funding of \$100 million to the Aboriginal Skills and Employment Partnership (ASEP) program. ASEP is a program managed by Human Resources and Skills Development Canada (HRSDC), which aims to provide Aboriginal people with the skills necessary to participate in economic opportunities such as northern mining.

The allotment of additional funding to ASEP means that a request for proposal is likely forthcoming. According to HRSDC, experience shows that results are more likely to be achieved when partnerships between industry and Aboriginal organizations establish strong systems of governance.

ASEP projects require industry and Aboriginal organizations to: incorporate their partnership as a non-profit entity; develop multi-year training to employment plans that will lead to sustainable employment; and, account for project funding. Examples of current ASEP projects are:

- Mine Training Society (MTS) – Northwest Territories
- Raglan Employment and Training Committee – Quebec
- James Bay Employment and Training (JBET) – Ontario
- Matachewan Aboriginal Access to Jobs Training Strategy (MAATS) – Ontario

HRSDC's guidelines stipulate that contributions can only be made to non-profit, incorporated organizations established for the purpose of developing and managing a multi-year mechanism for employment and training activities tied to a major economic development project.

Representation in the incorporated organization can include those outside of industry and Aboriginal organizations. For example: provincial or territorial governments, labour organizations, local or regional educational institutions and sector councils can be eligible partners. Provincial and territorial governments contribute financially. A key focus of the board should be achieving results as outlined in the negotiated agreement. These include:

- Aboriginal participants assessed and placed in training or employment;
- Increased level of skills among Aboriginal participants;
- Increased employability of Aboriginal participants;
- Long-term, sustainable employment for Aboriginal people.

The requirements and conditions for applying for ASEP funding from HRSDC will likely remain the same as in previous requests for proposal. It may be helpful to study some of the current projects to see how they have been developed and implemented over time. Further information can be found on HRSDC's website at [www.hrsdc.gc.ca/eng/employment/aboriginal\\_training/index.shtml](http://www.hrsdc.gc.ca/eng/employment/aboriginal_training/index.shtml), or by contacting Deborah Hyde, Acting Director of Partnerships, by email at [deborah.hyde@hrsdc-rhdsc.gc.ca](mailto:deborah.hyde@hrsdc-rhdsc.gc.ca) or by phone: 819-956-8860.

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## Avoiding Temporary Layoffs: The Work-Sharing Program

Since the fourth quarter of 2008 there has been approximately 4,000 layoffs and 2,500 layoff notices in the Canadian mining industry. Industry stakeholders are wanting of a buffer to prevent further slides in employment. Service Canada's Work-Sharing Program is designed to help employers and employees by providing income support over a one-year period. The program is targeted at Employment Insurance (EI) eligible workers who are willing to work a reduced work-week to avoid layoffs when companies lose business as a result of economic factors beyond their control.

Work-Sharing agreements allow employers to stabilize their work force, retain skilled employees, and avoid the costly process of recruiting and training new employees when business returns to normal levels (see Figure B). Employees benefit by keeping their jobs and receiving EI income benefits for the days without work. In order to be eligible, employees must have accumulated 420-910 hours of insurable employment.

To apply, companies must complete an application and provide a recovery plan that outlines the measures it will take to return to pre-application levels of business activity within the 52 week period. If an application is approved, the employer must file a record of employment (ROE) for each of the participating employees and will be required to submit bi-weekly utilization reports to Service Canada.

Amendments to a Work-Sharing agreement are required when any of the participating employees are laid off, transferred, return to full-time employment or when new employees are hired during the duration of the agreement. For further information on the Work-Sharing program please contact MiHR or your closest Service Canada centre

[http://www1.servicecanada.gc.ca/eng/gateways/where\\_you\\_live/menu.shtml](http://www1.servicecanada.gc.ca/eng/gateways/where_you_live/menu.shtml).

## A Career in Mining beyond Retirement

Many Aboriginal communities espouse the philosophy that forward planning should involve assessing the future impact of our immediate actions on multiple generations. It's a philosophy that provides an interesting insight into one of the key challenges faced by the mining industry: How to effectively transfer knowledge from older to younger workers? Many workers will soon retire and early retirement packages offered as a consequence of the current economic downturn will likely speed up this transition.

Many existing workers lack formal credentials or recognition for the skill sets they have acquired on the job. Prior learning assessment and recognition (PLAR) provides a mechanism whereby previous

Industry stakeholders are wanting of a buffer to prevent further slides in employment. Service Canada's Work-Sharing Program is designed to help employers and employees by providing income support over a one-year period.



**Figure B** Source – World Bank Group

work experience is recognized as an equivalent to formal credentials. In order to conduct PLAR assessments for the mining industry, there needs to be a pool of trainers, workplace assessors and PLAR specialists. MiHR is currently engaged in a pilot project in partnership with Collège Communautaire du Nouveau Brunswick-Bathurst and Xstrata Zinc to provide tools for the implementation of PLAR at the Brunswick Mine, which is slated to close in 2010.

The 2009 federal budget increased the time horizon and funding available for the Targeted Initiative for Older Workers (TIOW). Companies can take advantage of this government program to develop the trainers needed to conduct workplace assessments. These trainers could, in turn, assist companies in transitioning workers within the mining industry, thus contributing to the development of a highly skilled and mobile workforce.

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## Federal Budget 2009

This statement supports the efforts of the Canadian Mining Innovation Council (CMIC) for a counter-cyclical strategy for highly qualified people (HQP) and could go a long way in helping industry gain support from government. The following are the measures proposed in the 2009 budget to tackle the country's labour challenges:

- An increase of entitlements for all regular employment insurance (EI) programs by five weeks. This measure would support companies seeking to restructure during the toughest periods of the downturn and could increase the likelihood that workers on EI will return to a career in mining once the economy rebounds.
- The provision of long-term training for EI-eligible Canadians (\$500 million). Funding will likely be channelled through the Labour Market Development Agreements (LMDA) with provinces/territories. Provincial/territorial governments will have to be approached in these cases and this could be a role

played by provincial/territorial mining associations.

- Extending work-sharing agreements by 14 weeks to a maximum of 52 weeks. This increases the short-term measures companies have at their disposal to reduce turnover costs and layoffs.
- Introduction of the new Strategic Training and Transition Fund (\$500 million). The additional funding will be channelled through the Labour Market Agreements (LMA). Under these agreements funding is distributed to provinces/territories based on a population proportional basis so jurisdictions like Nunavut and the Northwest Territories (NWT) should now have access to funding in significant amounts to be able to erect sustainable programs.
- The provision of support to help Canadians find summer jobs. This directly supports the efforts of CMIC to encourage industry to continue developing its HQP (\$55 million). Money and summer jobs will be channelled through not-for-profit organizations.
- Continued support (\$60 million) for the Targeted Initiative for Older Workers (TIOW) could help industry find the people who will be able to act as trainers for the next generation of mine workers (e.g., mineral processing operators, underground miners and surface miners). Older workers who are close to retirement or have lost their jobs due to the current downturn could be rehired as trainers.
- Increased funding for a foreign credential recognition framework. This could increase the industry's access to qualified engineers who are currently not certified to work in their field of expertise (\$50 million). This is timely given the amendments to the Agreement on Internal Trade, which aims to increase labour mobility between provinces.

“Budget 2009 addresses [Canada's] labour challenges with decisive action to support workers and families. In doing so, it responds to this short-term downturn and includes a long-term strategy, recognizing that skilled labour shortages remain a critical issue in many regions of the country.”

*Canada's Economic Action Plan: Budget 2009*

- Support for Aboriginal Skills and Employment Partnerships (ASEP) means a new Call for Proposal will likely be forthcoming (\$100 million).
- The mining industry is a prime candidate for funding being channelled to the Aboriginal Skills and Training Strategic Investment Fund (\$75 million). This money will ease the transition between Aboriginal Human Resource Development Strategy (AHRDS) frameworks.
- Expansion of the Canada Graduate Scholarships program by \$87.5 million. This could support a number of initiatives CMIC has in mind for HQPs.
- The Industrial Research and Development Internship program, which will receive funding under the Federal budget, is linked to the work of the Natural Sciences and Engineering Research Council (NSERC) and could support the activities of CMIC's proposed counter cyclical strategy for HQPs.

Provincial and territorial governments will table their own budgets over the next few months and as a result, will need to follow up with consultations with stakeholders on the priority areas to be developed under the LMAs.

Provincial and territorial governments will table their own budgets over the next few months and as a result, will need to follow up with consultations with stakeholders on the priority areas to be developed under the LMAs. Provincial/territorial mining associations may wish to contact their regional governments to express an interest in participating in these consultation processes. To find out when the provinces/territories will table their 2009 budgets, consult the following:

<http://www.kpmg.ca/en/services/tax/budget.html>.

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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