

**Mining Industry Human
Resources Council**
HR Solutions for the Mining Industry

March 23, 2010



MINING INDUSTRY
HUMAN RESOURCES COUNCIL
CONSEIL DES RESSOURCES HUMAINES
DE L'INDUSTRIE MINIÈRE

Overview

- About MiHR – Organization and Priorities
- Riding the Economic Wave – What does it mean for Mining Workforce?
- What are we going to do about it?
 - MiHR Activities in 2010
 - Responsive BC Strategy
- Explore for More!



Presentation to provide an overview of MiHR and it's priorities

Describe the impact of recent economic events on the HR challenges and issues facing the Mining industry

Discuss the new programs and initiatives being undertaken by MiHR



About MiHR

MiHR
RHM

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Mining Industry Human Resources Council

Who we are:

- National Sector Council for the Minerals and Metals Sector
- 18-person Board of Directors
- Over 100 Industry Volunteers
- PPP - Funded by HRSDC and industry

What we do:

- Identify national HR challenges and opportunities for the minerals and metals industry
- Create national solutions through collaboration, partnerships and synergy



Volunteers/Communities of Interest:

Mining Industry Employers

National and Provincial Mining Associations

National Organized Labour Groups

Federal, Provincial and Territorial Governments

Post-Secondary Educational and Technical Institutions

Aboriginal and other interest groups

MiHR Partners

- Industry employers
- National and provincial mining / exploration associations
- National organized labour groups
- Federal, provincial and territorial governments
- Post-secondary education and technical institutions
- Aboriginal and other interest groups



We work for you. We are your Council and are mandate is to help employers identify and address HR and Labour Market Issues.

MiHR Priorities



Attraction, Retention
and Transition (ART)



Skills, Learning and
Mobility (SLM)



Research for Industry
Sustainability (RIS)

MiHR
MIDWESTERN INSTITUTE FOR
HUMAN RESOURCES
RESEARCH



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MiHR Programs



Attraction, Retention and Transition (ART)

- Explore for More Brand & Career toolkit, Careers website for industry
- Virtual MineMentor
- Speakers Bureau
- Guide for Aboriginal Communities
- Mastering Aboriginal Inclusion in Mining
- Mining for Diversity
- Mining in Society
- Get Ready to Mine – Work Readiness program



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- Regardless of the cycle , the demographics don't change – approximately 50 % of the industry set to retire in the next decade
- Skills shortages expected / even intensified given the actions during the recent downturn
- “Make best use of all potential sources of supply” including aboriginal people, women, new Canadians, people with disabilities, youth and older workers
- Understanding the skills, knowledge and abilities needed today and in the future
- Minimize the impact of massive knowledge loss due to retirements
- Address the lack of workplace diversity in mining

MiHR Programs

Canadian Mining Credentials Program

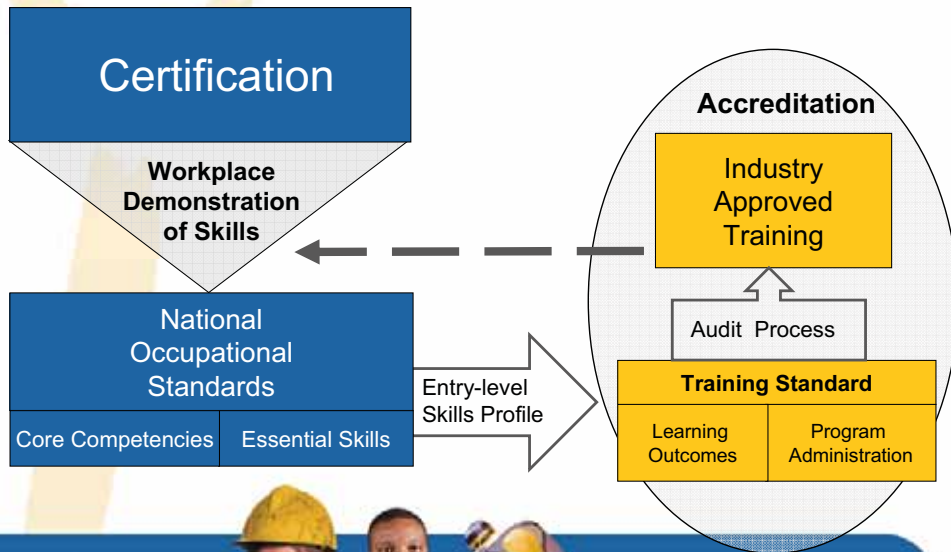
- **National Occupational Standards (NOS)**
 - Underground Miner
 - Surface Miner
 - Mineral Process Operator
 - Additional NOS under development: Diamond Driller, Soft Rock, Workplace Assessor
- **Certification Program**
- **Accreditation System**

Industry-Educational Linkages

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- Need to improve and standardize the training and development system in place for the mining industry
- On average, a miner will work in 7 different mines through their career – no system to recognize skills or facilitate mobility between mines
- Implement the Canadian Mining Credentials Program (CMCP)
- Need greater alignment and responsiveness of training institutions to industry needs

Canadian Mining Credentials Program



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MiHR Programs



Research for Industry Sustainability (RIS)

- Prospecting the Future - Sector Study
- Mining Industry Workforce Information Network (MIWIN) – national study
- Mineral Exploration Sector Study
- Highly Qualified People Study

MiHR
RESEARCH FOR INDUSTRY SUSTAINABILITY



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- Understand and manage the mining cycle more effectively
- Minimize employment volatility
- Reduce the impact of the past downturn (LIFO Strategy)
- Employment is directly linked to commodity prices (88% of variations in employment explained by fluctuations in the CPI)
- Improving decision making through accurate LMI
- Implementing pro-active strategies today to meet the needs of tomorrow



This is what all Sector Councils are striving for.

HRSD measure Sector Councils on 5 criteria:

- 1.Representative
- 2.Responsive
- 3.Connected
- 4.Results-Based
- 5.Administratively Sound

Go as far to say that we are one of the most performing sector councils

However, exemplary is not an end game and we continue to improve to meet the needs of our industry within the limits of our funding

Challenges in the Mining Industry – 2009

- After seven years of strong growth the global price of most commodities collapsed in late 2008
- Many capital projects deferred
- Estimated 32 temporary mine closures, delayed mine expansions
- Approximately 20,000 jobs temporarily lost:
 - 16,000 Extraction & Processing phase
 - 4,000 Mineral Exploration phase



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Signs of Recovery

- Labrador Iron Mines progresses to production in 2010 – 16/09/2009
- Rough Diamond Demand Up, Diavik Winter Shutdown Canceled – 16/09/2009
- Rio Tinto Alcan preparing to restart idled capacity at Vaudreuil alumina refinery – 17/09/2009
- De Beers ramps-up production at Snap Lake and begins training workforce – 03/12/2009
- Western Coal Corp. plans to expand production next year and restart delayed project 29/09/2009
- **MABC – at least 7 advanced development project in construction phases with plans to go into production in the next three years - 02/02/2010**

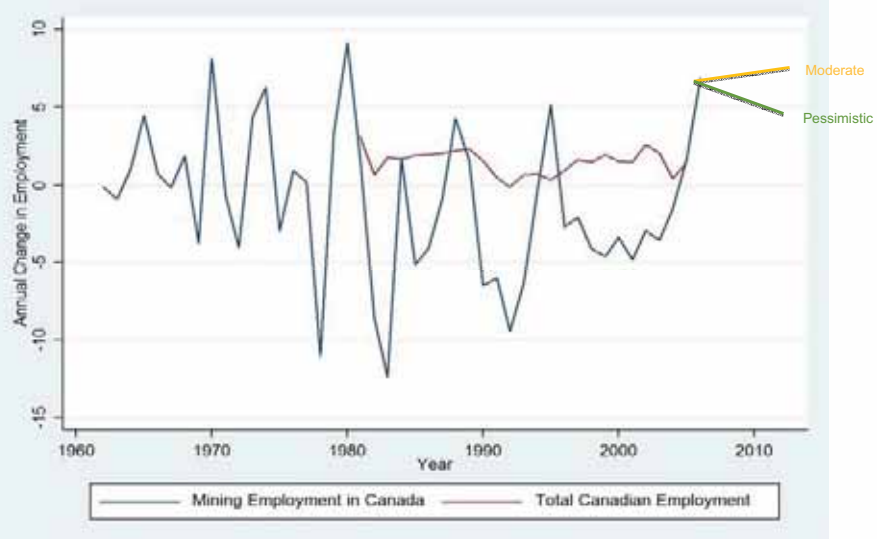


- Price Increases of most minerals and metals
 - Nickel went from \$4 to \$8 in the last year (100%)
 - Copper went from \$1.30 to around \$3.00 (130%)
 - Gold is up about 30% year to year, Zinc and Silver are up around 60%
 - Global demand for Diamonds is up
- Continued strength in gold and some positive announcements in the oil sands
- Middle-class economic growth continues in BRIC countries
- World stimulus spending is working through American, European and Asian economies
- All indicators point to a strong recovery of the sector



Dynamic Labour Market Forecasting

Mining Industry Employment Volatility



National Industry - Moderate Growth Scenario Forecast year - 2009

Year	Total	New Jobs	Replacement Requirements		Total Hiring
	Employment	Growth	Non-Retirement	Retirement	Requirements
2007	145,228	2,350	2,905	2,905	8,160
2008	147,578	2,361	2,952	3,099	8,412
2009	149,939	1,799	2,998	3,149	7,946
2010	151,739	1,669	3,035	3,187	7,890
2011	153,408	1,534	3,069	3,375	7,978
2012	154,942	1,937	3,099	3,409	8,444
2013	156,878	2,353	3,137	4,549	10,040
2014	159,232	2,548	3,184	4,777	10,509
2015	161,779	2,621	3,236	5,015	10,872
2016	164,400	2,663	3,288	5,096	11,048
Total		21,835	30,903	38,561	91,299



In this scenario, labour demand would grow by an average of 1.4% per year and approximately 2,200 new jobs are created annually.

There is an annual hiring requirement of approximately 9,100 workers to meet the requirements for industry growth and to replace those leaving the industry for retirement and other reasons.

Approximately 26 percent of the 2007 workforce will retire by 2016 (around 38,500 workers) – same as the contraction scenario. Non-retirement exit rate remains constant at 2 percent.

Growth	Assumptions	
	Retirement	Other
1.62%	2.00%	2.00%
1.60%	2.10%	2.00%
1.20%	2.10%	2.00%
1.10%	2.10%	2.00%
1.00%	2.20%	2.00%
1.25%	2.20%	2.00%
1.50%	2.90%	2.00%
1.60%	3.00%	2.00%
1.62%	3.10%	2.00%
1.62%	3.10%	2.00%

National Industry - Contraction Scenario Forecast year - 2009

Year	Total	New Jobs	Replacement Requirements		Total Hiring
	Employment	Growth	Non-Retirement	Retirement	Requirements
2007	145,228	2 324	2 905	2 905	8 133
2008	147 552	-1 549	2 951	2 951	4 353
2009	146 002	-3 650	2 920	3 285	2 555
2010	142 352	-3 132	2 847	3 559	3 274
2011	139 221	-2 088	2 785	3 481	4 177
2012	137 132	-1 371	2 743	3 428	4 800
2013	135 761	0	2 715	4 073	6 788
2014	135 761	679	2 715	4 209	7 602
2015	136 440	1 364	2 739	5 185	9 278
2016	137 804	1 378	2 756	5 374	9 509
Total		- 6 046	28 066	38 449	60 469



For NAICS 212, 213 (Exploration, Extraction, Primary Processing (Smelting and Refining) and Mining Support Services

Assumptions:

Almost 12,000 jobs eliminated between 2008 and 2012, then a modest recovery in employment between 2013 and 2016

Approximately 26 percent of the 2007 workforce will retire by 2016 ~ 38,500. Non-retirement exit rate remains constant at 2 percent.

Even with this very pessimistic scenario, there will still be significant hiring requirements between now and 2017.

Assumptions

	Growth	Retirement	Other
2007	1.60%	2.00%	2.00%
2008	-1.05%	2.00%	2.00%
2009	-2.50%	2.25%	2.00%
2010	-2.20%	2.50%	2.00%
2011	-1.50%	2.50%	2.00%
2012	-1.00%	2.50%	2.00%
2013	0.00%	3.00%	2.00%
2014	0.50%	3.10%	2.00%
2015	1.00%	3.80%	2.00%
2016	1.00%	3.90%	2.00%

Industry Contraction Scenario in BC

Year	Total	New jobs	Replacement Requirements		Total Hiring
	Employment	Growth	Non-Retirement	Retirement	Requirements
2008	16450	559	329	329	1217
2009	17009	-255	340	357	442
2010	16754	-503	335	352	184
2011	16252	0	325	341	666
2012	16252	163	325	358	845
2013	16414	246	328	361	936
2014	16660	333	333	483	1150
2015	16993	425	340	510	1275
2016	17418	523	348	540	1411
2017	17941	538	359	556	1453
Total		2029	3363	4187	9579

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Assumptions:

	GROWTH	NON RETIREMENT	RETIREMENT
3.40%	2.0000%	2.0000%	
-1.50%	2.0000%	2.1000%	
-3.00%	2.0000%	2.1000%	
0.00%	2.0000%	2.1000%	
1.00%	2.0000%	2.2000%	
1.50%	2.0000%	2.2000%	
2.00%	2.0000%	2.9000%	
2.50%	2.0000%	3.0000%	
3.00%	2.0000%	3.1000%	
3.00%	2.0000%	3.1000%	

Approximately 800 jobs eliminated over the next 2 years due to industry contraction and temporary site closure. After 2011, there would be a resumption of growth from 1 percent base to about 3 % per year by 2017.

Retirement rate rising slightly from 2 percent per year to 3.1 percent per year, representing an aging workforce. Approximately ¼ of the 2008 workforce will retire by 2017.

Hiring Requirements by Occupation Group

OCCUPATION GROUP	2010	2013	2017
Heavy Machinery Operator	195	957	2983
Trades (Including Apprentices)	144	707	2203
Process/Plant Operator	55	271	843
Support Services	36	175	546
Supervisors, Officers, Foreman, Coordinators	34	166	517
Mine Labourer	32	157	488
Engineers	22	110	344
Haul Truck Drivers	22	110	341
Driller	19	94	293
General Management, Accounting, Hr, Admin	26	128	398
Technologist	11	54	169
Blaster	10	52	161
Project Managers	5	25	77
Metallurgist	5	25	77
Other	5	23	67
TOTAL	621	3054	9579



What's Next - Strategic Initiatives 2010



MiHR Activities 2010

- **Labour Market Information update** - National level MIWIN information survey (to be completed by March)
- **Certifying Workers** - Piloting personnel certification program at 5 – 6 sites in Canada, pan-Canadian roll-out starting in 2011
- **Targeted Pre-Employment Training** – “Get Ready to Mine” Training Program
- **Research** - Highly Qualified People Study, Exploration Sector Study



- Demographics of an industry don't change, regardless of the phase in the commodity/business cycle
- Approx. 50% of the current workforce in mining is over 45
- BRIC Countries shift toward feed-intensive diets (potash), nuclear power (uranium), infrastructure and manufacturing (base metals), middle-class (diamonds, gold)
- Need to continue to develop labour market solutions that support diversity, knowledge transfer, skills recognition & worker mobility
- Mining in Canada is here to stay

Responsive Strategy in BC

- Credentialing project - Occupational Analysis – Provincial Recognition of the NOS and mining occupations
- Multi-media Communications package about the mining industry, careers and opportunities
- Connectivity with Educators/Training Organizations
- Concrete Outreach – youth, aboriginal communities, downsizing industries
- Industry Branding – Explore for More BC



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www.acareerinmining.ca



Through the Explore for More portal Educators, Students, and Industry can access a variety of tools and career resources

We have included informational handouts on the following resources in the conference folders and that they can speak to Barb or Courtney if they are interested in these programs or have any questions.

The Speakers Bureau

An important part of Explore for More campaign involves outreach to the community through the Speakers Bureau.

Industry members can sign-up as speakers on the Bureau. Schools, community groups, etc. go to the Bureau, search through the presenter listings and send presentation requests directly to speakers. Speakers provide tailored presentations for the targeted audience.

Speakers are people who have experience in the mining industry, are passionate about the industry, and are willing to share their enthusiasm and insights with career seekers.

By making presentations in the community (at schools, community and recreation centres, industry organizations, career fairs, etc.) speakers play a vital role in raising awareness about the mining industry, promoting the wealth of career opportunities, and steering interested individuals to appropriate resources.

ASK: If you are interested in booking a Speaker or if you are interested in becoming a speaker we encourage you to visit <http://speakers.acareerinmining.ca/>

Recruitment Tools

Student-on-the-Job Board

- Over 90 Students registered!
- Free to post, free to apply

Register

www.acareerinmining.ca/en/careers/jobboard.asp



Student on the job board is a free online job board – where career seekers can apply for jobs and employers can reach students for summer employment, internships, co-ops, apprenticeships etc.

Employers and Students can register at the above address

Virtual MineMentor Program

Become a Mentor!

<http://minementor.acareerinmining.ca>

Become a Mentee!



Virtual MineMentor Program:

Goal is to decrease attrition rates in mining related programs of study by offering exposure to industry.

The industry loses students to other sectors upon post-secondary graduation because of a lack of contact and link to mining.

The program provides students from post-secondary mining programs with positive, one-on-one, virtual mentoring relationships with exceptional workers from the mining sector.

Students engage in a virtual relationship with a positive role model from the mining sector to have ready access to advice and guidance that will support them in developing employment opportunities in the Canadian mining sector.

For More Information

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