

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

Tuesday, March 25, 2014

• (0845)

[English]

The Chair (Mr. Phil McColeman (Brant, CPC)): Good morning.

Welcome back, members of Parliament.

Ladies and gentlemen, this is meeting number 16 of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, on Tuesday, March 25, 2014. We're continuing our study concerning opportunities for aboriginal persons in the workforce.

Today we have another robust split panel of witnesses. In the first hour, from Vale, we are joined by Mr. Cory McPhee, vice-president of corporate affairs, and Mr. Bob Carter, manager of corporate affairs. We're also joined by Mr. Colin Webster, director of aboriginal, government, and community relations for Canada and the United States at Goldcorp Inc. From Rio Tinto, we have with us Mr. Jay Fredericks, director of environment, communities, and regulatory affairs.

Welcome, gentlemen.

Our procedure is that each of you as entities will have up to 10 minutes to present. Then we will go around the table with questions.

Let's begin. I'm not sure which of you will be speaking, but let's go with the representatives from Vale. If you're splitting your time, that's fine too.

Mr. Cory McPhee (Vice-President, Corporate Affairs, Vale): I'll be speaking, thanks. I'm giving into age, so I need these....

Thank you very much.

Good morning, Mr. Chair, and honourable members. Thank you very much for this opportunity to present to the Standing Committee on Human Resources and to participate in this important discussion on aboriginal employment.

I'm pleased to be able to present today on behalf of Vale together with my colleague, Bob Carter, from our operations in Newfoundland and Labrador, and to contribute our experience to the committee's work both as an active employer of aboriginal peoples and as an industry partner in the process of program development. Achieving sustainable employment opportunities for aboriginal peoples in Canada requires multi-faceted partnerships and commitment from industry, government, and aboriginal leadership alike. As a mining company, Vale recognizes the obligation it has to ensure that aboriginal communities participate in and benefit from the development of resources on traditional lands. Employment is one of the most important and enduring means of building the partnerships that deliver mutual benefit.

Wherever we do business in Canada, Vale engages with local aboriginal communities. The need for skills development and employment training is a focal point in many of those discussions, whether it be in preparation for employment at one of our facilities specifically or in preparation for employment in the community at large. There's perhaps no better example of the results that effective collaboration can deliver with the appropriate partners, participation, and commitment than at our mine site in Voisey's Bay, Labrador. I'd like to focus on that experience today as I believe it provides some excellent learning for the work this committee is considering.

While there is no one-size-fits-all solution to exploring partnerships, it's equally true that past success can help guide future success. In that context, our experience at Voisey's Bay provides important insights into the factors and the groups that are essential to effectively and efficiently shaping programs and developing models to enhance opportunities for aboriginal employment across Canada.

Allow me to begin with some background. In the late 1990s, Vale, which was then Inco, acquired the rights to develop a significant nickel deposit at Voisey's Bay. In 2005, the construction of the development was completed. The Voisey's Bay deposits are located on the traditional lands of the Innu and Inuit of Labrador. Given their rights over these lands, Vale entered into impacts and benefits agreements, IBAs, that set out how the land would be used and the benefits that would accrue to the Innu and the Inuit.

The subsequent development of this resource has resulted in billions of dollars in investment benefiting all levels of government and most importantly, transforming the economic prospects of the residents in adjacent communities. Beyond generating 5,000 jobs during construction, the operations currently employ around 500 people on a permanent basis.

From the outset, Vale, the federal government, and our aboriginal partners had an explicit focus on economic development that delivered both direct employment and contracting to aboriginal businesses and built capacity for the long term. This common commitment among partners delivered an outcome that sees greater than 50% aboriginal direct employment at Voisey's Bay operations, levels that Vale maintains to this day.

This combination of an impressive retention rate of aboriginal employees and consistent follow-through on commitments has created an enduring relationship between Vale and our aboriginal partners. The involvement of the federal government in providing training support was a key component of the success experienced during the initial phase at Voisey's Bay. Federal support for training was essential to enabling job readiness and eventually putting people to work.

• (0850)

The skills and training program developed and implemented at the time was called the joint employment and training authority, JETA. It was a pilot program that became a model for future training initiatives in Canada. The JETA partners worked together to ensure that training was timely and focused on entry-level job skills that ultimately led to employment. More than 1,100 people received training support through JETA, establishing the foundation upon which Vale could build a successful recruitment and employment program, a program that has created long-term jobs for residents of local aboriginal communities over the past decade. The success of this training initiative has been widely recognized by governments and industry.

The successes in Voisey's Bay are many. We are proud to have partnered with the federal government, as well as the Innu and Inuit, to develop a training and employment model that has brought benefits to all. Collaboration, consultation, and early alignment among the partners unlocked extraordinary opportunity. This success is relevant as we look to the future. In the coming years, Vale plans to move ahead with developing the underground deposits at Voisey's Bay. This will extend the life of the mine as well as the employment horizon by decades.

In employment terms, developing the underground is expected to produce more than 800 construction jobs, and an additional 400 permanent jobs when underground mining begins in late 2019. There is clear opportunity ahead of us, but from an aboriginal employment standpoint it involves a new challenge. The employment needs for the underground phase are different from those of the current surface operation, and very technically driven. All parties require significant lead time to develop the skills required to work underground.

In anticipation of these needs, Vale has already begun to engage its aboriginal partners in discussions to determine the metrics, the structure, and the timeframe for taking on the training challenges associated with this next phase.

Our objective and our desire is to build on the extraordinary results we achieved together in the first decade by developing the Voisey's Bay resource as a foundation for the future, to deliver the same lasting benefit from the underground to all those with a stake in its success. We are understandably proud of the accomplishments at Voisey's Bay and are working hard to achieve similar successes in our other operations.

In Thompson, Manitoba, for example, we have an integrated mining operation located in a region with a serious underemployment issue. In this remote northern location, Vale struggles to maintain its employment base despite the fact that certain surrounding communities have high rates of unemployment. We have encountered several barriers to aboriginal employment in particular.

We have launched a northern employment strategy in Thompson and seen some encouraging results with increasing hires from surrounding northern communities, but there remains a significant deficit of essential skills among the aboriginal communities, making it difficult to get candidates into Vale's recruitment and selection pipeline. Also, the lack of workplace and social readiness, often developed through pre-employment opportunities, presented barriers to the recruitment of aboriginal peoples.

I don't believe Vale's situation in Thompson is unique in the mining industry, and this is an area where we believe the federal government has an important role to play. Equipping aboriginal communities with access to appropriate and high-quality essential skills training will go a long way to complement the recruitment and selection programs that many mining companies have in place.

Together the private sector, government, and local communities can develop approaches that will ultimately produce rewarding, skilled jobs in the communities where people live. Ultimately, this is something we all want.

Thank you again for the invitation to speak to the committee today. We welcome the opportunity to contribute to the committee's efforts in this area, and we remain at your disposal as you develop your recommendations. Thank you.

• (0855)

The Chair: Thank you, Mr. McPhee, and thank you for keeping it under the 10 minutes.

Now we'll move on to Goldcorp. Mr. Webster.

Mr. Colin Webster (Director, Aboriginal, Government & Community Relations, Canada and United States, Goldcorp Inc.): Thank you, Mr. Chair.

Mr. Chair and honourable members of the committee, we at Goldcorp are pleased to have been given the opportunity to testify at the hearings of this committee on the very important subject of opportunities for aboriginal Canadians in the workforce.

Mr. Chair, as you and other honourable members will know, Goldcorp, a Vancouver-based and proudly Canadian company, is one of the largest gold mining companies in the world, with operations and development projects here in Canada, the United States, Mexico, and other Central and South American countries. As our name suggests, our operations are almost exclusively in the mining of gold rather than other precious metals. At the core of our business strategy are responsible mining practices that are reflected in all our activities. We have a robust corporate social responsibility regime and human rights policies and we adhere to the vision of "Together, creating sustainable value" everywhere we mine.

Insofar as our domestic operations are concerned, we currently have four Canadian mines, three in Ontario and one in Quebec. Two of our Ontario mines are located in the communities of Red Lake and Timmins; our Musselwhite mine is a fly-in remote mine located approximately 480 kilometres north of Thunder Bay. We are also developing our Éléonore mine in the James Bay area of northern Quebec, scheduled to enter commercial production later this year.

Goldcorp has some 16,000 employees and long-term contractors across its worldwide operations. In addition, we also have many short-term construction-related contractors providing various supporting functions to us.

Approximately 40% of our annual production in 2013 was from our operations here in Canada, and roughly the same proportion applies to our employees.

No matter the geographic location, all of our Canadian mines are currently engaged directly with local aboriginal communities on industry-related employment and business opportunities. Mr. Chair, I would like to take this opportunity to share with you some insights into our ongoing partnership with the Cree at our Éléonore mine in Quebec.

Since 2011 we have had in place a collaboration agreement with the Cree Nation of Wemindji, the Grand Council of the Crees, and the Cree Regional Authority. Under the provisions of this agreement, a large number of Cree-owned and -operated businesses are providing us with a wide range of construction-related and site support services, including large civil works, road construction, and camp services. Furthermore, currently we have 475 Cree from the territory working at the site, 226 of whom are employed in the operations and 269 in construction.

I certainly do not want to speak on behalf of the Cree nation. However, I would submit that, thanks in some measure to the James Bay and Northern Quebec Agreement of 1975 and to subsequent investments in the area, the Cree now enjoy a large pool of business and a critical mass of skilled labour in many areas compatible with the needs of our operations.

This is the kind of model we would like to replicate at some of our Ontario mines. However, even though a large number of aboriginal people living in the local neighbouring communities are eager to find good employment and to provide a better future for themselves and their families, neither sustainable strategic training opportunities nor infrastructure is sufficiently available.

As one example within the area of infrastructure, we at Goldcorp have entered into an agreement with 18 first nations communities in northwestern Ontario to develop a company called Wataynikaneyap Power, which when developed will bring additional and reliable grid power initially to Pickle Lake and then further north for the connection of remote first nations communities and possible future industrial developments. Currently we are a partner in the project, with provisions whereby Goldcorp will surrender its interests and become a client of this new power company, which would then be led by the first nations.

Remote communities not presently connected to the electrical grid would enjoy plentiful and reliable electricity in the manner that most of us take for granted. Currently, some of these communities are connected to unreliable power lines, while others are reliant on expensive and equally unreliable local diesel-generated power for their needs. This is hardly the kind of standard we would expect in an energy-producing country such as Canada.

In the area of training opportunities, we recognize our role in the skills development of our existing employees. We strongly believe in the continued technical and professional growth of our people in order for them not only to become integral to Goldcorp's success but also to become major contributors to the development and ongoing success of their respective communities. However, in certain development forums—as one example, within the area of entry-level skills—we must recognize our shortcomings, in that we are foremost miners and not educators.

Mr. Chair, given the challenges ahead for our industry and the enormous opportunity that Canada's aboriginal communities present, we are here today to provide the following for consideration: that together with the provincial authorities, the government should consider a long-term strategy designed to increase job readiness training, technical and business skills, and other such opportunities, enabling a greater number of aboriginal people to participate in the economic opportunities across the entire mineral development spectrum; second, that the ongoing support of government infrastructure be provided to ensure that training needs are met and to ensure that training continues long after our needs for labour have been satisfied.

• (0900)

Here at Goldcorp, we would welcome opportunities to work more closely with governments on both initiatives.

Mr. Chairman, Goldcorp is proud of its relationship with aboriginal people both in Canada and abroad, and we're continuing to strive to do even better. As a member of the Kitigan Zibi Anishinabeg, near Maniwaki, Quebec, I for one am proud of our company's efforts to date, but I also see the significant opportunities that lie ahead for industry to engage aboriginal people. We are pleased with the initiative of this committee, and we are looking forward to your report and recommendations you will make to the government.

In conclusion, Mr. Chair, I would like to thank you again for the opportunity to testify. I am looking forward to your questions and those of the honourable members.

The Chair: Thank you, Mr. Webster, and again you were well under the 10 minutes.

We will move to Mr. Fredericks.

Mr. Jay Fredericks (Director of Environment, Communities and Regulatory Affairs, Rio Tinto): Thank you very much, Mr. Chair and honourable members.

I'm proud to be here today representing Rio Tinto. While we are considered a leading mining company, we also continue to learn from our experience and that of others.

Rio Tinto is one of the largest integrated mining companies in the world, with approximately 66,000 employees. We are a world leader, operating in 40 countries, with significant investments in Canada. In fact, Canada is Rio Tinto's second largest asset base after Australia.

In Canada we have a diverse commodity mix—aluminum, copper, diamonds, potash, uranium, and iron ore—as well as other exploration activities across the country. We also own significant infrastructure assets, including rail, ports, and hydro power generating facilities in Quebec and British Columbia. As a world leader, we own state-of-the-art technology and are continuously seeking innovations to improve productivity and environmental performance as a means to reduce operating costs and also to secure our social licence to operate.

Our strategy is to maximize total shareholder return by investing in and operating large, long-life, low-cost expendable operations that can sustain strong returns throughout the cycle. In delivering our strategy, we recognize the value of building strong relations with communities, governments, and key stakeholders and of seeking mutual benefits through our approach to sustainable development and our focus on safety.

I'm proud to work for a company like Rio Tinto, which is considered a leader in sustainable development. We recognize the value of sustainable practices, and this is integral to the way we work. A key component to being a leader in sustainable development is our commitment to the communities where we operate. We strive to benefit local communities. This may mean providing social benefits, such as health, education, and environmental management programs, or economic benefits, such as business development and employment training.

Community engagement is based on employment and economic participation, and we prefer sustainable long-term benefits. In May 2012 there was a summary report put out by Canada's Public Policy Forum, which was attended by Jacynthe Côté, the chief executive of Rio Tinto Alcan. It was noted that a central theme of the discussion concerned the need for better education and skills training among aboriginal peoples, especially amongst the youth.

A clear and well-defined challenge is facing the resources sector in the coming decade. This relates to the looming labour shortages, with estimates of the need for up to 400,000 new jobs over the next 10 years. Over the same period, approximately the same number of aboriginal Canadians are expected to enter the labour force. Considering that many of these jobs will be created on the doorsteps of aboriginal communities, there is an opportunity on both sides for significant gains in the form of jobs for skilled workers.

We can improve the employment and business opportunities of members of our host community. Contributing to local economies where we operate is a priority for Rio Tinto. As an industry whose very existence depends on retaining that crucial social licence to operate, it is clearly in our collective best interest to shoulder our share of corporate social responsibility. Support for job training and talent development is a win-win part of the equation.

Rio Tinto emphasizes diversity in the workforce and is committed to providing employment and career development opportunities to indigenous people in areas where we operate. And we have successes.

In 2012 around 7% of our Australian employees were indigenous Australians. Rio Tinto now ranks as the largest private sector employer of indigenous Australians. These mutually beneficial arrangements not only contribute to local economic growth and community well-being but also provide a stable talent pool for our operations.

• (0905)

In Canada we are seeking opportunities to increase our aboriginal employment across all our businesses. This will build on the success at Diavik, with approximately 25% aboriginal employment.

We also recognize that some of the greatest successes result from partnerships involving governments, communities, and the private sector in which each party bears responsibility and works together towards common objectives.

In summary, then, mining is a complex business requiring longterm investment. Mining often takes place in more remote regions, where our nearest neighbours are often first nations or Métis communities. This makes the sector a natural fit for engaging and working with first nations in partnership with these communities and government agencies. Discipline is required in managing capital, and we need to continuously seek ways to improve performance. At the same time, we must operate in an ethical and socially responsible manner that is underpinned by seeking ways to promote and demonstrate our commitment to sustainable development.

Thank you, Mr. Chair, honourable members. As another witness here said, I look forward to responding to your questions.

The Chair: Excellent.

Thank you, gentlemen, for your brevity this morning. That will allow for more questions.

I won't take up any more time and will pass it over to Ms. Sims for the first round. These are five-minute rounds of questions.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Thank you very much.

I really appreciate the presentations from all three of you.

I think I heard some common threads and one of the common threads I heard was the need for the federal government—as well, you mentioned provincial governments and you yourselves—to play a role in the skills development of our first nations people, including our Inuit and Métis.

I heard about the skills deficit, as one of you put it, and also the need for basic skills training at the entry level. I have to make a comment that we also need to take a look at what happens from K to 12, and there is a need for significant investment in K to 12. This is where I always get into equitable funding. I think we have to take a serious look at how much we are investing in our K-to-12 education sector in our first nations communities, how that funding is generated, and the need for equity at this stage to make sure that we tackle the many challenges.

It's not just in the northern communities. We just have to look at the state of some of our schools and also some of the learning conditions for our aboriginal students in the north, and we could all be doing better at every level of government. The federal government has a role to play.

My specific question is for Goldcorp. Please feel free to expand on this.

You talked about the need for a long-term strategy for aboriginal people and you talked about your own Cree training centre. As you set up this training centre, I want to know what kinds of factors you took into consideration. For example, I'm taking a look at how you did the framework for your recruitment. Secondly, did you provide child care? Did you take a look at doing pre-entry work with the community as well before they entered the so-called pipeline?

• (0910)

Mr. Colin Webster: Certainly, talk a little bit about our experience with the Cree.

In terms of our relationship with the Cree, to their credit, they were adamant that they would provide us with employees who were work-ready, and they took ownership of it themselves. They set up the training programs with their institutions that already existed. So they've provided us with candidates who are ready for employment within Goldcorp.

They've worked with the Cree human resources development, with the Cree School Board and they have set up training programs, with our input in terms of what kinds of skill sets they needed, in terms of what kinds of jobs are available. They initiated that program two or three years ago, in fact, and we already have candidates who have come out of those programs and are working for us today.

Really, the communities took ownership of it, and they used their institutions and dollars that they put in themselves and dollars that they received from the various governments to set up the training programs. All of the support systems around that, they brought to the table with us.

Ms. Jinny Jogindera Sims: What about the ongoing infrastructure you talked about?

Mr. Colin Webster: I'm not certain what infrastructure you're referring to.

Ms. Jinny Jogindera Sims: When you said there needs to be ongoing support and investment in infrastructure—

Mr. Colin Webster: Okay, certainly.

I was speaking there more in terms of the Ontario context.

One of the challenges we face, particularly with remote communities, is that they don't have things like power. They don't have grid power. They don't have the ability to expand their communities because they're limited by their existing diesel capacity. That's one instance where we're working with them to bring grid power there, to the north. If you don't have things like grid power, it's hard to set up a training institution for their communities to attend training courses at, where they can better themselves and then leapfrog into the industry.

We've identified that there could be a regional initiative there, where there are remotes in northern Ontario and northwestern Ontario, particularly where there could be some sort of regional training strategy there that is hinged to the industry needs.

In terms of the sustainable and strategic part of it, there has to be an understanding that the industry isn't just about mining. The industry is about exploration. It's about development. It's about construction, operation, and closure. So there is a wide range of activities in the mineral development sequence. They happen over a long period of time.

If you look at the industry and where the jobs are in the industry, they're not all the same jobs in each phase of development. There has to be an understanding of where those jobs are, when they happen, and where they are geographically. If you look at that context, then you will know where the need is.

To me, the other part is the community need, the community dynamic, what the community brings to the table. Not all communities are the same. Not all communities have the same resources. If you can map the communities, where they are in terms of where they want to go to in human resources development, then you can bring the two together and say, "Okay, we have this many people in this community who are job-ready this year, next year, or the year after, and they want to get into the mineral development industry." Now you've painted the landscape. Then you can set up what I think are more focused and probably more beneficial training dollars and training infrastructure to support that.

The Chair: Thank you.

Mr. Armstrong, you have five minutes.

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Thank you, Mr. Chair.

I want to thank you all for being here today.

Mr. Fredericks, you talked about Rio Tinto being the largest private-sector employer of aboriginals in Australia. What programs does the federal government in Australia have, working in relationship with private business to provide training for aboriginal people? Are there things they do in Australia that we don't do here in Canada that you would suggest we take a look at?

Mr. Jay Fredericks: Offhand, I would say the programs are fairly similar. It also comes down to corporate focus.

^{• (0915)}

At Rio Tinto we have made employment of indigenous peoples, or aboriginal peoples, a focus going forward for the corporation as part of our corporate social responsibility. We have worked extensively with the federal government in Australia and also the local communities, and have been able to achieve some successes that way, similar to the activities we've undertaken at the Diavik operations.

Mr. Scott Armstrong: In Australia, as in Canada, what role do you play in training? Do you have a training program that Rio Tinto puts forward whereby you recruit and actually provide skills training for young aboriginals? Do you do that overseas, or is that something you rely on Canadians to do?

Mr. Jay Fredericks: In almost all our operations, we have inhouse training programs to upgrade skills. We try to, as I said, operate in conjunction with the local communities and the local governments to optimize the training programs to the skill sets that are needed.

Mr. Scott Armstrong: So to provide the curriculum, you do it in conjunction with a local municipal-level government and the federal government as well as the provincial government. There are four players in developing curriculum and training.

Mr. Jay Fredericks: Yes, essentially, and if you look at the model of the Diavik program in northern Canada, there are a number of groups involved there.

We have the local communities that are identifying individuals for the training programs. You have the regional or territorial governments that are working on providing funding, and working with the educational institutes to develop the programs. As well, then, activities for Rio Tinto include things like providing on-the-job training as part of the skill process, and operating the in-house educational upgrades so that an individual who may come in at an entry level doesn't need to stay at an entry level. They can work towards entry into things like trades, education, development of supervisory skills, or other activities.

Mr. Scott Armstrong: Basically you're looking for entry-level workers with basic skills like showing up, for good employees who are able to get along with others, and teamwork. Once they get to you, you're able to provide them with the actual skills they need to do the actual job.

Mr. Jay Fredericks: It's a combination of both. We look at the individuals. There may be individuals in the communities who can benefit from some pre-apprenticeship training before they come into Rio Tinto. Each individual is a unique entity with their own set of skills and abilities, so it's important to develop what you might call a modularized program where an individual can go into the program at a level appropriate to their skills so they're not backtracking or being placed in something where they're destined to fail.

Mr. Scott Armstrong: Thank you.

How much time, Mr. Chair?

The Chair: You have 30 seconds.

Mr. Scott Armstrong: Mr. McPhee, could you respond really quickly, because I have only a few seconds. I was interested in your \$515 million in contracts and your \$1.2 billion in contracts for first nations companies. I'm assuming those companies didn't exist before

your arrival in Voisey's Bay, so how were you able to support them to ramp up so quickly?

Mr. Cory McPhee: I'll defer to my colleague from Voisey's Bay who's familiar with the operation.

Mr. Bob Carter (Manager, Corporate Affairs, Vale): Thank you.

Most of the businesses that support our operations are joint ventures. When we signed the IBAs, it was very clear in terms of the commitment that the company had given to the aboriginals that all business opportunities flowing from our operations would be given first, as a priority, to aboriginal companies.

We, in fact, had to educate the business community—and there were models that existed elsewhere in Canada that we built on—that if they wanted to do business with us in Labrador they must find an aboriginal partner. The mainstream contractors that helped build the facilities, in fact, had that experience in both northern Alberta and in the Diavik experience in the Northwest Territories. The industry is learning that if they want to do business in areas where aboriginal title is a key consideration, they must form business partnerships.

What we've seen mature over 10 years is a business relationship that is gradually seeing more capacity being built within the aboriginal communities themselves to manage the businesses and mature and grow. Thus our ability to flow over \$1 billion in supply contracts to the businesses is indicative of how successful that model is.

• (0920)

The Chair: Thank you.

Mr. Cuzner, five minutes.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Thank you very much.

I just want to continue on that line Scott was pursuing. You go to some of these sites and very few of the actual bodies on the site are direct employees of the company. The vast majority are contractors.

I think it's noble. I think it's important and it's in everybody's best interest to take the approach that you guys have taken.

Do you identify a portion of how many contracts are going to be awarded to the indigenous community, or is it just encouraging the partnerships?

Mr. Bob Carter: Our working assumption is that all will be awarded to aboriginal businesses. Our procurement model requires, and our contractual agreement with the aboriginals requires, that we bring all business opportunities to them first.

They've been able to develop, over time, relationships with nonaboriginal businesses that have expertise in areas that we require to support our operations. They've been able to mature business relationships such that—with the exception of buying bulk materials that we require, such as fuel or some of our consumables that you wouldn't expect to be supplied by an aboriginal business—all of the support services that we require at Voisey's Bay are now running through aboriginal companies.

Mr. Rodger Cuzner: Is it a similar approach for the other companies as well?

At Rio Tinto, is it a similar approach for you?

Mr. Jay Fredericks: Yes. An example within Rio Tinto would be something like the Kitimat aluminum smelter upgrades or modernization program and the Kemano project, whereby we look at and work with the local suppliers, first nations suppliers, and try to structure the contracts to meet their scale of operations. We also used a phased or regional approach to contracting where the first round is within the local region, and then you expand out in concentric circles if the local area and next area are unable to meet those contract needs.

Mr. Colin Webster: We've taken I think a slightly different approach in Quebec, depending on where we are located. You have to understand that in Quebec, our Cree partners already came to the table with significant capacity in terms of business. So the business is there.

They themselves told us, "We don't want all the contracts. We want to be able to negotiate with you on certain contracts that we think we can execute very well. We want to be able to bid on certain contracts that we think we can deliver quite well. There are some that we recognize we can't deliver, so we're not going to worry about those just yet."

So they've taken that approach, and we've agreed to that approach, but we have this ongoing dialogue with them on what's coming up, what big contracts are coming up, and we ask them if they think they can execute these well and all those kinds of things. We've taken that approach in Quebec.

In Ontario, where we have two historic operations, Red Lake and Timmins, there's already an existing well-established contractor community. The first nations recognize that. There what we've done is we've said that we're willing to work with you to start off on a slow basis. They recognize that they don't want us to get rid of our existing contractors to put them at the front of the line. What they've said is, "We'd like to work with you on opportunities where we can build our capacity from the ground up, where we can execute contracts where we already have existing capacity; we'll talk to you about those ones. Over time we'll build up our capacity where we are owners of the businesses and owners of those and we can execute them well."

That's the approach we've taken in both Red Lake and Timmins. • (0925)

Mr. Rodger Cuzner: I feel like I know you guys. You get on the plane every Monday morning and you're heading to either Red Lake or Diavik. Cape Bretoners are everywhere. Like earwigs, we're everywhere—

Voices: Oh, oh!

Mr. Rodger Cuzner: —many in Fort McMurray.

You made the comment that you're miners, not educators, and I respect that comment. Do you see the role of the company as being more making sure that all local people are aware of the scope of the opportunity? The way you explained it is relevant, that it goes from exploration to the mining to the cleanup to the monitoring in years out, so the whole spectrum of opportunity is vast.

Do you see yourselves as, more than educators, just promoters of the opportunity?

Mr. Colin Webster: Yes, we are, actually. Absolutely we-

The Chair: We're over time on the response, so I will have to end it there. Perhaps the response can come out during another question round, but that's it for that round.

Mrs. McLeod, you have five minutes.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Thank you, Mr. Chair.

Thank you to all the witnesses. It's great to have you here today and to hear about the work you're doing.

My first question, which should be a quick one, is for everyone. Typically the federal government has what they call the "asset holders". Do you have a direct relationship with the asset holders in the areas where you're doing business?

Maybe I can just do a quick down the row there.

Mr. Colin Webster: It's not typically a direct relationship. In certain instances, yes, but it's not a direct relationship, or not in our experience to date.

Mrs. Cathy McLeod: So you're not looking at your needs, talking directly with the asset holder, and then sort of collaborating in terms of where the opportunities are and where the training support is needed?

Mr. Colin Webster: Our preferred approach, or at least my preferred approach, is that the communities come to the table with us and say, "We have the ability, with this organization, to work with you." We work with the communities directly.

So it's not necessarily direct, but it's very close to the asset holder. They're absolutely there in the background, for sure.

Mrs. Cathy McLeod: Okay.

Mr. Bob Carter: Our experience is a little bit of both. The thing you have to understand about mining is that it takes a long time to get a project started. In our case, in Labrador, it was about 10 years from when we discovered the property to when we could actually break ground. In that 10 years we spent a lot of time in the communities doing what I call missionary work, making sure that the communities understood what the opportunities were and what our requirements were. Thus, we developed relationships with training institutions, with governments, with communities, and they've stood us well over time. The federal government was flexible enough when we needed support to begin the training specifically for our operation to allow this pilot program called JETA to be created. There were no rule books. We all thought a little bit creatively, broke some of the rather restrictive models that sometimes you see with government programming to make it work.

Mrs. Cathy McLeod: Mr. Fredericks.

Mr. Jay Fredericks: I would echo very much Bob's comments in terms of our own experience. We try to engage very closely both with government and the training institutes to identify skill needs, job opportunities coming up, and then work with them to develop the training modules that are needed to meet those opportunities. An example, going back to Diavik, which I talked about earlier, is we have in place a Diavik community-based training program. Over the past two years about 200 people have participated in that program and 90% of them have gained employment, either directly at Diavik Diamond Mine or in other jobs and opportunities in the region.

• (0930)

Mrs. Cathy McLeod: A quick yes or no on this, was that supported through ASETS?

Mr. Jay Fredericks: I'd have to check on that. I'm not exactly sure of the funding sources.

Mrs. Cathy McLeod: If you could get back that would be great.

You probably are aware that many of the provinces have now signed off on the Canada Job Grant. As companies, in terms of how that might match with how you move forward with the aboriginal training process, where there truly is going to be a partnership—federal government, provincial, organizations, companies—do you have any comments, thoughts, or any thinking that's been done on that one?

Mr. Webster.

Mr. Colin Webster: Certainly.

I don't want to come back to this mineral development sequence, and the opportunities associated with all of those different phases of mineral development, but when I saw the announcements coming out, there's a huge opportunity here for connecting all of those things and doing it maybe not on a grand scale but certainly in a more geographically reduced scale. I look at northern Ontario as being a prime example of that when we have historically operating mines. We have three mines in northern Ontario. There's obviously a significant amount of exploration going on in northern Ontario. To me, it sets the stage for a really interesting dialogue with industry, with governments, training institutions, and first nations to look at the human resources needs across that spectrum and across all those different communities.

The Chair: Thank you very much. Five minutes goes quickly, doesn't it?

Ms. Cathy McLeod: I have more questions.

The Chair: On to Madam Groguhé.

[Translation]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Thank you, Mr. Chair.

[English]

The Chair: Just before you start, perhaps you'll want your translation. Okay?

[Translation]

Mrs. Sadia Groguhé: Yes, because I will be speaking French.

I thank our witnesses for being here.

As a preamble, I would like to make a comment. In all the evidence I have heard so far, including yours, there is a common thread. The idea is that we must make sure that what we give communities is really tailored to their specific situation. That comes up in the evidence and it seems very important to me.

My first question is for you, Mr. McPhee. How many aboriginal workers are hired by Vale in Canada? Can you give us some figures, please?

[English]

Mr. Cory McPhee: I don't have the numbers across our operations. I can tell you that it varies by operation. At the Voisey's Bay mine, I think 52% of our employees are aboriginal.

Bob, you can tell me what that represents in terms of numbers.

But we almost have an inverse relationship. Our youngest operations have the most mature relationships with aboriginals. At our operations in Ontario that have been mining for 100 years and more, and at our operations in Thompson, Manitoba that have been mining for 60 years, the aboriginal relationship was never given as much focus and consideration in the past, so as we develop new properties.... Last month, we opened up our first mine in Sudbury in 40 years, and we now have an IBA, our first IBA in Sudbury in 100 years of operation. It's a kind of unique inverse relationship, but that IBA does allow for the employment of aboriginals now as a first choice.

[Translation]

Mrs. Sadia Groguhé: Can you provide a breakdown and the figures on the progress in aboriginal persons hired by your companies over a number of years? Is it possible to have that breakdown? If you don't have it right now, you can forward it to us.

[English]

Mr. Cory McPhee: Sure. It's trending up. It has to, because we're finding these where there's no urban base workforce for us.

[Translation]

Mrs. Sadia Groguhé: Okay, very well.

You also talked about expecting new challenges. You talked about jobs that will be different from the ones aboriginal people currently have. Can you make some clarifications in that sense? Will the jobs be more specialized and have more managerial responsibilities? What do you foresee in terms of jobs?

• (0935)

[English]

Mr. Cory McPhee: The specific reference to the jobs changing was in going from an open-pit bulk operation to a much more technical underground operation that is in narrower working areas. You have to deal with ground stresses. You have to deal with a lot of variables that we have a lot of experience in as a company, but that our employees have no experience in. As we're moving from open pit to underground, it changes the work environment completely for these individuals, requiring a different level of training and a different level of skills.

[Translation]

Mrs. Sadia Groguhé: Very well.

My last question is for all of you. Whoever can answer it, please go ahead.

One of our witnesses talked about the economic resiliency of the communities involved in skills development. Based on your experience and the expertise you have acquired, do you see this type of economic resiliency in the communities?

[English]

Mr. Bob Carter: I can comment briefly on the experience in Labrador. We have no immediately adjacent community, but we have about seven communities that we interact with, the closest being about 40 kilometres away from our site. We're a fly-in, fly-out site.

What we're seeing is that most of the aboriginals who are working with us are living in their home communities. They aren't migrating to larger centres. They are bringing economic wealth to the communities. They are promoting themselves as roles that students can aspire to achieve. We're seeing higher graduation rates in high school and more students aspiring to do post-secondary programs.

It's just scratching the surface, though. Some of the inherent problems that we see in the north are still there, and it requires real jobs and real economic generators that I think the mining industry offers to communities to create that kind of significant shift that needs to occur.

The Chair: Thank you.

We'll go on to Mr. Mayes for five minutes.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you, Chair.

Thank you, witnesses.

Formerly we did a study on skills shortages in which we talked to the mining industry. I want to ask Mr. Fredericks a question that I didn't get answered during that discussion we had with the mining industry.

Rio Tinto did a great job in advertising with TV ads about two years ago. I want to know whether you found that there was a spike in the interest as far as recruiting went. Because that was something that was identified: communicating to students the opportunities that the mining industry and all trades have. It's been gnawing at me to see how effective that ad was. **Mr. Jay Fredericks:** I'm not sure of those statistics but I can check on that and report back to you on that.

I do know of some of our activities in an area where I'm most directly involved right now, which is working in northern Saskatchewan. Certainly our entry there and our consultations with local communities have caused a bit of a spike of interest in the mining sector in the region with a new player and a potentially new development happening. We are getting a lot of excitement and interest.

Mr. Colin Mayes: The other question I have for all of the panel is, as far as engaging the aboriginal community and looking for the people who could be interested in skills development for your particular sector, do you partner with the communities? I appreciate what Mr. Webster said. I think that's right, community driven. Communities that have good leadership and are supportive have success.

Also with the educational institutions, do you do all of the training on your own or do you partner with colleges and training facilities to bring those skills to the aboriginal students?

• (0940)

Mr. Cory McPhee: I can comment on that from Vale's perspective. We do partner with the post-secondary institutions. In Sudbury we actually developed a mobile classroom. This is in a transport truck with walls that move. We bring it out to the first nations communities where sometimes the youth are reluctant to leave the community to go to school. We bring the classroom to them.

We've also started to try to catch people earlier in their lives and we've partnered with a group called Indspire to put mining into the high school curriculum. That's been successful for us as well.

Mr. Colin Webster: We recognize our limitations in providing training for skills development and those kinds of things. We defer to the communities and the community organizations to help us do that. We take over once the people become employees of Goldcorp and we provide additional training, for example, on working in an underground environment. Employees may come through the door who are perfectly acceptable and then go anywhere within Goldcorp. If they choose to go underground, we provide them with Stope School training and things like that. We focus on job-specific training.

Mr. Jay Fredericks: We see higher levels of success and retention through a program where those programs can be operated in local communities. A significant factor for many aboriginal youth, in particular, is that if they go down to a larger centre or the training program, it's often a cultural shock to them and can result in distractions that can impact their success in the programs.

One of the ways to help address that is often to have an elder involved in the training program provide counselling to them. We're seeing some great messages coming from elders in the local communities, encouraging youth to get training to build up their skills and to seek employment in the mining sector. It's very positive messaging that we're hearing from the elders. We just need to help ensure that the message goes all the way through to the youth. **Mr. Colin Mayes:** Mr. Webster, there are a lot of aboriginal communities that are very remote, only accessible by air in northern Ontario. We heard some testimony from a mining company that there is fear that the area where they draw the students from is quite large, and they've actually accommodated by having planes go out and pick up people and bring them to the training centre. Have you experienced that in northern Ontario? Is that something the company is also doing?

Mr. Colin Webster: Yes, we do the same. We fly some community members in and out of their home communities so that they can come to work for us. We do have regular aircraft routes that go there to pick them up and take them home when their rotation is done. It's absolutely true.

The Chair: Thank you very much.

That's the end of the questioning rounds. We're going to stop here and thank the witnesses for being here.

When you sit in the chair there are always things you learn. I'm sure people around the table have learned a few things today. The one thing I learned that stands out is that earwigs are everywhere. I'm wondering when they do underground mining whether they find earwigs.

Voices: Oh, oh!

The Chair: Committee members, if any of you would like to entertain a motion to take a study trip to Australia, I would gladly entertain that.

Voices: Oh, oh!

The Chair: Thank you very much, gentlemen, for your time. Thank you for being here.

We'll now pause until the next round.

• (Pause) _

• (0950)

The Chair: Welcome back.

We're continuing the second hour of our meeting number 16. For the next hour we're grateful to be joined in person by Ms. Heather Kennedy, vice-president of government relations, business services with Suncor Energy. Also from Suncor we have Ms. Mary-Pat Campbell, manager for stakeholder and aboriginal relations.

Joining us by way of video conference from Toronto we have Ms. Leanne Hall, vice-president, human resources at Noront Resources Limited, along with Mr. Semple, the chief operating officer of that company.

We welcome you to our committee, and to the second hour of testimony and questioning. Let's begin with the representatives from Suncor. I'm not sure whether one is going to speak and share time, but it looks as if it's going to be Ms. Campbell. So would you begin for ten minutes, please.

Ms. Mary-Pat Campbell (Manager, Stakeholder and Aboriginal Relations, Business Services, Suncor Energy Inc.): Good morning. My name is Mary-Pat Campbell and I am the manager of stakeholder and aboriginal relations for Suncor Energy based in Calgary, Alberta. Together with my colleague Heather Kennedy, and on behalf of Suncor, we'd like to thank you for the opportunity to share and participate in the work that you're doing to better understand opportunities for aboriginal persons in the Canadian workforce.

In 2011, Suncor began implementing an updated aboriginal relations policy and the policy reflects Suncor's triple-bottom-line approach to development where energy development provides economic prosperity, promotes social well-being, and preserves a healthy environment. Part of this vision involves working in collaboration with Canada's aboriginal peoples to develop a thriving energy industry that allows aboriginal communities to be vibrant, diversified, and sustainable.

Over the years, Suncor has worked closely with aboriginal communities to identify business opportunities that help us to tap into local skills and expertise. We recognize that supporting aboriginal businesses and communities is about more than just purchasing goods and services. It also requires working collaboratively with our aboriginal partners to build the winning conditions that result in mutually beneficial economic development.

It is our key belief that people and communities affected by our activities should have the opportunity to benefit from energy development. And after much review, reflection, and consultation, Suncor has developed an aboriginal economic collaboration strategy that focuses on four key objectives: proactive aboriginal business development: maximizing procurement and commercial activities; respectful relationships and capability development: building capacity within Suncor ourselves as well as with our aboriginal business owners; community-driven economic development: encouraging entrepreneurship in communities; and meaningful partnerships and collaboration: learning from others and sharing in our success.

Suncor will continue to implement this strategy over the next five years and we believe it will provide enough flexibility for our business units to work towards our strategic objectives and encourage innovative thinking in consultation with our aboriginal partners every step of the way.

Also, having a clearly defined strategy includes measurement, and through that we will closely track and report on our progress.

Id like to spend a few minutes just to tell you some of the examples of work that continue to evolve from this strategy.

Currently we have aboriginal business liaison roles dedicated to our oil sands operations in the regional municipality of Wood Buffalo, Alberta. These liaisons work closely with our local aboriginal businesses, understanding their companies' growth plans, assessing our own procurement needs, and working those opportunities to contracts.

Since 1992, we have spent more than \$2 billion on aboriginal businesses, \$1 billion of that just in the last four years alone.

Suncor is equally proud of our involvement in business incubators, resource centres to foster entrepreneurs within the community, which in turn help to eliminate the need for social income support. The first of these incubators was in Fort McKay and the second is currently at the Tsuu T'ina First Nation near Calgary. Each model is slightly different, reflecting the needs of the community. In addition to funding, Suncor employees volunteer their time, sharing their expertise in areas such as building business plans, marketing, proposal building, and even certification programs.

On the retail side, Suncor—through our Petro-Canada brand—has partnered with first nations to develop retail stations on urban reserves. Petro-Canada's venture with the Peter Ballantyne First Nation, as an example, has become one of the busiest retail sites in Prince Albert, winning business of the year from the Prince Albert and District Chamber of Commerce.

Related to our second objective, respectful relationships and capability development, Suncor has been involved in various training programs that help to support aboriginal people entering the workforce. From Suncor's experience, it's important to look at the programs that support aboriginal people at all levels of the education spectrum, from secondary to post-secondary.

We are encouraged by the amendments to the first nations education policy, which should allow for greater flexibility to meet community needs and provide more opportunities for a culturally based approach.

The one area of aboriginal education that struggles with financial support is programming to help the unemployed and underemployed aboriginal people. We've been told that some of the largest challenges are actually navigating the system, understanding the programs that are available to aboriginal people, and linking the often fragmented process to building a comprehensive training plan. That is where aboriginal skills and employment training strategy support comes into play. ASETS provides funding for a number of aboriginal organizations, including our own Athabasca Tribal Council in Wood Buffalo, where we operate. In 2003, Suncor partnered with Athabasca Tribal Council in a three-year skills development program that was extended for an additional one and a half years. The program saw up to 80 clients go through with 20 of those students receiving placement at Suncor for the work experience aspect of the program.

• (0955)

There are a number of learnings we'd like to share now. Upgrading must become a base component of the program. Often clients who graduated from grade 12 at regional high schools still required upgrading. Life skills programming is also an additional requirement. Clients often had limited experience outside of their home community in understanding work, and non-aboriginal culture was also a challenge. Healthy living programs are an important component of the academic programming, in addition to providing ongoing support to clients when moving from the academic programming to the work experience piece. Managing attrition and expectations for the program completion should be considered early as they can impact on program costs.

The one learning that I'd like to stress from our experience with the program is the success of clients who were placed with small to mid-sized local aboriginal businesses working at Suncor. Suncor offered subsidies to these small businesses to take on the students for the work experience part of the program. This arrangement provided the greatest program success rates, and the clients thrived. Local aboriginal businesses understood the challenges the clients were facing. They could provide individualized care and nurturing and a bridge between aboriginal culture and work culture.

Going forward, to increase the relevance and success of ASETS programs and graduates, we would recommend that the programs take a holistic approach, providing academic upgrading, counselling, life skills, goal planning, cultural sensitivity training, and other requirements such as drivers' licences and WHMIS training. ASETS programs should include the student completion of GED or upgrading of high school courses on top of employment and life skills training. The upgrading should reflect requirements of postsecondary training programs. Further to post-secondary training programs, ASETS program holders need to partner with appropriate regional post-secondary institutions to ensure that there's a progressive element to the training. Complementary work experience should leverage aboriginal role models through work placements with aboriginal businesses, or by establishing a mentorship element to the program. Aboriginal youth often cite that they were unaware of possible careers and opportunities. A mentorship aspect could help to address this barrier. Ease of use and access, as cited earlier, must be a key consideration for any such programming.

Suncor's aboriginal relations policy envisions a relationship where those affected by Suncor's operations share in the benefits of development, specifically through business development, training, employment and community investment. Ultimately, we want vibrant, diversified, and sustainable aboriginal communities working together for mutual economic benefit.

The aboriginal skills and employment training strategy helps to bridge the funding gap to ensure that the unemployed and underemployed segment of the aboriginal population can gain the necessary education and skills to participate in the workforce. ASETS is a necessary program for aboriginal peoples and must continue to see federal funding support.

In conclusion, developing and implementing individualized programs are simply not Suncor's areas of expertise. Our experience has shown us that collaboration, partnership with community, educational institutes, and industry will result in the programs with far better success rates. Suncor encourages the Government of Canada to keep ASETS, to improve the programs available, and to create partnerships that will be part of creating equality for aboriginal people in Canada. There are real opportunities in our operating areas. Growth projections and employee demographics all point to a shortage of trained and capable employees in the future, and increased alignment between these programs and the projected employment demands will result in greater opportunities for aboriginal peoples.

Thank you for your time.

• (1000)

The Chair: Thank you very much.

Now we move to the representatives from Noront Resources Ltd. Please proceed for 10 minutes.

Mr. Paul Semple (Chief Operating Officer, Noront Resources Ltd.): Thank you for inviting us today.

My name is Paul Semple. I'm the chief operating officer for Noront Resources. Leanne Hall, our vice-president of human resources, is with me today.

I'll give you a quick overview on Noront. We're an innovative junior mining company that is committed to excellence and aboriginal inclusion in our projects. We believe in responsible development. Our projects right now are located in northwestern Ontario in the Ring of Fire, approximately 700 kilometres north of Thunder Bay, Ontario. We have been involved up there for over seven years and have spent in excess of \$200 million exploring for base metals: nickel, platinum, and copper. We have an advanced project, the Eagle's Nest mine; we're going through the permitting and are in the process of developing it. We expect that project to start construction next year. With completion of construction in early 2018 there's a forecast of an 11-year mine life. With exploration targets we expect the project to go for at least another decade or so.

The capital costs we're talking about for our project are about \$600 million to \$700 million. That is exclusive of infrastructure that would be shared between the local communities. We expect our project would employ 400 direct jobs and about 1,200 indirect jobs during operations and construction.

The Ring of Fire is located in the middle of Nishnawbe Aski Nation. The project is surrounded by 15 first nations communities. The closest non-first nations community is Pickle Lake, which is about 300 kilometres away. Very early on, we recognized that a successful development in this part of the country would require a significant relationship and partnering with the local communities. The communities suffer challenges that are not unique to first nations communities. They are pretty severe in that part of the world where we are dealing with communities with 90% unemployment. We started early on working on a model on how we would engage with the communities and use and integrate them as part of our business development plan. Based on the close proximity and the available labour pool, we saw that this was not only a responsible initiative to development but also good business for us.

Noront is a small, developing company. We have about 26 fulltime employees right now. We have self-identified aboriginals at all levels in our organization from senior officers to labourers in the field. As we grow our project, we've worked on a workforce development study whereby we identified all the jobs we have. We've been looking at what levels of skills and training we need. About 60% to 85% of the jobs are low to middle level and are trainable for our workforce who come from the local labour pool. Another 15% would be mining professionals, accountants, and other professionals, which would be further down the road from first nations capacity building.

One of the programs we looked at early on was that if we were going to be successful in engaging and creating opportunities for the local workforce, we needed to start a training initiative much earlier in the process than after the project was built and then try to create opportunities for people only in the operations. We saw that the construction period is a critical part of training and developing that workforce so we've been pushing training initiatives as early as possible.

• (1005)

In 2009 we started a community industry educational initiative, which we call the Ring of Fire training alliance. That is an agreement that was signed in 2012 among us: Noront Resources, Confederation College, and KKETS, which is the training arm of the Matawa tribal council. The key objective of that was to define sustainable work paths for interested community members. Those might be in the mining industry. We've identified about 127 different professions that are involved in one way or another from accountants to pilots to miners to lawyers to nurses to pilots to teachers, and the list goes on. Under this, we've been working on work assessments. We've gone into the communities. We've assessed more than 330 Matawa First Nations community members, and more than 160 members have completed the first days of their mining essentials and mining readiness program. We're proud to say that there's a graduation rate of 83% from that program.

We've done nine of these programs directly in the community. We're gearing up for the next phase, which deals with training in occupational skills, environmental monitoring, camp support, cooking, underground core, common core, underground drilling, heavy equipment operation, and the trades.

We are integrating the contractors who are involved with us into the program. Those contractors who are not willing to work with us on training initiatives—so that at the end of the day we will have a trained capable workforce—are not high in our procurement priorities. We've entered into partnering agreements with numerous tier-one mining contractors. With regard to where we are and what we can do better, for the duration of the current programs, the SPF funding will be out there only until March 31, 2015, so we see that as a challenge for us. We look at the ongoing training reaching out long into the future and continuing to provide opportunities in our operations and other planned operations in northwestern Ontario. We need some flexibility in the process. There is a huge push to create jobs instantly. At the end of the programs, we obviously would like to do that, but sometimes there are permitting issues and things like that which are out of our control. We can't necessarily create the jobs because we're waiting for permits to go through the process, which takes longer than we expect. That isn't really a failure of the training process; it's a failure and a challenge.

The funding for these programs is challenging. We have been able to secure federal funding of \$5.9 million for this initiative, but we have yet to see any money from the province. Then we get into the question of harmonized integration of programs for training of trades and what should be federal dollars and what should be provincial dollars.

The last thing I would say is that I believe we've taken an innovative approach and an early approach, but doing that has come at a cost of having a lengthy program with a lot of red tape and bureaucracy, maybe because what we're trying to do doesn't quite fit into any box.

• (1010)

It took us three years and 25 revisions to our proposal to get this through and to start the program that we're now seeing the benefits of. With the deadline and the sunset of this program coming, it's a shame to see those efforts wasted. We believe we have the right initiative. We believe we have a successful program. We hope this will get extended and continue to advance a program that's beneficial both to us and to the communities in which we intend to operate.

Thank you.

The Chair: Thank you, Mr. Semple.

Now we'll move on to our first round of questioning. Madam Sims will begin.

Ms. Jinny Jogindera Sims: Thank you very much.

I want to thank both teams for their presentation. My first round of questioning is going to be directed more towards the Suncor representatives.

I was very impressed with your integrated approach to development in the aboriginal areas and the way you have included businesses and have fostered a very diverse growth in the communities, with your very close links on the ground and your very localized type of development. One of the things that we do know and that we hear over and over again is that when we're working at skills development with our aboriginal communities, the closer to home, the better. Also, it can't be aimed only at skills development that can be used for a short term. There has to be a way of doing that ongoing skills development and also fostering other businesses in the community so that there is sustainability long after. I also note that you fully see a critical role for ASETS in order to make a link between the businesses and the unemployed and underemployed, which is very critical. As I mentioned earlier, although you don't mention it, there is a lot of work that will need to be done even during the high school years and in the elementary years as well.

One of the questions I wanted to ask you is, do you provide child care? We've heard about the significant need for that if we want to engage more women. What percentage of women do you have amongst your recruits?

Ms. Heather Kennedy (Vice-President, Government Relations, Business Services, Suncor Energy Inc.): At Suncor, 23% of our workforce is female. Considering the mining and resource nature of our business, that's pretty high. We target a lot of female employees.

We offer child care at our head office in Calgary. We don't offer it at our various sites, but we do, through our community arm, support local child care. In Fort McMurray and Fort McKay, 15 years ago there was a child care crisis in those communities, and we actually were a leader in working with the community—aboriginal and nonaboriginal, in the case of Fort McMurray—to find the right people to provide that child care and to support it.

We think it's far better that those who are experts in something like child care provide it, but we can play a role in funding where required, and, more importantly, in bringing the right people together to make sure it happens. We are very aware of all of the child care availability in all of our operating sites but generally prefer not to provide it ourselves.

Ms. Jinny Jogindera Sims: No, and I think the fact that you support child care in the communities is really important. I would say that your percentage is a great start, but we have a way to go. I'm sure you're working on that as well, because you know that quality child care is one of the primary barriers for women not only in entering the workforce but in then playing a critical role in the workforce on an ongoing basis.

What percentage of your workforce currently is aboriginal? Are they represented in the full spectrum of your different departments? In other words, that's not just at entry-level jobs but all the way up to senior management.

• (1015)

Ms. Mary-Pat Campbell: For Suncor as a total we're just under 3% aboriginal employees through the self-declaration process. Within the oil sands operations in Wood Buffalo, that percentage is actually 4.8%. There's a larger representation within the Wood Buffalo region, the area where we've been operating the longest. As for the management level, the representation is predominantly more in the unionized workforce, but we do have some at the management level. But you're exactly right, in that it starts to get smaller as you go up into the leadership programs, so that is one area of focus for us.

Ms. Jinny Jogindera Sims: Yes, that was my next question. What kinds of plans have you made to foster the aboriginal workers' opportunities to work their way up once they're in the workforce and after you've put them through the skills training? Because once again, I'm looking for equity. In other words, how do we support so that it does happen and it's not just a dream?

Ms. Heather Kennedy: I'd like to first add a little bit to Mary-Pat's response and then answer your question.

Many of you may know that at Suncor, while we have 14,000 employees in Canada, we also have 10,000 to 15,000 contractors who are routinely and regularly hired as part of our operation. To help understand our influence in aboriginal employment in particular, and as it turns out, females in non-traditional roles, we've actually started recently to require all of our contractors to report on that, and we've started to set some targets, currently on apprentices, but we are considering whether we spread that.

So we are looking to make sure that our broader employment influence actually feels.... We understand how many aboriginal people we hire through our entire hiring spectrum, which is close to about 30,000 people.

I would also point out that we actually have a board member who is an aboriginal person, Mel Benson. Many of you may know him. He has been on our board for years and has been very influential and helpful in creating relationships for us and also making us aware of some of the challenges and opportunities.

I think one of the key areas for us-I will actually get to your direct question in just a moment-one of the barriers that we found internally at Suncor to promoting non-traditional people into management was our own employees' perspectives. So we have for the last few years put all of the relevant employees through some aboriginal awareness training, which we think has been very helpful to help them understand some of the cultural norms and some of the individual traits of the aboriginal history, and so on. That was an important barrier for us to remove internally, and when we look at our management programs to promote people through management, we have targeted areas for women and for aboriginal people. So we have programs that monitor who they are and monitor their opportunities, and I think this has been successful. To date we have improved our management presence, both aboriginal and female people, quite a bit. It's a targeted program that we use, but it is based on skill, so it's not gratuitous. We want you to do well. We want you to succeed when you get there. We want you to feel that you add value when you do get there, but we do certainly keep track and create opportunities for you.

The Chair: Thank you.

We go on to Mr. Butt for five minutes.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Thank you very much, Mr. Chair.

Thank you to both sets of witnesses for being here.

I just want to start at the outset by saying that Suncor has a major presence in the city of Mississauga, my home community, and we're very proud of the great corporate citizenship that you've shown. You're great sponsors of many events in our community and have been great corporate citizens. We're delighted to have you here in particular today, and I want to start with a question to Suncor, and then my second question will be for both.

I was quite intrigued by your testimony that you were putting as much if not more emphasis on creating aboriginal entrepreneurs and small businesses that you actually contract to versus hiring of direct employees. I want you to expand a little bit on your strategy of encouraging small businesses that are actually owned, operated, and run by the aboriginal communities where you are operating versus direct hires who will work for Suncor directly. Is there a deliberate strategy in that? Are you looking at certain numbers where you're trying to encourage the entrepreneurial side versus the direct employment side, and what are the positive results of both sides of that?

• (1020)

Ms. Mary-Pat Campbell: I think what you're seeing is actually a symptom of us listening to our communities and listening to what the community members want. I think you'll see, particularly in Fort McKay, a huge level of entrepreneurship. It's really community-driven. The community has wanted to start their own businesses and work independently, and through listening and understanding what the community wants, that's the right partnership for us. We're seeing that again in other communities too. So it's largely taking direction from the community and where their focus is. I think that is probably the biggest driver.

I think the other thing that we're very conscious of at Suncor is that positive and successful outcomes for community members are positive for Suncor, regardless of whether or not they're employees at Suncor. So we know that a community member who chooses a vocation that means he or she won't be directly employed by Suncor usually comes back and influences the community in a positive way. So that's a win for all of us. So that's another aspect, I think, of the entrepreneurship kind of support that we have, because we know it's going to be a win in the community, and therefore it's going to be a win for everybody involved.

Mr. Brad Butt: I have a supplementary question to that. You mentioned that one of the things you were encouraging is for members of the community to operate retail Petro-Canada gas stations, and of course those of us in Ontario are very familiar with Petro-Canada gas stations. Is that as a franchisee? Are they actually running it? Is it their own franchise and then they're running that gas station as part of the Petro-Canada chain? Is this how that works?

Ms. Mary-Pat Campbell: It's more of a franchisee type of arrangement, absolutely, where the first nation is actually a partner in running the gas stations.

Mr. Brad Butt: This will be my last question, because I know I'll be running out of time.

Tell me a little bit about your challenges, and maybe Noront can start first and we'll let Suncor speak as well. Tell me about some of your challenges around the local recruitment of aboriginal people in the communities in which you're operating. Are you having excellent uptake? Are you finding it difficult to recruit locals who want to work for your organization or contract to your organization when you're operating in those communities? Just give me a sense of your success on recruitment and if there are any challenges around that and what you're doing to address them. Maybe Noront can start.

Mr. Paul Semple: Thank you.

I think the interest, especially from the youth, is incredible. Everywhere we go, every community we go into, people are looking at how to get involved, how to capitalize on a development, how to create a career, how to become a professional. We're inundated with those requests.

One of the things we also are doing as a new company is we don't have any fixed rules on what we want to do so we're taking a "let's create businesses rather than create jobs" approach, as well. We're looking at partnering with other companies that are in that space, that have successful joint ventures, and using that for the capacity building that will create not only entry-level jobs, but progression into management levels with companies like ATCO, ABB, and Aecon, these types of contractors.

Maybe Leanne can add something specific on the recruiting.

Ms. Leanne Hall (Vice-President, Human Resources, Noront Resources Ltd.): I think when we look very specifically, we received the SPF funding through our aboriginal partner in August of last year. We went out to the communities and we started recruiting and doing the assessments. There were 330 people who came forward in the first round and we were immediately able to put 160 people into training. I think this is a tremendous success and, as Paul was mentioning before, with an 83% success rate, so community members do want to participate.

Speaking to a subject that's near and dear to my heart, which is increasing the number of women in the natural resources sector, over 28% of those candidates who have gone through the successful training program are women. There are great numbers there and, again, we start at a young age. We start looking at making investments at the age of six into the community. There's a program we engage called Mining Matters. We teach them about the essential elements of rocks, minerals, and mining. So we start from the age of six and we have all these different career progression pieces to allow people to take an interest in the mining sector and business development.

• (1025)

The Chair: Thank you.

We move on to Mr. Cuzner for five minutes.

Mr. Rodger Cuzner: Great. Thanks very much.

If I could, Ms. Campbell, I'll ask a couple of questions and then get out of the way and see how much of the five minutes is left at the end of the round. You mentioned some specific changes to the ASETS program, that you believe would be of great benefit if they were included in the program. I'm going to ask you to identify them.

To Heather, and probably to Noront as well, I thought Cory McPhee was pretty candid in the last group of witnesses when he said some of the older ASETS didn't do a really good job with some of the first nations stuff, and they're better at it now with the new play they've just opened in Sudbury. I know that Suncor has been committed to trying to get it right and continually do better with first nations communities, and we heard that through the Syncrude testimony here as well. So when some of the newer players go into a newer community it's about sharing the range of opportunity that tumbles when you come in to develop a mining play. You guys are way past that now. If anybody doesn't know about the opportunities with Suncor and Syncrude in Fort McMurray, then they've been living on another planet. I guess it's probably a constant reassessment of where you are, but I would think that anybody who's motivated to get involved in the industry and to earn a living from the industry is probably already there.

Is Suncor around 7% aboriginal right now?

Ms. Mary-Pat Campbell: It's 4.8% in the Wood Buffalo region.

Mr. Rodger Cuzner: I'm sorry, I don't know where I got the 7%.

Does it get tougher the further you get into it? If so, how do you readjust your sales?

Ms. Heather Kennedy: I think Fort McMurray is in a unique position, and Suncor isn't alone in our values around addressing the needs of the local aboriginal communities, so we do benefit from that broader perspective. It also creates a challenge in that it can be very competitive. Any company would be here in front of you wanting to discuss some similar goals around making sure they optimize aboriginal employment and that type of thing.

We certainly feel we've had a strong employment history. We've had some very targeted programs over the years to keep that population up. Where I think it's changing now is as we look at our business going forward whether it's at Fort Hills in the mine development or in situ, it really does require some level of postsecondary education. We think the next tranche of very successful employees and contributors is going to come from those aboriginal people who are now taking engineering degrees or technology degrees or getting their 4th class steam ticket.

A lot of our support that we wouldn't have spoken about today is for those institutions and for providing support for those students who want to get their 4th class steam ticket and then get hired at our in situ operation or something along those lines. As our business gets more technical and more complicated, we want that workforce to reflect that, so we now support programs that we might not have 10 or 15 years ago. Athabasca University runs a brilliant program called learning communities that is working—particularly in the Wabasca area right now, but also in northern Alberta with communities—to provide distance post-secondary education. That's a great program that we're considering how to be part of. There's Sunchild e-learning where you can, in a remote community, learn right there in your community and then get ready to go to Keyano College, for example, for a power engineering ticket.

That's where we think the next level is, and that allows us to back to our first question—then start to have more diversity in the professional ranks and the management ranks, which is one of our goals as well. So it is shifting for sure. • (1030)

Ms. Mary-Pat Campbell: To add to that, I think exactly what Noront also touched on is a real focus on the youth. Branching into the high school and to partnerships that are helping to support the youth so they can envision a future in engineering or any of those disciplines as well, partnerships with Indspire, Actua, some of those large institutions that support youth and their learning is a key strategy going forward.

Mr. Rodger Cuzner: And the specifics on the ASETS program?

The Chair: We're over the—

Mr. Rodger Cuzner: I threw that out early, you know, Mr. Chair, so....

Voices: Oh, oh!

Mr. Rodger Cuzner: The committee is looking forward to hearing that.

The Chair: I know you're trying to get in there like an earwig, but....

Mr. Scott Armstrong: If he hadn't talked for three minutes at the beginning, he'd have had time.

The Chair: We'll go to our next questioner, and that's Mr. Carmichael.

Mr. John Carmichael (Don Valley West, CPC): Thank you, Chair.

Thank you to our guests today.

Ms. Campbell, you started to go into an area that I was going to bridge into, and that is the perspective of education. You talked about high school recruiting, you talked about Athabaska, and about some of the programs that bring young people along and encourage them, motivate them, to develop a skill to follow a trade in your industry.

I wonder if you could speak briefly about what you're doing in high school or within the curriculum process to draw young people from K to 12, let's say, but high school into a college education and ultimately into a trade with you.

Ms. Mary-Pat Campbell: I think Heather could probably better speak to some of the programs, such as Careers and RAP, that we're involved in as well.

Ms. Heather Kennedy: Mary-Pat referenced a couple of specific programs. One program that's been very successful in Fort McMurray is RAP, which is the registered apprenticeship program. It's designed for students who get to high school and really find that the traditional academic stream is not for them. They actually come out of grade 12 with their first year of apprenticeship completed and a grade 12 education. They're set up with an employer to then move on to continue their apprenticeship. As with most programs, that is likely not to be directly with Suncor but with a company that supports Suncor.

So that's one program. Another is Careers: the Next Generation. I think that's a very important program in the high schools, which works very hard in Alberta, in northern Alberta particularly, to take kids and get them in the trades. It works with the schools. We're a very strong supporter of that.

One of the interesting things that we find we have to do most in the high schools is actually interest kids in our industry. For some reason, it's not generally the industry of choice for a lot of young Canadians. Indspire particularly has some very good rap—this time I mean the music rap—videos that attract kids to actually start to learn more about mining. I think Noront particularly referred to a program they have as well.

I would say half of it is about educating kids about the opportunities in our industry, because they are unaware of them. The other half is specific programs targeted to getting their foot into the trades program at the same time they're doing their high school education. At our site in Fort McMurray, we'll have high school students doing their apprenticeship sections. They're very carefully supervised, of course, with safety being our primary concern.

Those are two of the key programs that we participate in.

Mr. John Carmichael: Good. Thank you. I'll come back to you in a minute on your aboriginal skills and employment training, if we have time to chat a bit more about that.

To Mr. Semple, you talked about excellence in aboriginal inclusion. Specifically when you talked about the Ring of Fire training alliance, I found that very interesting, the partnership you have created there.

Ms. Hall, you talked about some of the early recruitment success you've had. I wonder if you could just speak to us a little bit about how you go about the recruitment, your early learning on the successes you've had with an 83% graduation rate, and how long you've been at it. I know you're a new company, but maybe you can give us some of your early learning on some of the results.

• (1035)

Ms. Leanne Hall: Fantastic. When we looked at trying to do an integrated alliance type of partnership, we first looked at best practices from around the world and within Canada as far as aboriginal employment engagement was concerned. We were able to look at very good learnings from other organizations, other communities, and other educational partners that have walked in our shoes before. We took that time to develop best practices. We just received the funding. We have a short 15-month delivery, so it's a lot of pressure to deliver the type of training and the amount of training that we're doing in the communities. When we went to the communities and we told them we had these opportunities for them, they've been waiting for three years for these opportunities so they came in waves.

The first program that we required everyone to go through was the mining essentials program. It was created in partnership with the Assembly of First Nations and the Mining Industry Human Resources Council. It's an absolutely tremendous program. It gives an overview of the industry. It gives them a lot of life skills and essential skills. This is where we've graduated the 160 candidates so far from. Now they have a great overview of the industry. They're committed to going to training on a daily basis. They have those skills. And now they can pick the skills training avenues that they would like to proceed in.

Noront believes in the test of workplace essential skills. Unlike other companies, in looking at the challenges we had with education —the majority of our communities are fly-in, fly-out communities with no high school located within the community—we had to look at how we could get people engaged, to be interested in training, how we could stay with them so that they could go to school or work. We've developed our models so that they can benefit by doing any of those types of training. But one of the key things is that we are not going to be requiring a grade 12 minimum education in order to get started in the process. We have to have an opportunity over the next 10 years to develop people's skills and talents. And so one of the small initiatives that we started early on was at the grade 11 level. It was looking at doing 110 hours of mining-specific curriculum. Kids had an opportunity at grade 11 to have specific training in mining.

I'm thinking back to three years at this already. We've done a lot of early engagement, and because of that, we've raised the interest in working in the mining sector. And this is why we're having the tremendous uptake on the aboriginal training alliance today. Again, the time pressure of the amount of training that we need to do in this short time period is enormous, but the community members are completely engaged and thrilled to be involved.

The Chair: Thank you, Ms. Hall.

Now on to Monsieur Brahmi for our last round of questions.

[Translation]

Mr. Tarik Brahmi (Saint-Jean, NDP): Thank you, Mr. Chair.

I will ask the representatives from Suncor Energy my questions in French, but I would also like to hear what our witness from Toronto has to say.

You have described four areas of development. I am interested in the second area, that is developing skills and recruiting people in a way that respects aboriginal culture. I am particularly concerned about failure in school. That has to do with young people in general, but it also affects employers.

We have heard a lot about this issue; you are not the first ones to talk about it. You talked about the essential skills that young people must have when they enter the labour market. Do young aboriginal people face specific obstacles compared to young people who come out of high school and whom you are trying to recruit?

• (1040)

[English]

Ms. Heather Kennedy: In terms of some of the specific barriers we have experienced in the programs we've dealt with, I think the first would be, as you mentioned in your question, not having a grade 12 education, not completing the curriculum.

The second would be that for the schools in some of the more remote communities, their equivalency is lower than we would expect. As a company we're very excited about the new first nation education act that's coming, and we look forward to figuring out how to partner with our local first nations. But we think another area is getting that equivalency, so that when you have a grade 12 diploma from any school, whether it's a remote school or a first nations school or a school in downtown Toronto, it's similar. Another barrier is a simple thing like a driver's licence. If you live in Fort Chipewyan, you don't need one. You come down to Fort McMurray, and you don't have one. How do you get a driver's licence? If you've not had a chequing account or a bank account previously, that's another specific barrier for people coming from remote communities.

The last one is that not all of them even have cell coverage. We have them come to Fort McMurray for the first time and have to experience that BlackBerry device that none of the rest of us can live without.

Those are some of the specific challenges we've experienced that we think are important to work on with the community to overcome.

[Translation]

Mr. Tarik Brahmi: I would like to ask our witnesses from Toronto whether they have to face the fact that the number of high school graduates varies depending on the school and the region they come from. Those who did their high school studies in an aboriginal community have a harder time entering the labour market than those who graduated high school in downtown Toronto. As a result, aboriginal communities have even more significant obstacles to overcome because their high school level has not been adapted to the situation.

Do you have to deal with that problem?

[English]

Mr. Paul Semple: Yes we do. I think it even goes back further than that. We're talking about very remote fly-in communities in isolated parts of northwestern Ontario. Not all of them have high schools, so they have children who are graduating into grade 8 and grade 9, and they have to go to school in Thunder Bay or somewhere else away from their families. It becomes a reluctance. I think in some of our communities the high school graduation rate is around 55% or 50%.

One of the challenges we've done is that we go further down the chain and try to engage the youth at a very young age to give them a reason to identify that they need to stay in school to get the education they need to create careers for themselves. We do that in mining programs. We do that in arts programs. We do that in whatever way we think can help the youth stay in school.

for example, we had a summer camp after one of our mining programs. The principal told us in September, "We don't know what's going on, but last year, on a normal day in October we would have five kids in our classes. This year we have 52." So it's to get the message out that there are career opportunities and opportunities for those who want to put in the work and effort to become educated and become trained. There are opportunities there. We have to get that message in at a very young age in these communities. That's really one of our focuses. Hopefully we will get them to a point where we increase the high school graduation rates.

Also, specific to your question, the equivalency is definitely a problem. So we're getting this from all angles, equivalency plus graduation.

• (1045)

The Chair: Thank you very much.

That ends our questioning for today.

I would just wrap it up with a few closing comments.

What we've heard today is very encouraging in the sense that the corporate responsibility side of the equation is first and foremost with many of your operations. We appreciate that.

The other thing I would highlight is the projection of one of our witnesses from the first panel, who said there would be 400,000 new jobs in the mining sector over the next ten years. The outlook is very optimistic in terms of the partnerships you're forming with first nations and with governments. I think we all have a role to play in this.

Thank you for taking the time today to be with us on our panel of witnesses.

The meeting is adjourned.

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