



November 20, 2012

Chuck Hubert
Senior Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
Suite 200, 5102 – 50th Avenue
P.O. Box 938
Yellowknife NT X1A 2N7

Dear Mr. Hubert:

Gahcho Kué Project - Resource Development Scenarios Technical Memorandum

De Beers is pleased to submit ***Testing Resource Development Scenarios to Determine Impacts on the Economy and Labour Force Technical Memorandum*** by Impact Economics. This Technical Memorandum was referenced in response to the Tlicho Government (TG) Technical Report - Recommendation #6 and Yellowknives Dene First Nation (YKDFN) Technical Report Recommendation 13.

In both the TG and YKDFN recommendations, there was a request to the Panel/Board to *"to require the commissioning of an independent economic analysis that evaluates a series of likely scenarios to determine what options would provide maximum benefits for the residents of the Mackenzie Valley".."*

The attached Technical Memorandum clearly shows the project to be relatively small when compared to the existing mining industry, but quite important in its mitigating role against the negative implications from the slowdown and closure of EKATI and Diavik. All three scenarios show this mitigating function. The Project will create 575 full time jobs at its peak in a territory that, by 2014, will not have seen any new and significant private sector investments or any long-term job creation for seven years since the Snap Lake Diamond Mine began its operations in 2008. It is difficult to understand how an additional economic analysis would add value to the process in light of current conditions in the Northwest Territories.

The TG's recommendation to the Panel/Board also included a request that the Panel/Board require the commissioning of an independent labour force study *"to identify the labour force and barriers to this Aboriginal labour force in particular."*

In addition to the Technical Memorandum mentioned above, De Beers wishes to draw attention of the Panel to the fact that significant effort has already been put into an independent labour force study and the development of a Northern Minerals Workforce Development Strategy (NMWDS) in 2012. This work was coordinated by the Mine Training Society in the NWT and was undertaken by an independent contractor. The project was supported by key partners in the minerals sector across the north including governments, communities, training organizations, industry members and others, including De Beers. Attached with this letter is an excerpt entitled ***Northern Minerals Workforce Strategy Section 1.3 Barriers to Northern Employment*** from the report for the purpose of illustrating the work done by the independent contractor to look at the barriers to employment in the northern workforce as part of the labour force study. This is current and well studied.





The Strategy itself is much broader than just looking at the barriers. The primary objective of the strategy is to provide Northerners, who lack the necessary skills, with the required capacity to access, remain in and advance in jobs and careers in the minerals industry through targeted training programs.

If you have any questions, please contact our office.

Regards,

A handwritten signature in black ink, which appears to read "Veronica Chisholm". The signature is fluid and cursive.

Veronica Chisholm
Permitting Manager

Attachment

Northern Minerals Workforce Strategy

Section 1.3 Barriers to Northern Employment

Northerners face substantial, and often generational, barriers to employment. Understanding and addressing these barriers – either through the Northern Minerals Workforce Development Strategy or through other appropriate programs and services – will help to ensure that current and future generations of Northerners have the capacity and skills to participate in the minerals sector. While the NMTOs have begun to address some of these barriers, more work is required to provide the required skills to a large portion of the northern population. New training methods that incorporate a holistic approach must be adopted in order to ensure maximum northern participation in mining and minerals jobs and growth.

Based on the research and consultations conducted in developing the NMWDS, the following critical barriers to employment were identified that must be considered in developing appropriate and targeted capacity building programs:

1. Social Conditions
2. Life, Job and Essential Skills
3. Education and Literacy Skills
4. Technical and Trades Capacity
5. Community Awareness and Engagement
6. Access to Appropriate Training
7. Scope of Training Needs, and
8. Retention and Advancement Issues.

Social Conditions

Social conditions are among the greatest impediments to Northerners being successful in the minerals industry and must be taken into consideration in the development of any capacity building strategy. The purpose of the NMWDS is to develop capacity building programs to enable northerners to access and advance in minerals jobs and careers. Although the strategy has not been specifically designed to address the social conditions impacting Northerners, it can be used as a tool to both affect social policy and to refer individuals to appropriate agencies that can provide assistance with social issues.

The primary social conditions impacting northerners are addictions and mental health issues; housing; child care; and criminal records.

Addictions and Mental Health

Addictions/drug and alcohol abuse is a key factor limiting Northerners ability to be successful in mining and minerals jobs and careers. The rate of addictions in the north is four times the national average.¹ Addictions have a direct and profound impact on the ability of individuals to gain the capacity and skills necessary to access and/or maintain employment over time. Even occasional drug use has a direct impact as employers conduct routine pre-employment testing to ensure that candidates are free of illegal/banned substances.

Addictions issues can be generational. Addictions can lead to Fetal Alcohol Spectrum Disorders (FASD) in children of persons who have used alcohol during pregnancy. FASD limits the capacity of individuals to gain the skills needed for mining jobs. Children of parents or guardians who are addicted and/or abuse drugs and alcohol are also much more prone to become addicts themselves. Children in homes where drugs and alcohol are abused are often required to be self-sufficient in their care and feeding, and must often be self-reliant in attending and succeeding at their education. They are often subject to disruptions in their routines and sleep and have a much greater chance of being witness and/or subject to domestic violence. Northerners also face serious mental health issues that impact on their ability to access and retain employment. For example, the suicide rate in the north is five time higher than in Southern Canada.²

The NMWDS must address the issues of addictions by making it clear that abuse of drugs and alcohol seriously limits employment opportunities in the minerals sector. Through the NMWDS, individuals facing drug and alcohol issues will be referred to appropriate agencies. Mental health issues must also be taken into consideration and addressed to increase retention and advancement rates in the industry. The partners can use the NMWDS as a vehicle for better understanding of drug and alcohol and mental health issues and to lobby governments and agencies to provide the services needed to address these issues in a systematic manner.

Housing and Accommodation

Lack of housing and short-term accommodations were consistently mentioned as a serious impediment to training and capacity building in the north, and have a serious impact on retention of Northerners. The lack of accommodation makes it very difficult for participants to attend training outside of their home communities and for training institutions to make training available.

Lack of housing in communities leads to issues of overcrowding causing stress on employees and their families, both while the employee is away at worksite and while the employee is in the community. These impacts, combined with other social conditions, can result in employees leaving their jobs in order to deal with issues at home.

¹ 2006 NWT Addictions Survey, NWT Bureau of Statistics

² Canadian Mental Health Association

While the NMWDS will not directly address the housing issue, lack of housing must be taken into consideration in the development of training programs. The NMWDS can also be used as a forum to discuss housing issues and influence public housing policies.

Child Care

A key impediment, particularly for women, is the lack of reliable and affordable child care. Many women in northern communities have not entered the minerals workforce, or have left valued and good paying jobs, due to the lack of community based child care.

The nature of mining activities makes it impossible to house child care facilities on site. The partners of the NMWDS must work together to develop effective strategies and resources to address the child care issue, and influence public child care policy, in order to ensure that all Northerners have the opportunity to access mining related jobs and careers.

Criminal Records

A significant proportion of Northerners have been convicted of a crime at some point in their lives. This limits the ability of these Northerners to access employment in two ways. First, many minerals industry employers will not consider candidates with certain criminal records.

Even more limiting, many Northerners who have a criminal record automatically screen themselves out of employment opportunities as they believe that the record will eliminate them from consideration. The NMWDS must be used to address this issue by informing Northerners of the types of criminal records that will eliminate them from consideration, and by assisting eligible Northerners to obtain a pardon whenever possible.

Life, Job and Essential Skills

Life, job and essential skills were identified as critical throughout the consultation process. This was echoed by all groups including Aboriginal, Territorial Governments and Industry representatives. Many Northerners, and particularly Aboriginal Northerners, do not have a long history in the wage economy or the minerals industry.

In many cases, Northerners entering the workforce are the first or second generation wage earners within their families. For many, English is a second language and/or there has been limited exposure to workplace language. While Northerners have developed tremendous traditional and land based skills, many lack exposure to a wage based workplace and have limited familiarity with the rules and expectations of an industrial worksite.

Mining based worksites require life and family skills that allow employees and their families to deal with unique and unfamiliar working conditions. Among these is the fact that employees must be away from their home communities for regular and extended periods of time. For example, in exploration activities, employees may be away from their communities and families for weeks at a time. Employees at

operating mines must be away from their communities and families on a regular basis for two or three weeks at a time. Time away from the community can cause considerable stress for employees and their families and lead to family break-ups or employees leaving their jobs and careers in order to deal with family issues. Many Northerners lack experience with work/life conditions such as money management, banking and savings, and establishing long-term financial plans.

A significant portion of the northern workforce also does not have basic job skills due to a lack of exposure to industrial workplaces. Job skills include an understanding of the need for regular attendance and punctuality, the need to be fit for work and more specific job skills such as safety training, first aid and a general understanding of job site rules and expectations.

Representatives from all partners clearly stated that essential skills are also critical in order for Northerners to access and be successful in employment opportunities. Key essential skills for the minerals industry include workplace reading, writing and numeracy skills; basic computer skills; problem solving skills; oral communications skills; and the ability to work with others and take direction.

Employees and their families must be provided with the life skills, supports and coping mechanisms to deal with the wage economy and the unique circumstances of the minerals industry. Employees must also be provided with the required job and essential skills to access, and be successful in, the workplace.

Education and Literacy Levels

Both educational enrolment and graduation rates are on the rise in the north. While this is highly encouraging for the future, the fact is that the three territories have among the lowest education, graduation and literacy rates in the country. Many Northerners lack the literacy and numeracy skills required for positions in the minerals industry. The lack of education combined with low literacy and numeracy rates has had a tremendous impact on the ability of Northerners to access jobs at all levels. It is very difficult for those who lack these capabilities to gain basic employment skills. Many have experienced failure within the traditional education system and may be reluctant to resume their education and training.

It is critical to develop training programs that meet the needs of adult learners with limited education and workplace literacy skills and whose first language is not English. However, this strategy cannot be used as a substitute for Adult Basic Education (ABE), upgrading or other education-based programming. Individuals who require ABE, upgrading or other educational programming must be identified and referred to the appropriate agency such as the respective Territorial College.

Technical and Trades Capacity

Approximately 75% of jobs and careers in the minerals sector are technical and trades related positions. These positions are highly valued and well paying, and can lead to supervisory or management level careers. Through the consultation process it was identified that many Northerners have technical capability to be successful in these positions, but lack the education and literacy skills required for the academic portion of the training.

It is essential to provide more Northerners with the capacity to be successful and advance in technical and trades positions. A primary focus of the NMWDS is to assist Northerners to gain the technical and trades training and skills required for these positions.

Community Awareness and Engagement

A continuing impediment to employment is the lack of community awareness and engagement in the minerals. Many Northerners, especially in smaller communities, are not aware of the number or range of opportunities available in the mining industry. In particular, school aged students and youth must be made aware of the career possibilities, and the education and training necessary, to enter and advance in the mining sector.

A key element of the NMWDS is to provide orientation and information to communities on the opportunities, benefits and issues of employment in the minerals industry. A primary focus must be on reaching students and youth who are, or soon will be, entering the labour market.

Access to Training

Access to appropriate and applicable training is a key issue for many Northerners. The remote nature of northern communities seriously limits access to training facilities and job specific skills development programs. Due to strong community and familial ties, many Northerners do not have either the resources or the ability to attend education or training institutions outside their home communities for extended periods of time.

Northerners often find it very challenging to attend education and training programs in other parts of Canada. There are tremendous cultural differences that make attending a training program in southern Canada very difficult, particularly in large urban centres. Northerners who find themselves in unfamiliar situations without access to their community support systems often find it very difficult to acclimatize themselves to their new environment, let alone trying to acquire new skills.

Industrial training programs offered in southern Canada often do not meet the specific needs of the northern mining industry. One employer stated that the training that had been provided to participants in the south was of little value as the equipment they had been trained on did not match the equipment used on site. As a result, the employer had to retrain all of the participants which resulted in wasted time, equipment use and resources.

It has been demonstrated that the most effective forms of training occur as close as possible to the participants' home communities and that are culturally appropriate and respectful. Wherever possible, training programs should mirror real-life work rotations to provide participants with an understanding of "mining life" combined with the opportunity to return to their communities and families on a regular basis.

A key element to successful training is to contract local trainers that participants can easily relate to, and ideally, that speak the participants' first language. Training programs in Nunavut have demonstrated a very high rate of success when Inuit trainers have been part of the training delivery. Train the local trainer programs are therefore seen as very important to the overall success of the strategy.

Scope of Training Needs

Previous minerals capacity development strategies focused on the jobs and skills needed for operating mines. While this continues to be a primary component of the NNWDS, the strategy must be designed to provide training in all aspects of the mining industry. In addition to training for operating mines, programs must be developed for all stages of the mining cycle including community engagement, exploration, licensing and permitting, development and construction, operations and reclamation and remediation.

For example, community engagement is a pivotal component of all stages of mining including mine development, operations and reclamation. There was record mining exploration activity in the Yukon over the previous year and there continues to be extensive exploration in both Nunavut and the NWT. Many of the current mines in the Northwest Territories are nearing the end of the operations phase and will be entering the remediation and reclamation phases in the foreseeable future. There are various other mines, such as the Giant and Con Mines in the NWT, that are already in the reclamation phase. Each of these areas offer a variety of jobs and career opportunities that must be included in the strategy.

Retention and Advancement Issues

While previous capacity building programs have been very successful at providing the training and skills needed to obtain jobs, they have been less successful at improving northern retention and advancement rates.

The NMWDS must therefore include programs aimed at retaining Northerners in their positions and providing opportunities for advancement. These programs must focus on providing both culturally and academically appropriate programs and in providing opportunities for supervisors to have a better understanding of, and relationship with, the northern workforce.