

HOW TO CREATE EMPLOYMENT OPPORTUNITIES IN A REMOTE MINING AREA OF CANADA

Framework Step:

STEP 3 – Unlocking opportunities for in-country shared value creation

3.1 – Local workforce and supplier development

3.1 B. *What can extractives industries do:*

- Support capacity building for specific job or value chain-related skills, either directly or through joint training programmes/centres.

Additional steps:

STEP 3 – Unlocking opportunities for in-country shared value creation

3.1 – Local workforce and supplier development

3.1 A. *What can host governments do:*

- Develop plans for an inclusive local workforce and supplier participation, focusing on increasing the participation of vulnerable groups, such as women and indigenous peoples.

STEP 3 – Unlocking opportunities for in-country shared value creation

3.1 – Local workforce and supplier development

3.1 C. *Host governments and extractives industries can work together to:*

- Collectively assess the capabilities of the available local workforce and local supply base by occupation and existing skills. Undertake a decomposition analysis of the industry demand for skilled and unskilled workers and suppliers, charting the changing skills profile by type and phases of projects and their locations. Consider strategies to increase participation of vulnerable and historically underrepresented groups, such as women and indigenous peoples.

Tags: *In addition to the Framework step(s) that they fall under, examples will also be tagged by crosscutting issues. Please select all applicable tags.*

- local employment
- local supplier participation and development, including SMEs
- marginalised groups (women, indigenous people)
- skills development and upgrading
- access to credit
- shared infrastructure (transport, water, power)
- technology transfer
- innovation
- economic diversification
- Other: _____

Problem Statement:

Aboriginal peoples living in proximity of mining areas had insufficient skills to work at Vale's

Voisey's Bay mine – at the same time, the mine's remote location made flying in workers prohibitively expensive. These specific circumstances provided incentives to look for win-win solutions for all parties involved.

Parties Involved:

- Vale (Inco)
- Nunasiavut Government
- Innu Nation
- Labrador Metis
- Government of Canada
- Government of Newfoundland and Labrador

Common ground:

Vale had an interest in employing Aboriginal peoples in its mine to fulfil its obligations under Impact and Benefits Agreements as well as reducing costs by having employees who lived in the area, while indigenous communities had an interest in accessing education and employment opportunities.

Actions taken:

In 2002, Vale (then Inco) began planning an open pit mine in Voisey's Bay, Labrador, Canada, in the sub-arctic region of Canada's north-east coast. At the time the nickel deposit was discovered the local Aboriginal communities were represented by three distinct groups – the Nunatsiavut Government, the Innu Nation, and the Labrador Metis. During the environmental assessment process undertaken in the construction/development phase, company representatives visited surrounding communities assessing Aboriginal communities' desire and capacity to pursue employment there. They found that members had limited or non-existent exposure to an industrial working environment and the associated technical and industrial skills necessary to support the construction and operation of a large scale mining activity. Vale signed Impact and Benefits Agreements (IBAs) with the First Nation governments in the region. Both as a result of the IBAs and the economic imperative to reduce the cost of flying employees in and out of the site, Vale needed to employ people from Aboriginal communities in the region.

Prior to the sanction of the Voisey's Bay development, the Government of Canada committed to contribute CAD\$150 million to support the development. Within the overall federal financial commitment, CAD\$25 million was allocated to the Inuit, Innu, Metis Human Resource Strategy (IIMHRDS). The IIMHRDS was an initiative of the Aboriginal Human Resource Development Program which was administered by Human Resource and Skills Development Canada. The Joint Education and Training Authority (JETA) was established as the administrative organisation to manage the IIMHRDS. JETA was a not-for-profit First Nation-controlled organisation which operated at arm's length from Vale and aimed to maximise Aboriginal employment and career progression during construction and operational phases of the Voisey's Bay mine through support of training and other programs designed to maximise job retention and skills development. In addition to funding bringing Innu and Inuit up to grade 12 equivalency, Vale needed programs to train Aboriginal peoples to work at the mine. There was no one program that would meet Vale's needs, so by working with the Aboriginal communities as well as the provincial and federal government, JETA developed concepts for training that satisfied both Vale's needs as well as those of the other stakeholders.

Different stakeholders contributed in different ways to the success of JETA. The federal government of Canada facilitated the process and provided funding support, as noted above. Vale established a team, including employment coordinators in communities, to oversee and employment training and employment commitments. In addition to entry level positions, Vale also created supervisory training positions and extra positions in specific areas to broaden the skills inventory. The

Aboriginal governments collaborated with Vale on a comprehensive skills inventory of residents interested in employment and coordinated secondary and post-secondary resources with JETA to deliver seamless interventions for learners. They also contributed infrastructure for administration, services, classroom and workplace training programs. Finally, the Government of Newfoundland and Labrador provided export vocational training advice and resources.

More than 1,000 Innu and Inuit were trained under JETA to have the skills and knowledge to work in the mine, creating a ready-made workforce when the mine opened in 2005. Although JETA only operated for the pre-construction to post-construction phase of the mine's establishment, it laid the groundwork for the successful employment and career progression of Aboriginal employees. Even once JETA ceased to operate, employees were supported by Vale's human resources department, with their career progress tracked. Career development for aboriginal employees in the operations phase of the project centred primarily around on-the-job training through a structured progression plan for mine and mill operations roles, as well as an apprenticeship program for registered trades (e.g. heavy duty mechanic, millwright, electrician, etc.). Operators brought in at an entry-level were given practical training and worked alongside more experienced operators to build competency in specific work areas and equipment. Progression to higher job levels was done through an assessment process carried out by field trainers. Operators achieving the highest levels in the progression plan were eligible for opportunities as trainers and supervisors. The percentage of Aboriginal employees at the mine peaked at 55 per cent but has declined due to other opportunities available to skilled workers from other natural resource projects in the region. The Voisey's Bay open pit mine is expected to be exhausted by 2020, and the company is expanding the operation underground.

The expanded mine is scheduled to open in 2019 and will need 400 additional employees. People will need a unique skill set to work in the underground facility. Vale is looking at training programs to upskill its current workers, and attract new employees for the construction phase (2016-21) and for the underground operation when it is up and running.

Obstacles:

- Due to the uniqueness of each Aboriginal group, training plans needed be flexible to respond to needs as they were encountered and understood. Culture, socio-economic backgrounds, secondary education levels, work experience, proficiency in English, access to services and the realities of geographic location varied between each group and further between the members within each group. Thus, interventions that worked in some instances for a particular group were inadequate or ineffectual for others.
- The communities involved are in remote locations, spread apart by long distances and poor infrastructure, making consultations logistically challenging.

Enabling factors:

- The 1999 Report on the Proposed Voisey's Bay Mine and Mill Project prepared by the Voisey's Bay Environmental Assessment Panel mandated the negotiation of an Impacts and Benefits Agreement (IBA). Impacts and Benefits Agreements are private contracts between communities and companies. Negotiations between Vale and the aboriginal groups (Innu and Inuit) began in earnest following the release of the Panel report. In 2005, with the passing of the Labrador Inuit Land Claims Agreement Act, title to land was granted to Aboriginal Communities through a negotiated settlement, with give and take on all sides, thereby reconciling the pre-existence of aboriginal groups with the sovereignty of the Crown. This agreement was negotiated in order to promote growth and development of Aboriginal groups. The Voisey's Bay Project was not permitted to commence by the Province until the Voisey's Bay Inuit Impacts and Benefits Agreement was in effect. The Act also stipulates that the Province recognises that Inuit are entitled to preferences with respect to training, employment and contracting opportunities related to the Voisey's Bay Project. These preferences were set out in the Voisey's Bay Inuit Impacts and Benefits Agreement and subsequently incorporated

in provincial legislation to ensure that these provisions are lawful. .

- A strong business case for employing local people due to the remote location of the mine and the costs for flying in workers, and a strong demand for skills and employment from Aboriginal communities, created a truly win-win situation.
- The federal government of Canada committed funding to support the skills development of the Aboriginal communities.
- Substantive stakeholder consultations happened early and often, occurring simultaneously with the environmental assessment process of the mine's development (during the construction/development phase), and happened on a granular community by community level.
- Vale worked with Aboriginal governments to establish a Search and Recognition Process which focused on identifying individuals in the communities who were interested in pursuing training and employment opportunities. This process aimed to search for potential employees, recognise attained skills and training and undocumented skills.
- A considerable amount of effort was directed towards Career Planning for individuals to help them make informed educational decisions and realistic career choices. In addition resources were directed towards Case Management which focused on developing action plans, tracking participants and verifying training and/or work experience.
- Support from all levels of government (Aboriginal, provincial, and federal) to develop a training program that reached national educational standards, the needs of communities, and provided the skills necessary to find work in the mining industry.

Lessons Learned:

- Beyond direct employment in the Voisey's Bay mine, there were also significant opportunities for Innu and Inuit owned businesses to participate as suppliers and contractors in accordance with the Impact and Benefits Agreement. Approximately 80 per cent of Vale's spending on services for the operation (air transportation, security and camp services) is with Aboriginal joint ventures.
- Training and learning is not a static process – as the mine has continued to develop (from open pit to underground), so to have the needs for different skill sets.
- The operations group at the site level has to be the core delivery mechanism for practical delivery of benefits.
- Empowered community involvement is essential. There have to be benefits for all involved, with all parties actively wanting to proceed with a training and workforce development program, and affected communities feeling that their needs are understood and have been taken into account in planning and executing the workforce development program.