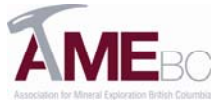


# BC MINERAL EXPLORATION & MINING INDUSTRY HUMAN RESOURCES STRATEGY

## BACKGROUND



## INTRODUCTION

The perfect storm of economic expansion, declining birth rates and ageing of the workforce in many industries across British Columbia has hit the mineral exploration and mining sector hard, just as it is experiencing significant growth. The lack of skilled workers has the real potential to threaten the economic and social contributions made by this sector to B.C.

Canada's mining sector, which is growing at twice the rate of the economy, has forecast a shortfall of 92,000 workers in the next decade. The situation in British Columbia's mineral exploration and mining sector, which includes service and supply companies, is even more acute, with an estimated need for 15,000 additional workers over the same period. The situation is described well in the following quote:

**“One of the challenges facing Teck Cominco is the pending labour shortage. Almost 50% of our labour force is eligible for retirement over the next 10 years.”**

*Donald Lindsay, President and CEO, Teck Cominco Limited*

The mineral exploration and mining sector in British Columbia has experienced a strong resurgence over the past six years with an increase in exploration expenditures soaring from \$29 million in 2001 to \$416 million in 2007. There are more than 700 mineral exploration projects underway and over 30 new mining projects are proposed. This growth rate is expected to continue well into the future as the world's demand for commodities rises to unprecedented levels.

The B.C. mining industry, the safest heavy industry in the province, includes the 20 major operating coal, metal and aggregate mines. The B.C. mineral exploration and mining sector impacts directly, and indirectly, over 100,000 jobs in the province – almost 1 in every 20 jobs. A lack of skilled workers threatens the significant economic contributions from the B.C. mineral exploration and mining sector.

The shortage of skilled workers in the B.C. mineral exploration and mining sector is further exacerbated by the province's strong economic growth, competition from other sectors for workers with similar skills and the under-utilization in the workforce of women, Aboriginal youth, persons with disabilities and immigrants.

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It is clear, that without pre-emptive and concerted action on the labour shortage issue, the B.C. mineral exploration and mining sector will suffer, and correspondingly so too will the B.C. economy.

In response to this urgency, industry leaders established a *BC Mineral Exploration and Mining Industry Labour Shortage Task Force*. The Task Force, with assistance from Service Canada, brought together senior business leaders, union and Aboriginal representatives, industry associations, training and education providers and government agencies.

## PURPOSE AND VISION

The Task Force's purpose is to research, plan and develop a sector-wide human resource and labour force strategy that can be implemented by the industry, government, career information and employment service providers, educational institutions and other training providers.

The vision for this Strategy is:

*A growing, vibrant and safe British Columbia mineral exploration and mining industry, with an engaged and highly skilled workforce, a responsive education and training system and HR strategies and practices to match labour demand.*

With this vision in mind, the HR Task Force developed five long-term human resource goals in the following areas:

- Image and career promotion
- Attraction and recruitment
- Retention and turnover
- Education and training
- Sustainability

## RESEARCH AND FINDINGS

With these goals in mind, the Task Force first reviewed previous research by the Mining Industry Human Resources Council (MiHR) and then commissioned B.C. specific research on labour market demand, supply and training, education and human resource practices. The research of the B.C. mineral exploration and mining sector was conducted by Roslyn Kunin and Associates (RKA).

RKA estimated industry-wide total employment in 2006 to be 16,500 and estimated that there will be 7500 future job openings over the next 5 years (or 15,000 within 10 years).

Based on RKA's labour market survey, the top occupations facing the greatest challenges in recruitment and retention are:

- Geologists
- Mining Engineers
- Heavy Duty Equipment Mechanics
- Accountants
- Electricians (Surface)
- Metallurgical Engineers
- Millwrights
- Maintenance Supervisors
- Chiefs, Managers & Superintendents
- Mechanical Engineers
- Mining Supervisors

# **BC MINERAL EXPLORATION & MINING INDUSTRY HUMAN RESOURCES STRATEGY**

Given that the mineral exploration and mining sector is in direct competition with other industries for workers with similar skills, specific strategies and actions must reflect the fact that the industry, as a whole, faces strong competition from other employers, industries and jurisdictions. Employers have to be increasingly sensitive to the needs and motivations of their multi-generational workforces in this job-seekers market.

## **STRATEGIC ISSUES**

Based on MiHR and RKA research, Task Force information, government reports, data from unions and Aboriginal organizations and analysis by industry associations, the Task Force developed a long-term Human Resources Strategy to address the following issues:

1. A lack of awareness, negative images and stereotypes of the mineral exploration and mining industry held by job-seekers, existing employees, young people and others.
2. Perceived or real undesirable working conditions in parts of the industry.
3. A lack of a coordinated, comprehensive strategy to attract and recruit new workers, including members of the workforce under-represented in the industry.
4. Increasing worker attrition from the ageing of existing workers.
5. Increasing competition with other industries and jurisdictions for potential and existing employees, and under-utilizing potential workers from other industries.
6. No widespread standard mineral exploration and mining industry programming and curriculum at the K-12 level.
7. Workers entering the industry without basic skills and job readiness.
8. A shortage of trained workers in the industry in key operator, trades, technical and professional occupations.
9. Significant training costs as a financial barrier to mineral exploration and mining employers, and lack of incentives and assistance for formal and informal training.
10. The lack of a coordinated and cohesive provincial mineral exploration and mining training delivery system.
11. The need for flexible provincial and federal labour market and training programs, and regulatory requirements.
12. A lack of up-to-date, comprehensive labour market and human resources information on the BC mineral exploration and mining industry labour market.

## **STRATEGIC OUTCOMES**

In light of the urgency for pre-emptive action, the Task Force has developed an HR Strategy that not only benefits the overall strength of the industry, but it also supports the on-going and increased contribution that the BC mineral exploration and mining sector will make to the economy, community, cultural and social health and prosperity of the province.

As a result of industry and government implementing this HR Strategy, British Columbians will benefit from:

- Employment opportunities – almost an estimated 7,500 jobs over the life of this five-year plan, including for displaced forestry workers in some communities
- Tax revenues from increased employment and business activity
- Infrastructure development and economic development for communities in BC
- Economic and employment partnerships with First Nations and Aboriginal peoples

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- Scarce raw and processed materials for BC manufacturing industries
- More economic and social benefits to women, immigrants and other under-represented labour force participants
- Indirect and induced economic benefits for many communities

## STRATEGY BUDGET

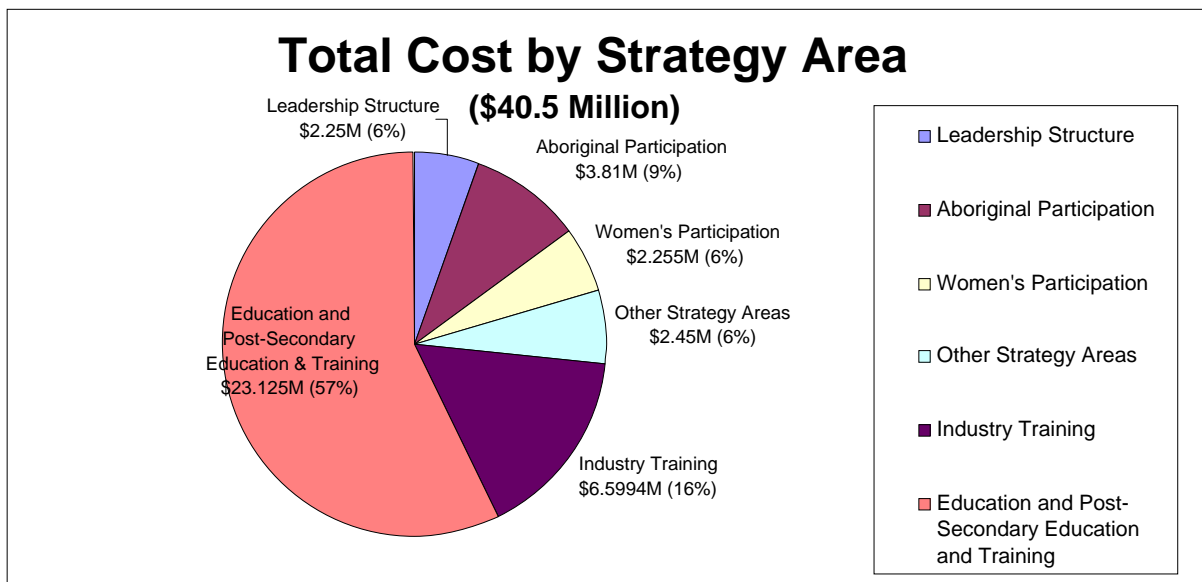
The BC mineral exploration and mining HR Strategy and deliverables will cost an estimated \$40.5 million over the next five years.

The potential main sources of funding for this Strategy will be government and industry contributions. It is recommended that the mineral exploration and mining industry directly contribute an estimated \$10 million, or 23% of the total budget. This cash figure excludes the contribution of on-the-job training during apprenticeships in new and expanded Industry Training programs in the Strategy. It is estimated that industry would contribute a further \$6.6 million in-kind for new and expanded Industry Training spaces.

The areas for industry cash contributions are:

- Education endowment (\$5 million matched with an equal government contribution)
- Purchase of two Trades Mobile Units (\$3.8 million excluding operating costs)
- Industry and company contributions to Aboriginal high school completion incentives
- Exploring Trades and Technologies camps, international and national recruiting missions, career promotion video etc.

Type of expenditure and total costs by strategy areas are in the pie chart below.



# **BC MINERAL EXPLORATION & MINING INDUSTRY HUMAN RESOURCES STRATEGY**

## **LEADERSHIP STRUCTURE AND GOVERNANCE**

In building a comprehensive, long-term Human Resources Strategy, it became apparent to Task Force members that while the Task Force was an effective mechanism in developing the Strategy, something more permanent and operational is needed to lead and manage the implementation of the Strategy.

It is also important that the new structure be industry-driven and governed by a majority of BC mineral exploration and mining industry representatives, including associations and company leaders.

In considering the leadership structure and governance, the Task Force examined a number of existing examples and models, including industry associations, Geoscience BC, national sector councils, particularly MiHR, Industry Training Organizations (ITO) in BC, Australia and New Zealand, and other sector-based HR bodies such as “go2” in the BC tourism industry.

After the Task Force, industry associations and supporting corporations secure seed funding and other resource commitments, the Task Force will create an interim board of directors and Society constitution and bylaws, and a very small, lean organizational staff structure, with a Chief Executive Officer, Administrative Support person, and Project Manager.

The interim board and this group will have a one-year mandate to implement the Leadership Structure and Governance and key aspects of the first year of the Human Resources Strategy. This will include securing project-based funding. Funding of the Leadership Structure will initially be resourced by industry and government seed funding and contributions from other stakeholder groups.

A stakeholder advisory mechanism will provide advice to the Board and CEO, and will be composed of representatives of education and training institutions, and of labour force groups such as Aboriginal communities, women, immigrants and visible minorities, older workers, etc.

## **TIMELINES**

The Task Force has developed a detailed Implementation Plan for the years 2008 to 2012. The timelines for each Strategy and Action are defined for Years 1, 2 and 3. It is expected that this will be a rolling plan that will be updated each year. The approach taken is to plan, develop and execute most if not all programs and projects during the first three years; then expand them and add new strategies as necessary in the following years.

The priority in the first year of the HR Strategy will be to establish a Leadership Structure and to achieve momentum in initiating projects, programs and tools and to begin to achieve first year outputs and outcomes. The first strategies and actions and results that will establish momentum for this Human Resources Strategy and show early success include the following:

- Implementation of the Leadership and Governance Structure, starting small and gradual and expanding as necessary
- Development of an MOU with First Nations and Aboriginal leaders and new Aboriginal partnerships, building on strengths of existing programs and services with AHRDAs and others
- Development of and starting to implement an industry/career branding strategy to position the industry as an industry and employer of choice
- Mobilizing companies and government decision-makers to develop an agreement on an Education Endowment Fund

## **BC MINERAL EXPLORATION & MINING INDUSTRY HUMAN RESOURCES STRATEGY**

- Planning national and international recruiting on a partnership basis among mineral exploration and mining companies
- Development and piloting of new trades programs and expanding high-demand existing apprenticeships
- Working with the post-secondary education sector to develop a plan for expanding post-secondary education programs at the entry, technical, professional and graduate levels
- Building on RKA and MiHR work to develop an on-going capacity for labour market forecasting and labour market intelligence-gathering

"I have been very impressed with the excellent work and commitment that our multi-stakeholder taskforce has demonstrated in the development of a Human Resources Plan for B.C.'s mining industry. The support of our consultants has added significant depth to our results as well. We are confident that there will be widespread support for our recommendations given the importance of the mining industry as an economic driver in B.C. now and into the future.

We look forward to getting on with the job at hand. There's a lot to do!! "  
David Bazowski, Chair