

**Hebron Public Review Commission**  
Hebron Development Application

**Record of Proceedings**

Public Review Sessions, Day 6:  
Development Plan and Benefits Plan Session

29 November 2011

Holiday Inn  
St. John's, Newfoundland and Labrador

## **Public Review Commission**

Commissioner: Mr. Miller Ayre

Official Clerk: Ed Foran

## **Proponent:** **ExxonMobil Canada Properties**

Senior Project Manager for Hebron Project &  
Vice-President of ExxonMobil Canada Limited: Geoff Parker

Hebron Project Technical Manager: Dave McCurdy

# **Public Sessions, Day 6**

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## COMMISSIONERS OPENING REMARKS

**COMMISSIONER (Miller Ayre):** Good morning, everybody, class. I will say good morning to the pillar, too. This pillar is a big part of everyone's life here, and it seldom gets mentioned, so I would like to mention the pillar. (Laughter all around).

My name is Miller Ayre. On June 24th, I was appointed as the Commissioner of the Hebron Public Review. I have a business background in publishing and retail, and, among other things, have served as Chair of the Canadian Chamber of Commerce, a Member of the Institute for Research and Public Policy, and I'm currently National Vice-Chair of the Canadian Forces Liaison Council.

This is the first session of the Hebron Public Review. Sorry, I am reading this. This is a session .... Can someone tell me which number this is?

**SHANNON LEWIS-SIMPSON:** The 6<sup>th</sup>.

**COMMISSIONER (Miller Ayre):** Sixth. This is the sixth session of the Hebron Public Review. It is good to see an interest in this session, and we have had considerable interest as we were in Marystown and Clarendville as well.

I would like to take some time this morning to discuss the Public Review Process - which we have followed so far - our purpose for these sessions and the procedures to be followed and my expectations concerning these next three weeks.

### Process

I have been appointed by the Canada-Newfoundland and Labrador Petroleum Board, pursuant to Section 44 of the Accord Act, to conduct a comprehensive review of the Hebron Project Application to include considerations of the following: human safety and environmental protection incorporated into the proposed design and operation of the project; the general approach to the proposed and potential development, and exploitation of the petroleum resources within the Hebron Significant Discovery Area; the resulting benefits that are expected to accrue to the Province of Newfoundland and Labrador and to Canada, having particular regard to the requirements for a Canada-Newfoundland and Labrador Benefits Plan, and a consideration to the matters dealt with in the Development Plan Guidelines and the Benefit Plans Guidelines.

Specific topics have been excluded: questions of energy, policy, jurisdiction, the fiscal or royalty regime of the governments, the division of revenues between the Government of Canada and the Government of Newfoundland and Labrador, or matters which go beyond the potential or proposed development of the Hebron Significant Discovery Area.

The C-NLOPB conducted a completeness review of the Development Application sent to them by ExxonMobil, the Operator, on April the 15th, 2011, including the Development Application Summary, the Development Plan, Socio-Economic Impact Statement, and Sustainable Development Report, and supporting documents.

A Benefits Plan is also part of this Development Application, and this was submitted to the Board on May the 10th, 2011. The Board deemed that the Application was in compliance with regulations and forwarded the documents to me for public review on August the 25th, 2011. I have 180 days from August the 25th till the time that my final report must be written and submitted to both Federal and Provincial Ministers of Natural Resources and to the Board.

Following the Review Guidelines and our Operational Procedures, including appropriate notice periods, I requested public input during two stages of the review process: during the additional information review, which is now completed; and during the Public Review sessions.

On September the 30th, I submitted a request for additional information to the Operator, ExxonMobil Canada, taking into account questions asked from the public and from the Commission. After careful consideration, the information received two weeks later from ExxonMobil, was deemed to be satisfactory and ExxonMobil provided enough information and clarification to proceed with the Public Review sessions.

On October the 21st, I gave notice that the Public Review Sessions, on the merits of the Hebron Development Application, would commence today. Or sorry, not today, commenced 21st of November.

These Public Sessions scheduled for the next three weeks are designed to hear directly from you, members of the public, and for you to interact with ExxonMobil. The sessions also give ExxonMobil the opportunity to explain the project to the public. Individuals and groups will present their views at the sessions as scheduled. All questions will be directed through me. As Commissioner, I can also ask questions as issues arrive.

The atmosphere for these sessions will be less formal than a courtroom but there will be informality with regard to the way we interact; and what we ask for is courtesy between all groups.

We are following the process laid down in our Operational Procedures which are based on Chapter 6 of the C-NLOPB Development Plan Guidelines, my Terms of Reference and the mandate.

I will open each day with a brief statement - not so brief it turns out, right (laughter) - on Procedures and Process. ExxonMobil will then give an address on the project. They will

discuss this in keeping with the themes of the day. There will be an opportunity after their presentation for any outstanding questions arising from previous day sessions. After a coffee break, we'll return and hear from the scheduled presenters.

Each presentation should normally take 15 minutes but many of our speakers have asked for extra time in advance, and, where possible, this has been granted. Each presentation will be followed by a Question and Answer period. I would ask that all speakers respect the time allotted to you. My intent is to keep the public schedule as best we can. There will be a box with three lights on the speaker's podium: green to go, yellow giving you a five-minute warning, and a flashing red light indicating it's time to conclude.

During the session members of the media may be present. I would ask that the media, using audio and video equipment, limit themselves and taping to designated areas within the room, and be especially careful not to be disruptive to any presenters; especially those who may not be used to public presentations. Should I determine that presenters are being inhibited by media presence, I may have to restrict the movements and we'll make some other arrangements.

Each session is being taped and transcriptions of these sessions will be prepared. Speakers are reminded to please identify themselves by name and organization for the benefit of the transcriptionist. Do this when they first speak, and subsequent times; unless it is likely the transcriptionist might know their voice.

Unofficial transcripts of the sessions will be provided typically on a 72-hour delay, posted on our website, and will contain a disclaimer stating that they are unofficial transcripts. When the transcripts have been reviewed by the Commission for errors or omissions or blanks that sometimes occur in these things when a transcriptionist has difficulty, we will provide, after that, an official transcript.

Before starting the sessions, I would like to introduce you to my team: Ed Foran, the Project Manager, is also the Official Clerk for these sessions; Shannon Lewis-Simpson is our Communications Manager, and she will be liaising with you and all presenters; Claudine Murray is our Office Manager who will be administer all documents. If you have documents to submit, you may submit them to her. Sitting between our two Commission staff is a Commissioner advisor, Luc Chabot, who we have engaged to assist us with engineering issues.

It is, at least, a tradition with ExxonMobil and one that we also share and that is we like to take a safety moment at the beginning of sessions just to let you know where the exits are. Two of them are in the back of the room. Either exit will do. This one is closer to the doors that you're familiar with. And you proceed through them if warning comes to do so, or if loud clanging bells get your attention.

So if there are no questions for me based on these procedures, I would turn the floor over to

Geoff Parker to introduce the ExxonMobil team and to make Exxon's presentation.

## **PROPONENT'S PRESENTATION**

**GEOFF PARKER:** Thank you, Commissioner and good morning. First, on behalf of the entire Hebron team I would like to thank you for the opportunity today and in the coming days to talk about the Hebron Project. We're very proud of the project and the work that has been done to date.

During the sessions we'll talk about our fundamental commitments to safety and protecting the environment, as well as our general approach to the proposed and potential development of the petroleum resources within the Hebron Significant Discovery Area. We will outline the framework that ExxonMobil has created to put these commitments into action. That framework is called the Operations Integrity Management System, or OIMS for short. OIMS is a structured and rigorous approach to identifying hazards and managing risks.

We'll also cover the tremendous benefits that the Hebron Project represents for the people of this province and the entire country, and we'll explain how the project will meet the requirements of the Benefits Plan.

But before we get into all of that, I'd like to give you a little background on myself and my colleague joining me at the table, Dave McCurdy. I'm Geoff Parker and I'm the Senior Project Manager for the Hebron Project and Vice-President of ExxonMobil Canada Limited. I'm an engineering graduate of the University of Western Australia, and I've been with ExxonMobil for more than 20 years. During that time, I've worked on gravity base structure projects in Australia, Western Europe and Russia.

Dave McCurdy is Hebron Project's Technical Manager. He's a Mechanical Engineer who has spent nearly 30 years working in the international oil and gas industry with ExxonMobil. Dave has lived and worked in the United States, Canada and Italy, and has been with the Hebron Project since early 2009.

A lot of work has been undertaken and substantial progress has been made since the Hebron Agreements were signed by the province and the Hebron co-venturers three years ago. You can see the names of our co-venturers listed on the slide. They are Chevron, Suncor, Statoil and Nalcor, and we're very pleased to be working with these companies who share our commitment to responsible development.

Our Development Application, which we submitted earlier this year, lays out our plans for the life of the project. We are confident that we have a strong project. Our plans for engineering, construction and operations are being developed to ensure the safety of everyone involved in the project. We've conducted a detailed Environmental Impact

Assessment which included significant consultation with external stakeholders through the Comprehensive Study Report process. We have worked diligently to ensure that our project is having a positive socio-economic impact.

The Hebron Project Development Application has been assessed by the Board and deemed to be complete for the purposes of this Public Review. That scrutiny will continue during the Review Process and during the remaining regulatory process.

The Project Application has been shaped to a significant degree by the input received from a number of parties. The project team consulted with the supply community, post-secondary institutions, municipalities, Provincial and Federal Government officials, the Offshore Petroleum Board, as well as local organizations and other interested parties during the extensive public consultation that led to the filing of the Development Application.

The Hebron Project has a number of direct benefits for the people of this province. First and foremost, it will provide meaningful jobs and careers for Newfoundlanders and Labradorians; diverse jobs for a diverse workforce.

Furthermore, our investments, combined with the province's equity in the project, plus the royalties and taxes generated from the operation, will help fund provincial infrastructure, social programs, research and development, education and training, and services for decades to come. And it's very important to recognize that the Hebron Project will offset projected declines in oil production offshore Newfoundland and Labrador, and will help meet global energy demand for many years into the future.

During this Review Process, we should keep in mind that the Hebron Project is in the defining stage. That occurs prior to detailed engineering and detailed execution planning. And while all details have not been developed at this stage, we can confirm that the engineering and execution plans will be consistent with the Regulations, Development Application and Benefits Agreement.

Commissioner, I'm here today with members of the project team to walk through our plans and answer your questions, as well as the questions from other interested parties.

This project is an important one for everyone in the room. If the Development Application is approved and the co-venturers sanction the project, it will benefit virtually everyone in the province.

Now, I will provide a Summary of our Development Application starting by outlining the commitments that underpin our plans for development of this world-scale resource.

### **Summary of Development Application**

We frame our commitments in terms of successfully delivering the Hebron Project, and while doing that we will achieve world-class levels of safety, security, health and environmental performance. We will be providing substantial benefits to Newfoundland and Labrador. We will be building and strengthening relationships with the Newfoundland and Labrador community, and we will be creating an offshore platform that will operate safely and reliably.

The Development Application, itself, consists of two primary documents: the Development Plan and the Benefits Plan. Then, there are several supporting documents: the Concept Safety Analysis, the Socio-Economic Impact Statement, the Comprehensive Study Report and the Development Application Summary. All of those documents are available on the Board's website. The Development Application Summary provides more like an executive summary for those we don't want to read all of the documents.

I'll talk briefly about these documents today. Safety is a core value for ExxonMobil and its co-venturers. It is very important to us that everybody who comes to work on the project goes home at the end of the day in the same healthy condition they were in at the beginning of the day. We have already begun programs towards that end in both our engineering offices and at the construction site where we've started work. We have these programs where we've been working with the local community here, the local contractors, holding safety forums where we can share some of our experience from our worldwide sites where we been managing safety, and they can share some of the challenges and initiatives here from within the province towards a safe workplace. Our ultimate objective is "*nobody gets hurt*". And the partnership that we've begun with the local contractors, we've been very pleased with the enthusiasm that they have shown, and we really look forward to having some very safe construction sites here in the province.

But safety is not just about construction safety, we also have to make sure that we are designing a offshore platform. One of the first steps in that is the Concept Safety Analysis which is one of the documents in the Development Application. The Concept Safety Analysis identifies major hazards associated with the Hebron facility, taking into account the basic design concepts, the layout and the intended operations. So this is done way back at the conceptual design stage. We assess the risks to personnel and the environment that result from those hazards, and then those risks are addressed during the detail design phase. So you can think about the Concept safety Analysis as being the first step in a structured process for risk management that will continue throughout the engineering, operations and construction phases.

As well as doing the Concept Safety Analysis, we also undertake work to make sure the platform can resist the environmental forces on it. So here you could see an example of the scale model of the GBS in the wave basin, here in St. John's, where that's undergoing testing to determine the wave loads on the platform; then the platform can be designed to resist those

wave loads.

The Development Application also describes the petroleum resource and the offshore platform facility. Firstly, the petroleum resource was discovered in 1980, and then further exploration, in 1999, discovered Pool 1, which is the largest of the five pools. Pool 1 is a heavy crude oil which makes it a bit different to, say, the Hibernia field which has a lighter oil. In the five pools, we estimate recovery of between 660 million barrels of oil and over a billion barrels of oil.

The platform facility concept that we have developed is what we call a single shaft GBS. Now the platform consists of the GBS, the gravity-based substructure, which is the piece under the water, mainly concrete, and then the topsides, which is the piece above water which contains the drilling and production facilities. The GBS shaft contains 52 well slots through which the wells are drilled, and the base contains 1.2 million barrels of oil storage.

The topsides facilities are sized for 150,000 barrels a day of oil production, and they also include a large amount of water injection. Because of that heavy crude oil that I mentioned before, we need to have water injection to maintain the pressure in the reservoir so that that heavy oil can flow.

This slide provides an overview of the construction plan for the platform. On the left-hand side, in yellow, you can see the various modules which make up the topsides facilities. The modules are Utilities and Process Module, a Living Quarters Module, Drilling Support Module, Drilling Equipment Module and a Flare Boom Module. So those pieces are all fabricated and then they come together at the Bull Arm integration site where they are joined together to form what we call an integrated deck. So that's the topsides piece.

At the same time as that construction is ongoing, we are building the GBS. The base of the GBS is formed in the dry dock at the Bull Arm construction site and then it is floated around the corner in the Great Mosquito Cove where we call the deepwater site. And the GBS is completed, while it's floating, and, then, once the concrete structure is complete, that integrated deck that we had formed over here is floated over on top to form the complete Hebron platform. So that complete platform is then towed out to the Hebron field where it is set down on the seabed. It sits there under its own weight; that's why it's called a gravity-based structure. Pipelines then connect to the offloading system from where the oil can be exported via tankers.

So it looks very simple when we show it on one slide, but, believe me, this really is a large, world-scale complex project.

This slide shows the overall time line for the project where we commence the front-end engineering and design, or FEED, last year, and that is now drawing to a close. Earlier this

year, we filed the Development Application, as the Commissioner said. We have already started preparatory site works at the Bull Arm construction site to get ready for construction of the GBS. The Comprehensive Study Report or the Environmental Impact Assessment, that is being under review and we will be expecting approval of that by the end of this year. Next year we'll be commencing the detail design of the topsides and the GBS. We'll be expecting approval of the Development Application, followed by project sanction by the co-venturers, moving through to commence GBS construction toward the end of next year, and then topsides fabrication in 2013. We then continue the construction of the GBS and the topsides, as I showed on the previous slide, where they come back together in 2016 for the hookup and commissioning, forming the integrated deck and the complete platform, moving on to our target first oil in 2017.

The Development Application also describes our approach to benefits, and it covers both the development and the operations phases. By the development phase, I mean the engineering and construction phase, which is the one that we've entered now. So that phase is more like, say, five years and then the ongoing operations will go for more than 30 years. So we really do have a focus on long-term sustainable industrial benefits so that we can leave a lasting legacy in the province. We would like to further advance the development of industry in the province, utilize and build on the capability from previous offshore projects.

To that end, we've had extensive ongoing consultations to shape our benefits efforts. Those consultations have been with the supply community and many other organizations. The Benefits Plan does address the Atlantic Accord Acts and the Benefits Agreement, and the Benefits Plan does address the measurable commitments made in the Benefits Agreement.

The Benefits Plan has several key areas that it addresses. It addresses project management, which describes the organization for the overall delivery of benefits. It talks about our supplier development initiatives, including information sessions and other activities to help the business community understand our requirements for safety, quality, our procurement procedures. It includes our procurement and contracting, our efforts to provide full and fair opportunities for local businesses and Canadian businesses. It talks about education and training, where we've already commenced several initiatives in that regard. You can see photographs there of some process labs that we have opened at The College of North Atlantic. They are there to help train future operators of the offshore platform. Research and development: We've already commenced several initiatives, really, to develop some of the needed technology for the industry. And then the Benefits Plan also covers our diversity efforts. And you can see some photographs there from some of the scholarships what we have been awarding around diversity. And I will talk more about that.

The Benefits Plan items you can see there, one of the things I really like about them is many of them make great business sense. If you take education and training, from a business point of view we do need to expand the workforce for both the project and the ongoing operations.

We need to develop a qualified workforce.

Research and development: if we can come up better ways to develop the offshore resources then that's in everybody's interest. So, I think some more cost-effective engineering solutions could come out of some of the research and development efforts.

And then diversity. It's really in our interests to want to expand the pool of qualified candidates, and to do that we can draw on some of the underutilized sectors in the workforce. And then we get the other benefits that diverse teams have been shown to be higher performing teams.

And so our diversity efforts within the Benefits Plan, we frame those in terms of four pillars. We have the pillar on the left is skills development; then we talk about recruitment of qualified candidates. So the skills development provides us the pool of qualified candidates; then we endeavor to recruit those qualified candidates; then we want to perform a supportive work environment to retain those qualified candidates. And then, as part of all of this to manage it, we do monitoring and reporting and get to check the results of all of those efforts.

And under these four pillars we've already commenced many initiatives. Under skills development, we've awarded scholarships to both College of North Atlantic and Memorial University based on diversity. We have formed a pilot program with The Association for New Canadians. I have mentioned that yesterday, in terms of language training, specifically targeted to oil industry language.

We've provided research grants to Memorial University and College of North Atlantic, and they will be for diverse researchers but also for researchers into diversity.

And then, we've also talked about our Techsploration and girls exploring trades and technology initiatives where we've teamed with WRDC for those. And I will show you some photos of that in a minute.

In the recruitment side, we're trying to engage in many organizations to advertise jobs so we really get out to as many people as possible to understand what opportunities we have. We have sponsored conferences and we've been doing a lot of outreach and education regarding industry opportunities. On the supportive work environment, some of the examples of that: each month we hold a senior management diversity steering committee, chaired by our president, Meg O'Neil, and then we do have a full suite of programs to support the work life balance which is becoming more and more important to be able to retain employees.

And then monitoring and reporting, we do statistical analysis of the workforce availability for the designated groups, and we do cascade our requirements down to our prime contractors.

So, the diversity plan really does address the federal and provincial regulations. It does address the Benefits Agreement, but it is really consistent with our overall corporate driver's policies and guidelines. I think what we're trying to do is to utilize our proven corporate guidelines and practices. Those practices have been shown to be successful in many of our projects and operations all around the world.

Environmental management is also covered by the Development Application. That is implemented through systems, policies, processes and tools consistent with ExxonMobil's Operations Integrity Management System that I mentioned earlier. It is based on sound science and a life cycle approach. By a life cycle approach, I mean we start the environmental management activities and assessments back at the initial planning stage, take them through concept selection, through the design, through the construction, the operations, and, ultimately, decommissioning of the platform. We want to actively manage environmental risks and focus on continuous improvement. So we use a structured approach and we start early.

Another piece I would like to highlight is our community investment program. Many of our project team are from Newfoundland and Labrador, and others will be living here for several years. So we see it as important to support the communities in which we live and work. And so these photographs provide a few snapshots of some of the initiatives that we've had. I mentioned the Techsploration program. Where we have in the top left, we have girls from schools in the Bull Arm area, where we sponsored them in the Techsploration program, but, then, we also provided role models so they could learn what a career in science and technology is all about.

In the top right, we have students from the Dunne Academy Robotics Team. They won the provincial competition for robotics and we sponsored them to attend the international competition in St. Louis.

We also support the arts, and this is the Newman Sound Men's Choir where we sponsored their debut CD, and pleased to say they did win Classical Artist of the Year at MusicNL.

And then, ExxonMobil and the Hebron Project team are big supporters of the United Way program. And we support that in terms of funding, we support that in terms of donations from the project team members, and, even more importantly, time, volunteer time from the project team members. And so that's a photograph of one of the United Way Days of Caring where we went out and did clean-up activities in the Mount Pearl and St. John's area.

So I think supporting the communities in which we live and work is something that really makes us feel very good as we're doing a project and getting involved with the community.

So I will close by just reiterating our commitments. Remember the end of the day we are

here to successfully deliver the Hebron Project. While doing that, we will achieve world-class levels of safety, security, health and environmental performance. We will provide substantial benefits to Newfoundland and Labrador. We will build and strengthen our relationships with the Newfoundland and Labrador community. And ultimately, we will be creating an offshore platform that we can all be very proud of that will operate safely and reliably for many years.

Thank you, Commissioner.

**COMMISSIONER (Miller Ayre):** Okay. Thank you, Geoff. Well, each of our sessions begins with an outline of the procedures and an indication of the procedures followed by the Commission to assure you that all the legal steps have been required and to outline the procedures for this session; as well as the presentation which you've just received from Geoff. We then have a five- or ten-minute opportunity to ask any questions we may have from the floor, or otherwise, with regard to the presentations made or the procedures.

Also, we take the opportunity to use this time if there are any issues arising from the previous session or prior sessions that we can explain or outline, or added information or questions that arise. Neither the Commission, nor ExxonMobil, has any material for this question period today. So we can take a break now and we can come back and begin the presentation in 15 minutes or so with NOIA who is the first of our groups today. Thank you.

**(Nutrition Break)**

**COMMISSIONER (Miller Ayre):** Before we get started with the presentation from NOIA, when we were in Marystown and Clarenville, the issue of the journeymen came up and then the issue of the contract with the trade union's council also came up. And within that there are certain categories or priorities in which people are hired and there was concern by some of the communities with regard to what would happen if a Newfoundlander, who was at this point not living in Newfoundland, returned, where would they fit in the category, the hierarchy really of the way people get hired, like a local Newfoundland person with a trade union affiliation would be number one, and, number two, is a Newfoundlander resident here and so on.

And Geoff is going to explain what those rules are, and he's going to give the interpretation which we believe is the correct interpretation. So I won't start by getting you all confused with what the wrong interpretation might be.

So, Geoff, if we could, and ExxonMobil have gone through the trouble to make sure that everyone understands what this is, and we now think we have the correct interpretation.

**GEOFF PARKER:** So to answer the question we went back to the labour agreement, which is between the Hebron Project Employers Association and the Building Trades Unions, and as

we'd said before, that labour agreement gives hiring priority to residents of Newfoundland and Labrador. We then went and checked what is the definition of a "resident", and a resident is a Canadian or landed immigrant whose principal residence is in the province. So a resident has their principal residence in the province, and the principal residence is defined as where the person generally eats and sleeps.

And to demonstrate principal residence, such items or documents as a lease agreement or a driver's license, registration on the voters' list, things like that could be used to demonstrate the principal residence. And there is no minimum period of residency to qualify as a resident.

And so I think that helps answer the question in terms of Newfoundlanders who maybe were working in Alberta who would be hoping to come back to the province to work.

So once you're a resident with your principal residence in the province, if you're a member of the local union you'll be priority one, and if you're otherwise, not a member of the local union, you would be priority two. So I think that should answer the question.

**COMMISSIONER (Miller Ayre):** So it's nice to have answers sometimes when you're not entirely sure what the discussion was about, but certainly those from the communities who were concerned, they were concerned about the fact that some returning Newfoundlander may find themselves in category four or possibly category three, without getting into any of the detail, but we feel now we're certain that they would be no worse in number two.

**GEOFF PARKER:** If they establish a residence here, they'll be one or two.

**COMMISSIONER (Miller Ayre):** And to avoid any further confusion, that's a different notion of residency than applies to the provincial regulations on residency.

**GEOFF PARKER:** Yes.

**COMMISSIONER (Miller Ayre):** That's my understanding.

**GEOFF PARKER:** Yes.

**COMMISSIONER (Miller Ayre):** Okay. I think we can move on now. Thank you, Geoff, for straightening that issue out, and I'm sure that those who are interested in that particular topic will pick the information up from the reports in the media and so on. Bob, are you ready now? Thank you.

## **ORAL PRESENTATIONS**

**BOB CADIGAN:** Good morning, ladies and gentlemen, Mr. Commissioner, Mr. Clerk. Anyway, we're back again. I'm Bob Cadigan, President and CEO of NOIA, which is the

Newfoundland and Labrador Oil and Gas Industries Association, and we represent the supply and service community. It's my pleasure to be back again today. We presented on the start-up day of the Commission, and today I'd like to focus attention a little more acutely on a couple of issues around local benefits.

Just for anybody who's in the room that isn't aware of who we are, NOIA represents the supply and service sector, as I mentioned. We have over 560 members. And in the weeks leading up to the review hearings, NOIA held consultation sessions with members in which we've heard about the concerns they had regarding the project. This information augmented the day-to-day information received from members on their experience day to day with the Hebron Project. The recommendations that we outlined on day one of the Commission reflect those concerns and I'll just reiterate those on a slide at the end of our presentation today.

So again, I'd like to start by saying first and foremost, NOIA and its members are enthusiastic to see the Hebron Project move forward. The Hebron Project will positively impact our industry and the economic growth of the province. We do, however, believe there are a number of areas where improvements could be made for the benefit of the local supply and service community.

Having participated already in the Commission and having attended most of the sessions here in St. John's, Marystown and Clarenville, it's become apparent to me that many of the industry have had similar concerns to NOIA. At the heart of these concerns is the matter of early transparent detail (201) communication between the Hebron Proponent and its main contractors and subcontractors.

NOIA believes the Proponent must engage in an ongoing and open dialogue with the supply and service community on the bid process and that this process must be consistent. We're very pleased with the early supplier development sessions but believe another round is necessary to provide detail that would not have been available at the early stage and life of the project.

In addition to the timely release of detailed procurement forecasts, expressions of interest, bidders' lists and contract awards, it is crucial to meeting the full and fair provision of the Atlantic Accord.

Flow of procurement information has improved with timely EOIs. We've noticed some issues around contract awards that are for what were originally issued as multiple EOIs, combined into a single contract. These haven't followed the usual process that we see with some other operators in terms of an amendment to the EOI process or cancellation of the original EOI and the issuance of a new EOI.

In terms of the process, just to kind of give you a sense of why we see this as so important, it's a late night graphic so it isn't perfect but it'll give a sense. Basically we start out with an expression of interest. Oops, my apologies. My apologies, I lost the pointer. So basically the process starts with an expression of interest, which gives detail on the scope of the particular opportunity, and outlines sort of the basic requirements. That goes basically other, at the same time or shortly thereafter a prequalification process whereby the bidder has to demonstrate that they do have the technical qualifications, the financial qualifications and so on to meet the requirements of the expression of interest.

Once the prequal is done, at some point we're seeing bidders' lists, and that's really good. The bidders' lists are really critical to our members because if you're a smaller company, there may be subcontracting opportunities with a bidder, so if you have four bidders for a particular piece of business, you can look at who they are, you can go talk to them, you have the contacts provided and you can actually try to make your services aware to those firms so that at the time they have to make a choice, they know who you are and you have that opportunity. At some point after the bidders' lists, the proponent will issue an ITT or an invitation to tender, and I think that contains far greater detail in terms of the expectations of that contract and so on, and ultimately we get to a bid. The companies on the bidders' list will provide bids to the proponent, there'll be a bid evaluation process, and at the end of the day we'll have a contract award. So that's the basic cycle.

As we've said, we've seen some EOIs kind of merging into, two or three EOIs merging into a single award, which can be a little bit difficult for some members. A good example of this is the Bull Arm camp. It was originally bid with provision of the camp and the camp services as separate EOIs, and at some point after the bidders' lists were published, KKC advised that the bids would be accepted separately or on a combined basis, so what we had is kind of a fundamental shift in are you bidding for the individual pieces or then you have the opportunity to bid as well on a combined basis. So once that combination was made, we've seen some additional bidders added to the list, which is fine, but the only difficulty is the companies in the original bidding cycle that had bid for a particular piece of that project are then faced with a little bit of a dilemma in terms of what do they do now. They may have already formed up a joint venture, as other companies enter, it may be too late for them to look and say, okay, I think we can work better with Company A than Company C.

So companies in the supply and service sector really do need to know which strategy to pursue and of course changes that occur during the procurement cycle can have a disadvantage and effect for some. So we'd like to see, ask the Proponent, and we can do this after the session, just to get a sense of what kinds of factors would cause this kind of a change in that particular piece.

Overall, bidders' lists of contracts awards have not been flowing the information as well as EOIs. We have seen substantial improvement. KKC has a new website and that looks fairly

beefy and gives most of the information we need, and we're hopeful that we'll start to see some of that information a little more routinely. We work closely with the ExxonMobil procurement folks and the folks at the contractors, and, like I said, we do expect to see improvement in that area but we are a little bit concerned.

If we look at it historically, NOIA has been the source of procurement information for the supply and service community, NOIA members. Our members have indicated their preference is to have all procurement information available in one location and one site, and that's the NOIA website. Members have indicated without communication through one site, they would have to hire staff or hire a consultant to monitor the sites of the operators and subcontractors. In addition, for Hebron there are three sites that would require monitoring, the Hebron Project site, the KKC site and also the WorleyParsons site.

When you look at the industry as a whole, beyond the Hebron Project there are lots of other opportunities, and if we look at some of the other projects, we may require following the individual project model, a site for Hibernia South, its subcontractors FMC and Technip, sites for all of the other operators, Chevron, Husky, Hibernia, Statoil, Suncor, and their contractors. So when you think about the amount of procurement information that's important to our members and important to the community, having that information in an easy to find, single location is important, so which is why we tend to push for that.

And just to give you a sense of our vision as to how we see this process work, this is our kind of, the procurement information in our new website, which was supposed to be launched last week, we had a launch for our new branding last Thursday night but the storm took the wind out of the sails, so we're going to do it on December 8. But basically if you look, what we have, you can click on any of the EOIs, the titles, and you can get the work scopes, the vendor is identified. The vendor could be an operator, the vendor could be a contractor. The closing dates for the particular opportunity and then a status column and also contact information, so the person that you would want to talk about that opportunity.

The key thing in terms of our approach is, if you notice there's a project, that project could be Hebron; it could be Hibernia South; it could be a drilling project for Statoil; or Chevron or whoever.

And the way the process works, if you remember that cycle we just went through, it starts with the EOI, quite possibly there's an addendum to the EOI which would be a change. Then you move to bidders' lists and to the contract award. So, within the Status column we will have shown in the key, a flag would stand for an addendum so they can visually get a quick fix on what's happening. A bidders' list, there's a little symbol, stylized man, it looks like. Again, you can click on that status column and get all of the bidders' lists, get all of the contract awards. You can go forwards, backwards. You can search for any of the opportunities that are out there in the public domain. So we call this kind of a dashboard and basically our

members would be able to look at a particular spot in our site, the procurement information, and that would give them the most current procurements from Hebron and any of the other opportunities that exist.

If you want to go back and look at contracts that may have been awarded previously to see if they missed something, they can easily sort by contract award, go back and do that as well. So it's a very effective tool. And I know we talked about procurement full and fair last week and I think what we wanted to try to give the Commission a sense of is how we see that action, basically.

The other issue which we were working on, I guess, is the procurement forecasting process, and even looking back through previous projects, I mean, I think the White Rose Project seemed to do quite a good job in terms of forecasting, but if we look overall it's variable by project and by proponent, so this isn't really a criticism of the Proponent but just more highlighting the importance of the information, finding an effective mechanism to pass that information along and to be viewed by the community.

So the next slide, we just took a snapshot of the procurement forecast from the Hebron site, and this is probably not really a fair representation in some respects, but I guess it just illustrates the issue, because if you look at any of the procurement items, and the same applies, I think, with the KKC site, sorry, not the KKC, the WorleyParsons site. The KKC site is operating much more effectively, much easier to use, and procurement forecast items are showing on that site now, I think they've been recently added, right up into 2012. I've seen a couple for 2013. So again for the supply and service community members, it's really important to have a fix on what's coming. And in terms of detail, if we look at the last line, various environmental studies, for example, that's a pretty broad category. So the only way a member would be able to get some early information on that would be to physically make contact with the proponent and try to get some detail on what's coming up. So we think there should be a little more detail.

This detail would aid companies in knowing what's coming up so they can plan to participate in subcontracting opportunities. As I said, the KKC website does that fairly well, very similar to the NOIA site, albeit limited to the KKC opportunities. As well, NOIA would like to know when the Proponent expects to issue procurement forecast for 2012, if there's a particular deadline that the contractors are operating under to get that information out in the public domain. In that forecast, we'd also ask that the Proponent commit to including some information on the scope of work. I know at an early stage when we're forecasting procurement opportunities, the information is sometimes fairly limited, but we do believe that a little more information would be useful, would be helpful, and would probably save a little bit of grief for the Proponent as well in having people call for clarification on kind of a general category like environmental studies.

The other issue we thought we'd raise this time around is around the modules and construction of those modules. So when we look at the major modules, we note that the 2008 Hebron Agreement, the Proponent committed to the fabrication of three modules in the province, and those are the living quarters, drilling support module and the drilling equipment module, which is also referred to, I think, now as the drilling equipment set.

The drilling support module and the drilling equipment set, or drilling equipment module, were subject to capacity obviously, and facilities and skilled labourers sufficient to do the work. We believe it's the Proponent's responsibility to find ways, look for creative ways, to build all three modules in Newfoundland and Labrador. Last week, November 23rd, the Proponent announce that the Kiewit yard in Marystown cannot build both drilling modules as anticipated originally. The Proponent has stated it believes that the Kiewit yard in Marystown has the capability and capacity to build the drilling support module but not the drilling equipment module. And EOI for the drilling equipment module originally bid in March of 2011 has now been reissued to Newfoundland companies with a closing date of December 6, so NOIA members will have to reassess the strategy and respond quickly.

We would like to better understand some of the gaps in labour and yard capacity that may prevent this work from being done in the province at the end of the day. We are concerned that these assessments are being made fairly late in the game, with EOIs closed for things like the GBS skirts, embedment plates, anchor bolts and the like. We may lose the opportunity to do more of the complex, some of the more complex fabrication depending on how much of the capacity is taken up by these other items. Like the Proponent, we're very concerned as NOIA with execution certainly and schedule. At the end of the day we all want to see this project come in on time.

The living quarters module, I'd like to speak about that for a moment. The Proponent's October 2011 response to the additional information form from the Hebron Review Commission stated that the living quarters module will be fabricated in Bull Arm. A similar commitment was noted during the Hebron Review Commission's November 22nd session when the Proponent stated its plan to build the living quarters module in the province.

Later in that same session the Commissioner asked if the living quarters module will be assembled in the province or built from scratch in the province. I think at the time the Proponent stated that two companies have teamed up, with two international companies, to bid on the EPC contract for this work. And the Proponent used the analogy of building a home, and I think just to paraphrase, as a home owner we can choose to build the cabinets in the warehouse or in the house. The Proponent suggested the decision would rest with the builder, and so, if so, our question is: Will the builder's warehouse be located in the province? If the local companies are partnering with international companies, will the local companies assemble the module components that are built in an international warehouse? We believe the Proponent has the ability to influence the decision to build the living quarters

in the province. We believe that the expectation of clarity of the Proponent's contract and fabrication strategy is a reasonable one.

We'd like to draw upon the Proponent's project experience and ask a question: What are the critical decision factors that could result in the components of the living quarters module being built elsewhere and then assembled in the province; so the degree of assembly versus the degree of actual fabrication?

Well, on the basis of estimated tonnage, it does appear that opportunity is increasing. Each of the pieces is increasing in weight. But the outcome will depend to the degree of modular construction outside of Newfoundland and Labrador, so the tonnage, even though the tonnage is higher, it doesn't necessarily translate into work on the ground here in Newfoundland and Labrador. We did mention, and since we're focusing more on the procurement piece in this presentation, I would just like to reiterate that we do appreciate the Proponent's comments on November 23rd, agreeing with our suggestion that the utilities and process module contractor work with local companies, and this would help them, i.e., local companies, understand potential maintenance requirements for the UPM during the operations phase of the Hebron Project, and there have been a number of suggestions as to how to action that item, certainly a supplier development session once the details of construction become clearer. Some people made the suggestion of an office in province, but I think the key thing is that we have to encourage the Proponent to provide more detailed information about the UPM buyer, potentially supplier development sessions.

And in terms of our recommendations, we went through this the other day, so we're not going to really take much time. We've covered off, I think, in the procurement session earlier, the size of the bid packages meeting local capabilities.

We talked just a few minutes ago about the consistent transparent procurement process with a strong local benefits approach, and our third recommendation is to encourage the Proponent to exceed the local benefit benchmarks and also to submit a separate Benefits Plan for Pool 3. We've already addressed that.

Number five, UPM development, supplier development sessions, we talked about that, and more detail on the percentages of employment and expenditure levels expected to occur in the province at each stage of the project.

And the final one, obviously, was a mechanism to publicly track, measure, compare and regularly report on the detail local content achievements. And that item is pretty important because when we look at the first day we sort of got into a little debate about Hibernia versus Hebron. What are we doing? How does it look? How do they compare? And the difficulty in trying to make those comparisons has a lot to do with the availability of benchmarking information and information on past projects in the public domain, the one to

use to kind of look at a current project and say are we stretching beyond what we did before? Were there gaps in the last one we can address this time around.

So that being said, we did raise a couple of questions and if the Proponent would like to address those at a different time, that's certainly fine by us. So this concludes my little presentation for today. I thank the Commissioner again and Mr. Clerk for making the time available here with you today. Thank you.

**COMMISSIONER (Miller Ayre):** Thank you, Bob. I have a couple of questions and perhaps I could ask you. And you can use that mic, if you wish, whatever is fine. Being heard and not seen is okay, too. Your new website, could you tell us a little bit more about the new website? Has this been long in the making? Do you have a wide level of support within your group for this or, is this something which members will learn about now or?

**BOB CADIGAN:** Well, I think where the whole concept, NOIA has always handled procurement information and has been used as a vehicle to get that information out in front of the supply and service community. One of the things that I learned kind of early on was, I started to look and see, look for consistency, and we didn't see necessarily consistency from operator to operator, even project to project in terms of exactly what information was put out. So in our strategic plan, I think, which we adopted last year, one of the things that our board felt was really important is that we try to get some consistency around the procurement process and with Hebron coming up obviously Hebron is the key piece in that decision.

The website itself kind of came about from looking at and talking to members, and what do we need, what do you like about what we do, what do you like about the way the procurement process works. And consistently we found that a large number of members were using our website as the primary vehicle to keep track of opportunities. So that being the case, then that puts a great onus on us to make sure that two things happen, i.e., one, the information is very, very timely, and, two, that the information is fairly consistent from operator to operator, depending on the opportunity. So that's kind of how it came about.

The other part of it is when you look at the way the whole industry, the marine industry operates, and even if you look at the mining industry, there's a trend now towards every company and every subcontractor having their own kind of procurement vehicle, procurement site. When you're sitting back as, say, running a business in St. John's, we've got a lot of opportunity in Newfoundland and Labrador. Where do you look to make sure you're plugged in and you're not missing anything?

I remember one company, and this particular comment related to mining, but said, look, I've got to have somebody on the ground in Labrador just to keep me informed as to what opportunities are arising. It just gives you an idea. If you have to go to 14 or 15 different places looking for information about opportunities, then that gets a bit cumbersome and it's

not terribly effective. So the vehicle we're trying to create is try to almost create, use the portal kind of approach, which NOIA has had support from the operators on in the past, and to sort of formalize that approach and make it a little more robust basically.

**COMMISSIONER (Miller Ayre):** You actually allocate a member of your staff to go into the main site and putting all this information on, on a daily basis, is that right? You comb things on a regular basis?

**BOB CADIGAN:** Right. And luckily for us, I guess, we've had really great cooperation from the operator community, from the Hebron folks as well, in terms of sending the information to NOIA as it gets posted on one of the underlying websites for the project, it's a big project. I guess administratively there's lots of challenges. The boys are building staff, they're building their project teams, trying to move the project along. So, periodically we'll have a little gap in an issue or something we'll miss and we'll make a call and we'll sort it out.

**COMMISSIONER (Miller Ayre):** Okay. I think it should, clearly should be of great value to your members.

**BOB CADIGAN:** Right.

**COMMISSIONER (Miller Ayre):** We've gotten into the area of the contracts and contracts award a little bit in your presentation, Bob, so I wonder if ExxonMobil could speak a little bit on the following question: We understand that EPC and your FEED contractors and so on, that you work on reimbursable commercial terms, is it? With WorleyParsons and KKC, it's a reimbursable package, is that correct?

**GEOFF PARKER:** Generally, yes.

**COMMISSIONER (Miller Ayre):** Yes. So I guess what we're trying to figure out, is whether what kind of scope for procurement exists and what is exercised by WorleyParsons and KKC. I mean, with the UPM, for example, would WorleyParsons have the authority or would they ultimately do the procurement of the particular pieces that are needed? Is this an assembly activity that occurs in Korea or would WorleyParsons have no more involvement other than the lump sum arrangement with the Korean contractor?

**GEOFF PARKER:** At the moment, contract-wise we've awarded a FEED contract with a possibility to roll over into an EPC. So the short answer to your question is that that has not been awarded yet, that scope, but one way of doing it is to have an EPCM contractor contracting to a fabricator and they would have some oversight responsibility. Also, quite a bit of the equipment is procured by the engineering and procurement contractor. So some of the larger long lead equipment is procured and then free (phonetic) issued to the fabricator who puts it together. So it's a bit of a combination, I think, of what you described in your

question.

**COMMISSIONER (Miller Ayre):** So let's just say something was being done in the shipyard here, would, say, WorleyParsons or KKC, whoever was looking after that contract, would they be purchasing the required supplies and the shipyard just does the construction? Is the answer really the same at the moment?

**GEOFF PARKER:** The answer is the same, is that some procurement is done by engineering and procurement contractors, some procurement is done by the fabricator, and that split is defined as part of the contractual process.

**COMMISSIONER (Miller Ayre):** So do you have then also input into the process through WorleyParsons or through KKC or through whoever in this process of how the purchasing is made?

**GEOFF PARKER:** Yes, we do.

**COMMISSIONER (Miller Ayre):** You do. So there is some value in talking to you about how things are purchased.

**GEOFF PARKER:** Yes.

**COMMISSIONER (Miller Ayre):** We shouldn't just ....

**GEOFF PARKER:** Yes.

**COMMISSIONER (Miller Ayre):** Okay. We're actually wondering whether we should have WorleyParsons here on some of these.

**GEOFF PARKER:** Well, I think in those type of contracts, we can have a lot of interest, a lot of input. We did talk about the living quarters as perhaps a different contracting model where more of the decisions are up to the independent contractor. I mean, there is the principle of the independent contractor needing to make his own decisions.

**COMMISSIONER (Miller Ayre):** So if you're thinking about .... I mean, we were wondering what kind of mindset gets involved in the process. I mean, this is not a real example, but if you had a \$2 million package and you had somebody who had no, zero local input whatsoever and you had someone with, say, 20 percent local input, was five percent higher in the bid, is that something that, where you actively make a kind of decision around things like that? Or you sit down with WorleyParsons, for example, if that were the right people, and talk a little bit about general parameters? Do they get general guidelines on how to sort of deal with issues like that?

**GEOFF PARKER:** The guidelines come from the Board and the Board has been very clear that local companies need to compete. That's outlined in great detail in the report on the White Rose Commission and the Board's report on that. And so in the example you give where a local company was more expensive than somebody who was international without local content, the lowest bidder would win the job, and that has been the very clear guidelines from the Board. So our commitment is to provide full opportunity to Newfoundland and Labrador participants, and we take a lot of effort to eliminate barriers to their participation.

As an example, if you have a sufficient number of qualified and competitive bidders within the local market, then we will just bid to the local market. So there's an example of saying, okay, if we have competition here, we will limit it to the market, but where we don't have competition here, we'll contract on an internationally competitive basis, and that is the clear guidelines from the Board. We'll continue to provide the full and fair opportunity to the local companies but those local companies need to compete.

And NOIA mentioned the camp. The camp is an excellent example of why breaking down bid packages does not always work. In that case, we did have the, we were doing as was described. We had separate bids for the camp and for the catering, and we thought we had four companies for each, and so four companies would provide us with the competition that we would want. So we've broken it down into those two pieces. Then a couple of the companies drop out and then a couple of the companies join forces and suddenly we're in a non-competitive situation where you've got one bidder on one package and two on the other, and so that doesn't meet the requirements for competition. So then we had a lot of consultation with the market and understanding why people dropped out, why they joined together, and so the feedback from the supply community was, well, we're actually more interested in a, some were more interested in a turnkey type of operation where they would do both. So in that case, the recombining of packages that had been broken down was really driven by the marketplace telling us that that was the way to do it and to get the competition that was needed. So to me, that's a perfect example of attempting to provide the opportunity just within the local marketplace, but then the feedback being, well, that's not going to work, and so, yes, of course we change strategy in that case when we get that feedback.

**COMMISSIONER (Miller Ayre):** So as I understand it, you can look at a situation and if you determine that there's sufficient competition in the local market, you'll bid it only locally, but you have to at least ask the question to yourself, does that sufficient competition suggest that this will still be a global price or do you just take the view that it's going to be close enough that you just work with it?

**GEOFF PARKER:** Normally if we establish that there is sufficient qualified local bidders, we would just bid to them and unless the price was just way outside the benchmarks, we'd be

accepting of that bid from within the local marketplace, because it's large enough to provide that competition if we get several bidders.

**COMMISSIONER (Miller Ayre):** Thank you. Bob, for you, in your case, I know that you raised the issue of asking a question with regard to, I think you were, the capacity and looking at the modules and seeing if there was a chance to still get it built here. I mean, are there positive suggestions from any of your members as to whether they could do the project? Are there any notions that there are specific sites that you think are up to the mark or something? You know, maybe you're not in a position to say.

**BOB CADIGAN:** Well, obviously a lot of that kind of detail is commercially sensitive and we have to be careful straying too far.

**COMMISSIONER (Miller Ayre):** I don't want you fired for something you say here.

**BOB CADIGAN:** No, no, hopefully not. But, no, I think in a general sense, I think, when things change, you have a process and things change, so we get to a point where, say, the proponent looks and says, well, maybe we can get a better deal by going on a combined basis. That kind of change in itself is not an issue. The only issue that impacts that change is if we have a local participant in the earlier bidding cycle, and then what happens to that participant, because they've made a partnership or they've done a JV based on a certain set of criteria, i.e., they're bidding for a particular piece, so then all of a sudden it becomes the camp and the services. They may not have picked the right JV in that case because they picked the JV before the rules changed. So I think it's really important, I guess, and incumbent on the Proponent and through their contracting strategy to ensure that the Newfoundland companies do have an opportunity to participate and to partner with the right people. You know, strategically some companies in terms of bidding, they see a major piece of work, they'll choose to step back and just wait, let it play out and then go, try to make a deal later in the cycle as it becomes clearer as to who has strength and who doesn't. So it's not an easy issue to deal with.

The other problem, I think, within that for Newfoundland and Labrador companies is in some areas we have very few companies. We have companies that have a lot of strength, do a lot of services either offshore or in the project realm or with mining, for example, but if there's only one company or two companies locally in a space, then the way the process rolls out is really, really critical in terms of them having a real opportunity to be part of the winning group at the end of the day, so I think that's a really important piece.

**COMMISSIONER (Miller Ayre):** Yes, okay.

**BOB CADIGAN:** The other, Mr. Commissioner, if I might, I know Geoff's mentioned the competitive process through the Board guidelines, and if we look back in the past and even in

the White Rose process there's been a couple of schools of thought about how do you ensure local benefits come into the mix somehow. One of the suggestions in the past has been that local benefits are assigned some kind of a value in the decision-making process, so if things are equal, but there's a slight difference, then maybe the local company should get an opportunity, but again, that depends on how far in laissez-faire you want to go, but we believe that because of the size of the community we have, and the number of local companies, that there has to be kind of, not necessarily extraordinary measures but measures taken to really make sure that they get a fair shake at the opportunities, and to do that really there has to be absolute clarity around the contracting strategy, the procurement strategy, for them to make the right decisions up front.

**COMMISSIONER (Miller Ayre):** Yeah, okay. Geoff, just one last question I have here at the moment, and that is going back to the decision that we were speaking about here in the third module which now we know won't be done in Marystown, for example, and possibly not in Newfoundland, in the Benefits Agreement, which was 2008 or some such time, but in your Benefits Plan, those three modules were part of the local benefits package. I mean, that was what we understood the case to be. So, I mean, what actually has changed at the moment? I mean, is there a weight issue, is there a size issue, are there things that have changed that make the capacity to do all three here not be the case anymore? I think that's the kind of issue, or maybe there's some other concern and whether this is one of the examples we have of skilled labour shortage immediately impacting decision-making, I don't know. I'm just curious.

**GEOFF PARKER:** I think it's a combination of several items. For example, the weight, because and at this stage we've talked about where we have an expression of interest out to look at fabricating the drilling equipment module in the province, and so that decision has not been made yet, but even if there was two of the three large modules in the province, that would still be more tonnage than what was envisioned at the time of signing the benefits agreement, so clearly the weight is a part of it.

The other parts that affect it include the amount of activity within the province, it includes the willingness of fabrication yards to take on this amount of work. At the end of the day, it's up to us to provide the opportunities and then the supply community needs to take those opportunities, so it's really, it's two people together trying to do this. So if we have a particular piece of work and a supplier decides, well, he wants to do work for somebody else, we can't control that. We have the Bull Arm fabrication site, we have a lease there, so we do have a bit more control, but in other areas we don't have that control, and so fabrication yards need to make their own assessments of what they think they can do and that will depend on the availability of labour, it will depend on the facilities that they have, it will depend on other work that they have, it'll depend on the management that they have. All of those things are factored into this overall term, capacity, if you like. So the answer is that there's no single item that's changed but many items have changed, and as we've looked into it in more detail,

working very closely with the supply community, the conclusions we've come to now are what you described.

**COMMISSIONER (Miller Ayre):** Okay. I think that's all we have at the moment. Sorry, go ahead.

**GEOFF PARKER:** I was just going to continue. Just, I thought it is important that we remember as we push for all of these additional industrial benefits that there is a price associated with it, and that cost of the benefits does reduce the economic viability of projects and lessens the revenue that the province will get, and so, from the province's point of view, they, like us, are trying to balance the answer here in terms of the overall interest of all stakeholders. I think NOIA do their job in representing the position of the supply community but the optimal project will balance the interests of all the stakeholders to come up with a project that is best for everyone in the province.

**COMMISSIONER (Miller Ayre):** Yes. I think, I mean, it's been fairly clear in discussions around the financial returns and the royalties and so on to the province that there is a balance between benefits to the extent that they mean extra costs and what in fact we then get as royalties. You can't win both ways on some of these issues. I mean, that is a concern, there's no doubt. I think if that's all we have, then we can, I will ask Mr. Clerk if he will introduce the next presenters, and we'll give you a minute or two. We can all shuffle around and talk amongst ourselves for a minute or so while the next presenters move comfortable to position and get ready.

**ED FORAN:** Thank you, Mr. Commissioner, we have next Women in Resource Development. They've submitted a document to the Commission and it is on the website and I believe we have some printed copies of the document should anybody wish to have it here today. Representing the group are Charmaine Davidge and Daphne Hart. And Charmaine is the Executive Director of Women in Resource Development and Daphne Hart is their Industry Liaison. And Charmaine will do the delivery of their presentation. So when you're ready, you may proceed.

**CHARMAINE DAVIDGE:** I'm just trying to get all the gear together here that I need. I think I have it now. Thank you for this opportunity. If you can't hear me, let me know. I tend to speak rather low. For those of us in the room who may not be familiar with us, Women in Resource Development Corporation is a non-profit organization whose mandate is to advance the economic equality and equity of women in our province and to promote opportunities for women's equitable participation in trades, technologies and operations, occupations primarily in natural resource industries.

So hearing Mr. Parker speak this morning about great job opportunities and career opportunities, we'd like to reiterate, we want to see those things for Newfoundland and

Labrador but we want to make sure that women are also going to be fairly represented in these opportunities.

Just a little bit about us. WRDC offers gender-based analysis and planning and this includes the sharing of best practices, which we've done with many industry partners, unions, companies. We also support development and implementation of gender equity plans. We do a lot of work around workshops and creating respectful work environments, and we also offer an accompanying train the trainer manual, and we also have workers all around Newfoundland and Labrador who work with women to improve their employment possibilities and to support them as they go out into the workforce and find some of these wonderful jobs in the natural resource sector.

One of our really successful programs, and we have many, is Orientation to Trades and Technology, and how that works is we introduce women who may be looking for a career change or something that they'd like to work on in natural resource to a different, to all the different areas of work and work possibilities there may be. So they go to colleges, they see what it looks like to do welding and it's a life changing program. We also operate our Education Resource Centre, which is our charitable wing, and there's also been reference to some of our programs this morning when Mr. Parker was speaking, that includes Techsploration, GETT, which is Girls Exploring Trades and Technology, GREAT, Girls in Renewable Energy and Alternative Technologies. We have very exciting names for programs, as you can see. GUSTO, Girls United in Skilled Trades and Operations, and GLOW, which is Group Learning for Outgoing Women.

We would like to take an opportunity first, before we get into our recommendations, to recognize the commitment that ExxonMobil has had to the consultative process on the design of the Hebron Diversity Plan. We've had opportunity to meet with ExxonMobil in the past to talk about the Women's Employment Plan, and what we talk about today, we'll build on this. We would also like to acknowledge ExxonMobil's incorporation of a number of our recommendations at that time into their WEP. Once again I'd also like to say a big thank you to ExxonMobil support as one of the founding sponsors financially, as well as role models, for our Techsploration Program, which is now ten years old. They have also been a sponsor of our Girls Exploring Trades and Technology camps. I mention all these programs not just to say, oh, great things happening at WRDC, which there are, but also to highlight how you have to start early to make a difference, and a lot of people say, how come there's not more women in trades and tech. Well, for a lot of girls, they never know it's an opportunity. So you start young, you work with young girls and you work with young women and we do recognize that ExxonMobil's support of these programs has really made an intervention at a very important point, and we do see the difference now. And I referenced earlier our Girls United in Skilled Trades and Operations, GUSTO, and this is our new program for grade 11 students. And of course, why stop if you've got really good things to say. Here's another one, we'd like to thank Hebron for the recent support as well as ExxonMobil of our Young Women's Orientation

to Trades and Technology Program. We have OTT for adult women and this is for young women coming right out of school.

On to our recommendations, which we speak at more length than the written submission which the Clerk referenced earlier. The first one is around the skilled labour shortage. There's a lot of talk in the media about we don't have enough workers. Well, you have enough workers; you haven't really tapped into the women workers. And I assure you with more women coming on stream and doing this work, there's not going to be much of a skilled labour shortage. What we recommend is to take a proactive approach to increasing participation of female workers. When a shortfall of workers has been identified in a particular under-represented occupation, consider collaborating with a training institution to offer a training program for women to fill that shortfall. There have been a couple of really good examples of how this can be done.

One is Rio Tinto, IOC's Mining Technician Program in Lab west, and Vale's Process Operator training in Placentia. There was a shortfall. They took action and they were able to meet that shortfall.

Additionally, Newfoundland and Labrador Hydro hired a group of women and they committed to their employment until they reached their journey person status, which is a major hurdle for a lot of women, to be able to reach that point of journey person.

Further, to addressing skilled labour shortage, it's important to inform women about the core competencies and project specific skills that will be required at each phase of the project. Make this information publicly available to ensure that individuals and women in particular obtain the necessary skills to be hired. Work with government to amend the journey person to apprenticeship ratio to require that at least one apprentice is an entry level woman. So instead of saying two apprentice qualify, one could be a woman. Currently the ratio is one journey person to two apprentice, and there's no such stipulations.

Setting targets, WRDC suggests, recommends strongly that the operator of the Hebron Project set quantifiable targets as well as goals and objectives aimed at raising female participation in a timely manner by including a reasonable and progressive timeline for obtaining goals, as well as supporting the achievement of these goals and adherence to the timeline through other initiatives. To ensure the successful of the WEP, the Proponents of the Hebron Project should appoint individuals to the official duty of enforcing and implementing the policies and initiatives outlined in the WEP.

I know we talked about setting targets. We have to be very specific about what that means. Recruitment, here are recommendations around recruitment. In order to raise female participation rates and to achieve a more gender balanced workforce, when the Proponents of the Hebron Project are faced with two equally qualified individuals of the opposite sex, they

should give priority to the female candidate. Consider using the Human Rights Special Project, Chapter H-14, Article 19.1, to permit an employer to give an advantage to the groups that are traditionally disadvantaged in the hiring process.

Secondly, identify alternative qualifying characteristics aside from years of experience to use a selection criteria in the hiring and promotion process. This includes the likelihood that women have an equal chance as men at getting hired. Traditionally women don't have the years of experience that a lot of their male colleagues do. Consider transferable prior learning and volunteering skills, for instance.

Another point, the Proponents of the Hebron Project should establish a corporate culture that is free of gender related biases, prejudice and discrimination in relation to hiring and promotion, including ensuring that maternity, paternity and parental leave is not a consideration in either process. We talked a lot about our growth rate in Newfoundland and Labrador. Well, one way to ensure it, that we have more individuals born here is to not penalize people for actually having babies, and generally women have the babies.

It's important, as well, when screening applicants, take training potential into consideration as well as results of aptitude tests. It is crucial that a woman not be penalized for lack of hands-on experience in her childhood. It is important to remember that aptitude tests, if these are included in the hiring process, only indicate if a person has experience in demonstrating a particular skill. These tests do not necessarily reflect the applicant's ability to learn that skill.

So we talked about recruitment, once you've recruited women, how do you retain? The Proponents of the Hebron Project should include creating a respectful work environment, gender awareness in the workplace training and the orientation process for all new employees and professional development seminars for existing employees to ensure a gender unbiased workplace.

Right now, I see a lot of us have our purple ribbons on, and this is a time of talking out about violence against women and creating safe spaces for women, and workplaces need to be safe spaces, and that's not just from physical violence, it's from feeling like you're not welcome, feeling extra pressure or you got to do twice as good to be considered half as good. Provide an opportunity for women who are interested in training to actually self-nominate, say, yeah, I'm interested. Develop a mentorship program. We have talked about mentorship a couple of times this morning, and it is critical. They are particularly effective in engaging, retaining employers from diverse groups.

Moving on to the next recommendation, it's contractors and subcontractors. We recommend that EMCP include gender equity provisions in its calls for bids and criteria for evaluation. In recognizing the success of the WEP as the overall responsibility of EMCP, the

company needs to work diligently to support its contractors and subcontractors in meeting their women's employment plan goals and requirements as well.

As well, implement accountability and reporting measures with a diligence to ensuring adherence of these goals and objectives, much like speaking about earlier with targets. You need to actually be able to quantify.

Next recommendation is in partnering with labour organizations. WRDC works with industry but also works extensively with labour unions. We recommend incorporating into collective agreements mechanisms to allow women entry into unions and consider incorporating special measures clause to allow women access to job opportunities.

We also recommend that you consider utilizing the name hire option.

Also, we recommend negotiating with labour a new component in the hiring process that will increase women's employment. For example, when selecting from the out-of-work list, utilize a three-to-one ratio. This means selecting three men and then one woman from the list. This would help level the playing field.

In conclusion, we all know that there is going to be a lasting legacy of Hebron for the people of Newfoundland and Labrador. WRDC is open to and we're interested in collaborating with the Proponents of the Hebron Project in terms of the services, programs and expertise that we offer, which we've already discussed.

We know there is going to be challenges along the way and we know women are far from equal right now when it comes to the natural resource sector and in terms of jobs. The numbers, actually the statistics are appalling, but we know we can do better and we have come a long way, and we're dedicated in making the changes, and we want make sure that when we talk about a wonderful new day for Newfoundland and Labrador, that that's all the people of Newfoundland and Labrador.

Thank you for this opportunity, and I guess we're ready for any questions you might have.

**COMMISSIONER (Miller Ayre):** Well, thank you. I should say, first, that one of the really good experiences of these kinds of hearings are that we have presentations made by groups who are working on extremely important issues, and the energy and focus and time and creative ideas that people think of to work their organizations forward and to deal with solutions that need to be put in place, it's an amazing thing to hear and watch and see the depth of work that's been done. And so you're to be congratulated on the activities that you've undertaken here.

Do you feel that your numbers are growing now? I mean, I was struck by how low the number of skilled people were; the one percent and five percent and one percent of

journeymen and five percent apprentices and so on. But where was that number? Were they too big fat zeros before.

**CHARMAINE DAVIDGE:** Maybe Daphne. I've only been in the jobs four weeks, so I want to make sure I get my stats right. So I'm going to defer to Daphne.

**DAPHNE HART:** The numbers are moving upward and there are a lot of positive initiatives happening in the province and we, actually, with EMCP, looking at their diversity plan it certainly resonates a whole culture of, I think, cooperation with organizations like ourself. And I think that things are moving forward, however, we know that I think that in order to influence a cultural change and to look at a paradigm shift into more inclusivity with women, particularly in the trades and technology industries, it takes a very bold progressive leadership and it takes doing things differently. The old adage says, "keep on doing what you're doing and you'll get more of what you've got." So I think it takes some really bold moves to move forward, and right now at a very pivotal time in the history of Newfoundland and Labrador with so much richness in our natural resource sector and so much wealth, I think now it is a pivotal time to ensure that women are going to be the major beneficiaries of our projects. And we certainly look forward to dealing with EMCP and all the people we deal with in an organization are extremely cooperative, and again, we look forward to being part of that whole process as the project progresses all the way through. So, I hope that answered some question.

**COMMISSIONER (Miller Ayre):** Yes. Well, the thing that I was looking at was the tremendous number of outreach activities you have and so forth. I mean, obviously it's a combination. You have to win at the training level and the level of convincing people to proceed to get the training, and the outreach programs are particularly fundamental.

**DAPHNE HART:** Well, it starts with, really, young girls. We take them all the way up through. And I think, too, it takes a commitment, as I said, and leadership commitment from EMCP to recognize that there's certainly been some real barriers there, old attitudes and beliefs. And again, I think it is very hard to change a culture, but if you change beliefs and attitudes, and if you change behaviors on a worksite, then that will, I think, translate into inevitability being a change in a culture. So if the worksite is welcoming to women, women are more apt to go into that. So looking at your plan and creating that work supportive environment I think is very important and very crucial to women being in on that mix.

**COMMISSIONER (Miller Ayre):** Is Newfoundland in a normal, is normal numbers compared to other provinces or are we in a catch-up?

**DAPHNE HART:** No, I think we're normal and, I think, actually, Newfoundland is a bit more progressive.

**COMMISSIONER (Miller Ayre):** I was interested in some of the acronyms you had there - GLOW.

**DAPHNE HART:** Well, okay, there is GETT camps which is Girls Exploring Trades and Technology which is a one-week camp for young girls who actually build go-carts and race them. So they learn about math and they learn how to use power tools. And then group learning for outgoing women is a firefighting camp offered at the Foxtrap and Stephenville. And it's great. It is more about empowerment more than anything. It teaches them that they're in the garb, they're fighting the fires, they are there in a team effort. And it is wonderful because it is very much empowerment.

GREAT is Girls in Renewable Energy And Alternative Technologies which is looking at their carbon footprint. And the GUSTA one is brand new, Girls United in Skilled Trades and Operations. Good, I remembered that. So, we're trying to make that impact at that level.

**COMMISSIONER (Miller Ayre):** Right. When you get GLOM in place, Group Learning for Old Men, I'll be there. (Laughter all around).

**DAPHNE HART:** Okay, we'll sign you up.

**COMMISSIONER (Miller Ayre):** Outgoing old men. That's what I want.

**CHARMAINE DAVIDGE:** Mr. Commissioner, we've talked a lot about the -- is this on?

**COMMISSIONER (Miller Ayre):** Yes, you're on.

**CHARMAINE DAVIDGE:** We talked a lot about building infrastructure at Bull Arm. We have to think about making employment more equitable for women in building social infrastructure. It is a gradual process. There is different levels to it, different layers. You start with girls, you start with social change, you start with change in workplaces. If we put the same degree of diligence and care and safety into building our social infrastructure as we're building the technological infrastructure, we're going to be able to make it a better place for women to be able to enter these jobs.

**COMMISSIONER (Miller Ayre):** Well, I wonder, if maybe, Geoff, you'd like to comment on a couple of things. One is your diversity program; the other is to the extent that that extends into the areas that we're talking about here. And also, there was a question about updating. I guess there was some quantifiable goal set, and they were 2006, and there was curiosity about updating about those. Maybe comment, thank you.

**GEOFF PARKER:** I can. Yes, this .... Well, firstly, thanks for all the efforts that you're putting in and we do look forward to continuing to work with WRDC on these diversity

initiatives but we're learning as well. So, thanks for that.

ExxonMobil and its co-venturers, as I said in our opening presentation, do believe that supporting diversity is a key factor for long-term success of the industry; not just for the Hebron Project. Creating the environment to support the diversity really helps us attract and retain the qualified workforce that we need.

So, all of these programs, I think one of the things I really like about them is you're describing them, when they start back at sort of grade five, grade six when you really try to get the girls interested in science, technology and the trades, and then reinforces that as they move through high school. So by the time they're leaving high school it is much more socially acceptable, it is much more just normal for girls to move into the trades, which is what we're trying to do because the representation isn't there and we need to expand the workforce. So, all of the initiatives we've talked about are just totally inline with what we're trying to do both here in Newfoundland and Labrador but also worldwide in these areas.

**COMMISSIONER (Miller Ayre):** Is your diversity program something you discuss with the trades council?

**GEOFF PARKER:** Yes.

**COMMISSIONER (Miller Ayre):** So you indicate that's a first principle within ExxonMobil and so on?

**GEOFF PARKER:** Correct. It is an ExxonMobil principle and then our contractors are sharing that, and then, in what I think is a first in my experience, the labour agreement actually includes some specific language around diversity and supporting diversity, and not just the language, it then has some tools that can be used to increase diversity.

It was mentioned that the name hire provisions in the labour agreement could be used to increase the diversity or support the diversity programs. So I think we have the commitment that's signed up in the labour agreement to support the diversity initiatives and then we have some tools to be able to help make it happen.

**COMMISSIONER (Miller Ayre):** I don't know who the right one to answer this question is but I mean I wondered in terms of the time frame do we know, I don't know but what the trade, what the skill required for skilled labourer on something like the Hebron Project, is it still possible to train people for this and to get people ready for this? I mean, is this somewhere where you really can make a contribution? Is that something that you have a time frame to work with still, one, two, three years? What kind of time do you need?

**DAPHNE HART:** Well, we have to take the time we have and there is time to make, I think,

real instrumental change here, and there are women out there who actually have been trained and perhaps they're working in some of the clustered female occupations, and there are probably women out there who have gone through trades who, working at Costco or Tim Horton's. And the training is very important here because recognizing how to recruit those women. And like, for instance, we just recommended in a recruitment slide about looking at some other identifying qualities when you're doing recruitment, because we know that women have not had the opportunity to move through their apprenticeship process to log the hours to get the jobs to go through and to be journeyed. So, if you're interviewing a woman and maybe the man has three years and the woman might have only two years, but maybe you could look and say, well, okay, this woman comes with very high recommendation, she has a safety award, she has never missed a day in her life, and her ex-boss or whatever, when you check references says that, in fact, this woman has never missed a day or she's a great team leader. She's a great worker. So, at some stage you have to select the women to level the playing field. If not, if it's all about, for instance, just years of experience, it is not really going to happen.

So even speaking this out and like, for instance, there is several bold recommendations in our presentation and we recognize that, and it's our wish list and our best-case scenario, but in order to make change you have to do things differently and have to look at, okay, what can we really do here. Because I know you have committed to leave a legacy of the people of Newfoundland and Labrador, and I know with that commitment takes, as I said, a lot of leadership and buy-in from the top right down to the worksite. And that's the way it has to translate, and I know that that's imbedded in your diversity plan. So we look forward to the implementation of the strategies and policies that you have put in place in that plan.

**COMMISSIONER (Miller Ayre):** So do you go to, I mean, do you spend a lot of time in Marystown and Clarenville, or areas that are particularly impacted by where the modules might be built and the GBS and so on?

**DAPHNE HART:** Actually, we're working with the ESDA, which is the Eastern Suppliers Development Alliance and actually doing a presentation tomorrow night in Marystown and one in Clarenville on Thursday night. So, yes, we are working hand in hand to ensure that people have informed of the opportunities, and we're going to be talking about respectful workplaces and also we've developed a practical guide for subcontractors to increase the number of women in their industrial workplace. And so really, very much how-tos, practical tips, a practical applications like here's how you do this and here's how you do that. And we're there, as well, to work with subcontractors and contractors with helping with gender equity plans and we are there to assist in that process.

**CHARMAINE DAVIDGE:** And in addition to the work with industry, in the Marystown and Clarenville region we also offer employment counseling; our OTT program as well as our groups for young women and girls as well.

**COMMISSIONER (Miller Ayre):** Geoff, one just last question. I mean, what is the female component of, say, the facilities, the living facilities within Bull Arm and childcare, say, in Clarendville related to workers who are having to go back and forth? Do you have programs and how do you work the camp and so on?

**GEOFF PARKER:** The camp is planned to have separate areas for women, but childcare is not an area that we have been getting into at this stage.

**COMMISSIONER (Miller Ayre):** At least not on the site and so on.

**GEOFF PARKER:** Correct. Commissioner, I did want to answer your previous.

**COMMISSIONER (Miller Ayre):** Yes, that's fine. Yes.

**GEOFF PARKER:** You had two questions before as well.

**COMMISSIONER (Miller Ayre):** Yes.

**GEOFF PARKER:** You mentioned the 2006 data is what's in the plan. That is the latest available data from Stats Canada. The 2011 data is not published yet. When that data or any new data gets published we'll update our quantifiable goals as we move along. So that's the idea of having this annual piece where we review where we've been and look at where we want to go based on the latest data. And the idea would be that through that process we'll get to see continuous improvement. Some of these initiatives we've talked about that are building the pool of women in the trades and technology, we'll start to see that in representation and, therefore, the quantifiable goals will continue to increase.

**DAPHNE HART:** If I may make a comment. The census for 2006, and that is the last census, I realize it is five years old. So we can look at, certainly, the employment equity reviews every June and what's available with HRL&E and who's coming out of the colleges, private, Memorial University and College of the North Atlantic. So all of those things, I understand, would be taken into consideration, of course. Thank you.

**COMMISSIONER (Miller Ayre):** With the trades councils and so on, just, the seniority issues must work against the female component when they're trying to grow their numbers. Is that part of the agreement that's in there, the proactive use of the apprenticeship program by women or the case of when skilled labour is available? I mean, have you talked about that?

**GEOFF PARKER:** I think it gets back to the priorities that we talked about earlier, where the first priority is for the union and then for local people from the union, the second one is for local people. And but the name hire provision, which gives the Employer Association the opportunity to pull people in those priorities, can override seniority, for instance. So I think

that's why that's quite an important provision from the point of view of the diversity initiatives.

**DAPHNE HART:** Thank you, Commissioner Ayre, because that is something that, of course, we are very concerned with because we recognize that there are some challenges there. Now we feel there is always challenges but there is always solutions. So it is a matter of us working together in collaboration to try to make those things happen so there can be change, because there are some problems around women in seniority lists on the out-of-work list. So that's why we suggest the name hire is an option.

I mean, ideally, it would be very effective if you could implement something like after the name hire, if the out-of-work list that perhaps you could choose three men and then a woman from somewhere in that chain to make that happen. So, that's what we're hoping. We're looking for best-case scenarios, and hopefully we will work together in collaboration to make this what we can happen together.

**COMMISSIONER (Miller Ayre):** Well, I mean, clearly in a time where there's likely to be scarcity of skilled labour, you have a real opportunity to move, you need to grasp this opportunity to move ahead I would think.

**DAPHNE HART:** Yes. And now is the time in our province when we are decreasing birthrates. We have retirement of the baby boomers and we have the megaprojects online in our province which are going to really cause some strain on our labour market. So women are an on-tap resource and now is certainly the time, the pivotal time to make sure that they're included.

**COMMISSIONER (Miller Ayre):** Okay, thank you. Well, I have no more questions. Geoff, I don't know if ExxonMobil has any questions or comments? No. Are there any comments from the group here? All right. Well, I think we can end the session now then. Thank you very much.

**CHARMAINE DAVIDGE:** Thank you very much.

**DAPHNE HART:** Thank you.

**COMMISSIONER (Miller Ayre):** Thank you.

**(Nutrition Break)**

**COMMISSIONER (Miller Ayre):** I could read, once again, all that stuff about procedures, I read this morning. I think I won't; I got good support there. And Mr. Parker probably will stop any urge he has to leap up and give a full presentation from ExxonMobil.

**GEOFF PARKER:** No, that's okay.

**COMMISSIONER (Miller Ayre):** Good. So we'll stick to our once-a-day plan is right. So, Mr. Clerk.

**ED FORAN:** Thank you, Mr. Commissioner. So we have, starting this afternoon, the Office to Advance Women Apprentices. And we have three ladies here, and Karen is going to start and then followed by Kelly. So thank you. Please proceed.

**KAREN WALSH:** Thank you. Good afternoon, Commissioner, Panel, supporters and general public. On behalf of female tradespersons in the Province of Newfoundland and Labrador I would like to extend a thank you for the opportunity to have their points raised in address so that their employment future in the trades is one of great success. It is to hope that the issues raised here today will be transported to opportunities for those women.

My name is Karen Walsh, and I'm Executive Director for the Office to Advance Women Apprentices. And with me today are my co-workers Cindy Fowler, who is Placement Coordinator; and Kelly Hickey, Program Development Specialist. Myself and Kelly will be co-presenting here today, and we have broken down our presentation into two major areas. I will present recommendations for inclusions of female tradesperson in the Hebron Project, and Kelly will discuss the need and importance for daycare services for tradespeople working on this project. All three staff members will be available for questioning and discussions.

As you can see, we are a very small office of only three people, but in the two and a half years that we've been in existence, we've actually done tremendous work with females in the trades and our office is actually growing leaps and bounds.

When I look at the Province of Newfoundland and Labrador and female tradespersons, I can draw a great comparison. The Province of Newfoundland and Labrador has received a have-province status and, as we are all aware, the results are evident in the positive changes this has made for our province. This province is no longer looked upon as an exception but now it's part of the country's norm.

In comparison, it is the intent through the support of the Government of Newfoundland and Labrador, the large diversity sector groups that, under the direction of the Office to Advance Women Apprentice, women in the trades will be part of the norm and no longer stigmatized as women in male-dominated trades. The Hebron Project can play a major role in this process.

The Hebron Project will bring much success to this province and women want to be part of that success. This presentation will aim to show that by considering women as a viable source of employment for the Hebron Project, we are creating a strong workforce within our province and filling the gaps for the ever-anticipated skills trade shortage.

WRDC, this morning, gave a great overview of their services and it really led into our presentation, because WRDC gives exposure to young girls and women to get them involved in the trades and encourage them to be part of the trades. Well, then, our office takes it that step further, and once a woman has actually gone to college and got her trade, we step forward and help them to become successful in getting employed in that trade.

So what I'm going to do first is give you a little history of the Office to Advance Women Apprentices and where we came from. So, in May 2008 the provincial government issued an RFP seeking proposals from unions and employers to pilot initiatives to increase the number of women participating in apprenticeable trades and to improve the placement of women apprentices in the workplace. And this came forward basically because the government was putting a lot of dollars into high school courses and projects, encouraging women to get exposure to the trades and to take a trade when they finished high school. That was actually happening but after that women were basically not having any success in receiving employment. The doors were closing, resumes were being handed in. And that's as far as it was going. So the Newfoundland and Labrador Regional Council of Carpenter's Millwrights and Allied Workers was selected to implement their proposal, establishing the office in January of 2009.

Our collaborative approach: The Office to Advance Women Apprentices works collaboratively with industry, government, labour, training institutions, community groups and other key stakeholders to achieve common goals in relation to women's employment in apprenticeable trades. This office is mandated to recognize, mitigate obstacles and barriers that impede a women's ability to progress to her apprenticeable program.

So our mandate is to enhance employment opportunities for women apprentices to advance in their chosen trade in Newfoundland and Labrador and we do that in the various ways. We have a registry database of female tradespersons; we offer a coaching and mentoring module; gender awareness training; resume writing and interview skill practice; advisory services; wage subsidy initiatives. In our database, in two and a half years we currently have 440 female tradespersons, and those women are instantly accessible to all employers out there that are looking to hire apprentices.

Our coaching and mentoring model, we work with employers and apprentices on a daily basis, and once the apprentices actually go on the job site, our job with them is not done. We continue to work with them on a monthly basis, checking in with them to see what type of barriers they may be facing on the job, what type of issues, and likewise, we do the same with employers and keep a check with them as well to ensure a smooth transition and a rewarding experience for both.

We offer gender awareness training. We customize the training to meet the needs of stakeholders, and we adapt to the change of the composition of the various workforces.

Resume writing and interviewing skills: We assist women with resume writing and interview preparation and offer them tips to market skills and qualifications to employers.

We also supply the labour pool for various trades from our database. And this is just some examples of some of the places our women are working. We have Gray Rock Mining who have hired millwrights and electricians; Duck Pond Mines who hired a heavy equipment technician; St. John's Airport has heavy equipment technicians and heavy equipment operators; and Long Harbor has mobile crane operators, carpenters, millwrights and bricklayers.

So, in keeping with this mandate, the following points will be put forward on behalf of female tradespersons to ensure that they receive fair treatment for employment opportunities and other areas of the Hebron Project. Women still face many barriers when it comes to employment in the skills trades, and also barriers for childcare services as it pertains to employment. In working together to remove these barriers, women will be able to play a major role in the success of this project for the lives of their families and for the betterment of the Province of Newfoundland and Labrador.

In the diversity plan put forward for the Hebron Project, EMCP has developed a four-pillar concept in identifying the important elements necessary to create a supportive and diverse work environment. This presentation will zone in on three of those elements by putting forward rationale for areas we would like to see in place for female tradespersons and their role in the Hebron Project. These recommendations are designed to increase the supply of women who have the skills required to support this project.

So the three pillars that I will be tapping in on today include: the recruitment and selection of qualified candidates; the development of the supportive work requirement; data collection; monitoring; and reporting.

In support of the provincial commitment to gender equity, the Department of Natural Resources, Government of Newfoundland and Labrador engaged Stantec to undertake a scan of gender equity policies and practices. Some of the results of that scan will be highlighted throughout the following recommendations.

So our first recommendation is that women make up at least ten percent of the apprentices and journey persons hired for the project in both the construction and the implementation phase. The number of women attending training for trades programs is increasing on a yearly basis and, therefore, we have to keep abreast of the current trends that are happening to today and not concentrate on available stats from several years ago.

The Office to Advance Women Apprentices has daily up-to-date stats for women in the various

trades, and these stats indicate that women are increasing in numbers in the trades world, and that in setting low targets we are limiting their opportunities. We currently have over 440 women registered in our database, and this does not take into account women that are currently enrolled in training programs for 2011/2012.

Our second point is that there be a committee struck within the diversity operations of this project to ensure that this minimum of 10 percent is met, maintained and reviewed on a quarterly basis; and that a copy of this reporting information is accessible to the Office to Advance Women Apprentices for review.

The contractors are well-informed of the percentage of women to be hired and will take into account diversity considerations when awarding contracts, and that those contractors are to follow the clauses that are designed for hiring women.

Recommendation No. 4 is that there be a time frame set where contractors must ensure that they have exhausted the skills labour pool in this province before they can hire from outside the province. That the Office to Advance Women Apprentices be identified as the main point of contact in the hiring of tradeswomen onsite. The office's electronic database highlighted above is accompanied by up-to-date resumes and signed release information forms for all female trades persons. We, therefore, put forward a request that the contractors, through the various unions, avail of this office when hiring females for various trades positions. This provides an equal opportunity for all women to have their application reviewed for possible employment.

Industry often cites a lack of and limited pool of interested and qualified women as one of the main reasons for their continued underrepresentation in many nontraditional fields. Our office has up-to-date access to tap into this pool, and can make the information readily accessible for both the industry and apprentices. Ratios and data can also be gathered from our office to use and determine ratios needed, and we also do that on a regular basis. Our database helps us determine right now what trades we find that are overpopulated and what trades we find that are under populated. That information is being given to various groups in this room, also to the government who do funding of programs for people to go back to school. And the women themselves are actual starting to use our office when they're doing their labour market research, because they're inquiring at what trades will work best for them when they're going looking for funding. They also look about areas. If I get this trade, am I going to have to move? Am I going to have to relocate my family? If I take a carpentry course in Central Newfoundland, am I going to get work in Central Newfoundland or do I have to relocate my family to the St. John's area? So this is all types of vital information that our office can provide to these women and to various organizations as a result of our database.

The next point is consistent with the provincial Human Rights Act and other legislation such as the Atlantic Accord Implementation Act. Project proponents and their contractors may not

allow the presence of unions to stand in the way of gender equity. To help address this, it is important that companies engage the relevant unions at an early stage. The Office to Advance Women Apprentices request that the Hebron diversity team work with unions at a very early stage to ensure that they accept female apprentices into their unions.

And that's a very important subject. And when we actually come to the question-answer period, I would like to have Kelly do a little bit further of an explanation on this because she actually works with the unions on a fairly regular basis, and what we're finding is that some unions are very, very open to accepting females, to accepting pre-apprentices, in general, and other unions are saying, sorry, we have no space. No need of taking your money, no need of taking your name because we're not up to that point yet, but, then, there is no follow-up to find out when they are at that point. And we're asking that our office be the link that connects those females to that point where they know they are going to be on a union list.

The gender equity scan also identifies a number of specific actions that assist the recruitment selection and retention of women. These actions include providing copies of job advertisements directly to community groups, supportive of women's employment, and holding women-only employment competitions which are permissible under the provincial Human Rights Act, Special Order. Therefore, we request that the Office to Advance Women Apprentices receive copies of all trades positions that are advertised to the local newspapers, websites and other recruitment searches so that they can be forwarded directly to the women through our office. We can inform women about the core competencies and project specific skills that will be required at each phase of the Hebron Project.

That name hiring be available for women through the various union, and that the Office to Advance Women Apprentices be notified of the name hiring opportunities.

Our next point is that a staff member from the Office to Advance Women Apprentices be appointed to an ad hoc diversity committee so that there is a direct point of contact available for any diversity issues that come up so that there is strong representation on behalf of women in the trades. This committee should not only monitor and report, but, also, enforce and ensure implementation.

We request that there be a use of gender sensitive language in all internal and external communications. It is important to have appropriate representation of women and use of gender inclusive language in internal and external promotional education print and electronic material.

We ask that all areas of the site include symbols and posters which show men and women working together and have strong supporting statements for an all inclusive, respectful workplace.

We also ask that qualified women be developed as trainers and mentors where possible and to have female shop stewards onsite. Successful employee development initiatives identified in the gender equity scan include providing women employees with training, mentoring, and other career advancement opportunities, and helping them establish and operate women's networking and mentoring groups in arrangements. An example of this would be Trans Canada Corp. Canada. They maintain a women's networking group that provides career development and mentoring for female employees at all levels of their operations.

We ask that, where possible, more than one woman be placed in the same job site so that women are not spread out and segregated from each other. This gives women the opportunity to get support from each other across the company lines.

And finally, we ask that Hebron is an all-inclusive workforce and that strong considerations are given to areas of accommodations, cafeteria, washroom facilities, social activities, et cetera, which take in the comfort level of both women and men working on the site.

The recommendations that I've put forward in this paper are actually recommendations that have come from the female apprentices themselves. These are their concerns from working on smaller project, working in smaller companies and some bigger projects. And specifically, the one about women being paired and not the only one working on the job site themselves; they find that it's a lot easier when you have groups support in your own status. So as I said, most of the ideas that have come forth here today are ideas that are brought forward by our women themselves.

And actually, the motto of the females in our office is "*we are doing it*". And I think you will identify by a lot of the input I've given here today is that women are starting to trail blaze and start to making some inroads into the trades world, and we ask you, as a large proponent for Newfoundland and Labrador, to please consider all of these avenues when you're looking at you're hiring of tradespeople for the province.

Diversity innovation and engagement is the underlying focus of the office to advance women apprentices in moving women forward, and we offer these practical solutions today to assist to women in overcoming barriers and to be an integral part of the success of the Hebron Project.

So that's the portion of my presentation. Now, Kelly is going to come up and talk about daycare for the project. Thank you.

**KELLY HICKEY:** Hi, my name is Kelly Hickey. I'm the Program Development Specialist at the Office to Advance Women Apprentices. We have a lot of working people here today. Can I get a show of hands, who has children? So, majority of people. Right, okay. All right, so I'm going to talk specifically the barriers, one of the barriers of employment.

So through speaking with hundreds of female apprentices at our office, there are a couple of main points that come up to why they think they aren't getting employment or what are their barriers to employment. The first one is, that comes up a lot, it is changing, I'm really happy to say, but it is inaccurate and unfounded stereotype that women cannot work in the trades. I'm really happy to say women are in there, change your minds, all over the place. So that one is changing slowly, but surely.

The second issue that we see a lot when apprentices are coming in, I can have a job lined up in a lot of ways for them. It is like, oh, but I got to figure out childcare. Especially in this industry where you need something, you start working tomorrow, you don't start work in two weeks' time; you've got to have some room with that. So the utter lack of child care, a reasonable and actual childcare options is definitely a barrier.

So I will just kind of speed through some of this because I know we've got some stats. Locally, although females account for approximately 47 percent, so just under half the provincial workforce, women's participation in the province's prosperous oil and gas industry remains extremely low, even lower than the national rate. Only five percent of those employed by Hibernia's Bull Arm site were women, and during the production five only five percent of those employed by Hibernia offshore platform are women. And I have friends on Hibernia now, and five percent, actually, might be a little high from what is actually going on out there.

Just in another vein, Husky's White Rose Project employed only 12 percent female engineers with women only accounting for six percent of the project's technicians, technologists, and three percent of the marine crew. And those are fairly recent statistics.

So even though the government has taken a proactive approach to equality by funding offices like the Office to Advance Women Apprentices and WRDC, there are still many barriers to be addressed, obviously. And even with industry partners working through diversity plans, and things are getting much better that way too, we do not expect the representation of women to increase significantly. We won't expect, necessarily, the big numbers that we would like to see in a lot of these sites. There is a lot of reasons for that. There is a clear dissonance between the well-meaning policies on diversity and the lack of women actually being hired and retained, because "retain" is an important one as well. This discrepancy demonstrates the need for additional resources and supports such as more accessible and affordable childcare spaces to facilitate the employment connection for women.

So this is one, I just want to spend a little bit of time on this. This is figures just released this week. So, currently, in Newfoundland and Labrador this is the reality that we're facing. There is 65,460 children age 0 to 12. Out of that 65,000 children, there is 48,000, and change, with parents who are currently in the workforce. Now, out of those numbers,

thinking big pie, 65,000, at least 48,000 of those parents are in the workforce, there is only 6,772 actual childcare spaces. So this means that only about 10 percent of all children, from 0 to 12, and 14 percent of children with parents in the workforce, have access to childcare spaces. So what does this mean? This means people have to get really creative. You have to figure out, we have women who have their Monday to Friday nine-to-five jobs, and their kids are Mondays, Wednesdays and Fridays they got childcare spaces and a daycare center in the city, and Tuesdays and Thursdays they either have to find an aunt, grandmother, neighbor, someone to look after their children. It's a very high stress reality for a lot of families in Newfoundland and Labrador right now. It's a situation that begs for more attention, more funds. Even if you look at the 65,000 children versus the 48,000 with parents currently in the workforce, there is no way to indicate how many of that discrepancy it would be people who would be in the workforce if they could find childcare. So that could be even higher.

Here we go. Just another CBC this week recently published articles about women in Newfoundland and Labrador who are forced to leave their workforce due to an utter lack of childcare spaces for children. And in a lot of cases these are women who are educated, women who could offer a lot to our labour force. That after giving birth and you make a choice to have, you are replenishing the workforce, we kind of need this to happen and you're being disadvantaged because there is just nowhere to put your child so you can continue your career, so you can help out your family, so you can contribute economically to your community and your province.

A national report, in a similar vein, on the state of early childhood, just released this month as well, ranks Newfoundland and Labrador dead last amongst all the provinces, demonstrating that the province desperately needs more childcare spaces so parents can work.

So, with this being such an issue for women in the trades and women in workforce, in general, we were discussing what ways the Hebron Project might be able to help out and be proactive so that more women could be freed up to actually work on the site; of course, this would help men in families as well.

But during construction, this is a suggestion that we've come up with is, working with, the Hebron Project could work with Bull Arm and its surroundings communities, maybe Sunnyside, Come by Chance, Arnold's Cove, the ones around, to build a childcare center off site for the children of the site workers. This one is particularly, if you want to look at cost benefit analysis, it probably wouldn't cost that much to build an actual site. It is something that would be a large undertaking for a private company to take on for a short-term project, and it's something, we're just suggesting that if you build it and then maybe put an expression of interest out, a proposal, so there is an actual place for the workers to have their children close to the site. There is many benefits to this. There is peace of mind, of course. There is also the reality with lunch breaks parents can visit their children. I have talked to a lot of people who work on sites and the thought of this makes them very, very happy. There is also the

reality of if there is an emergency situation, the parents are really close. So there are all these things that are adding up to certainly be the benefits.

Also there is the during operations, working with municipalities where most workers would be based, likely St. John's, to build a childcare center for the children of those workers. So it is a two-pronged approach. So we get this. Of course, we get women's increase in participation. This would allow women to avail of the national resource sector, advancing their status and reputation. This is our natural resource. It is Newfoundland and Labrador's. We have a right to be able to avail of it. And the more women who get into these industries, the more women are making great names for themselves. Like Karen said, being trail blazers.

But besides that, women have had a very positive effect on industry. We work with employers on a daily basis and the feedback we're getting from the women that are onsite, the women that are in shops. There is increase in productivity, increase in innovation and even increase in job safety. I used to actually just work for a geoscience company which was all men and they actually like to have a one woman on a crew because it just made the guys think about things a little bit more safely. The research is still kind of being built on this at the Women in Oil and Gas Conference. This is something that was talked about a fair amount, the increase in safety with women onsite. And I actually asked the entire group. I said, so, where is the research? Does anyone have this statistic? And it was very anecdotal. It has yet to be done but it is something that's kind of like a speak-easy thing a lot of people in industry are agreeing on.

Besides that, with more women in participation of the Hebron Project, we're going to be retaining our young women in our province. So, right now, if you are pipe fitter apprentice, you pretty much have to go to Alberta. So you're a young women. You're going to Alberta. You're going to be there for four years. Statistics show if you're a young women and you're going to move away for four years, you're probably going to start a family in Alberta. You're not going to necessarily come back home and move everything. So, right away, we're losing our women, which means we're losing our young family, which is our tax base. So, by retaining young women in our province, it allows our economy to be more stable and to grow. And also there is increase labour market pool. So assisting with the pending worker shortage so we can get as many Newfoundlanders in working onsite as possible, but, also, alleviating some of the stress of the worker shortage that is already started, I think most people have agreed.

Besides that, looking at it from the Hebron Project's perspective, it is a huge recruitment strategy for both female and male workers. My partner works on Hibernia and he discussed this possibility with the other men in his rig, and the thought of having a childcare center, that you had a place where you could put your child and not have to worry, thrilled them. And those were just about all men. So it would be something, it would be very, it would be a

desired place to work even more if there was that childcare center in the people's minds. But besides that, it would also allow the Hebron Project to be recorded by industry, government and by workers as cutting edge. Right. This would be something, it is not brand new. In Windsor, Ontario there is Chrysler Ford and GM got together and did a childcare center for the factories there. So it's not brand new but it is certainly would be something cutting edge for this industry right now, from what I could tell. And also, it is creating a legacy by demonstrating the Hebron Project's commitment to the people of Newfoundland and Labrador.

This legacy could, you build a building there, I've been to the Long Harbor site, which is now they have that great place for all the training that goes on there, and then when that Long Harbor sites gets closed up from the construction the community gets to have that for their community center. And I talked to people in Long Harbor and they were quite proud of that. It is like, yeah, well, this is what it is now but we get it afterwards. This is going to be our new town hall. And this is something that instills a sense of pride in locals and also leaves that legacy of a positive affirmation of the Hebron Project to the people of Bull Arm and surroundings areas.

So that's just something we wanted to throw on out there as a strong suggestion, that it's something that needs to be addressed and I think that we can all agree on that. And thank you for your time.

**COMMISSIONER (Miller Ayre):** Well, thank you. I will give you a chance to catch your breath, I think. (Laughter). Karen, perhaps you could explain a little bit about, setting aside for the moment the male and female, how the apprenticeship works, in general, in the province. I mean, I understand that our apprenticeship program is very low. I mean, the company participation is very low in this province. Maybe you can comment on that as well. But just so that everyone here understands what we're talking about, and then the added difficulty from the female point of view it would be even more clearer probably.

**KAREN WALSH:** Okay. So I assume, is my light working?

**ED FORAN:** No, press it.

**COMMISSIONER (Miller Ayre):** There you are. Now it is, yes.

**KAREN WALSH:** So basically how the apprenticeship system works for our province, and it varies in provinces right across the country, but in Newfoundland how it works is a person has to choose a trade of their choice and they actually have to go to college for a nine-month program. When they graduate from their nine-month program, they are still considered a pre-apprentice. They have their trade but until they actually get their first day of work, they are considered a pre-apprentice. Once they actually receive their first job, they are then

signed on by industrial training to become a first-year apprentice. In their nine months of class, they receive 1100 hours for the schooling portion, and then in their first year of their apprenticeship they work 700 hours to give them a total of 1800 hours. At the end of that, they actually start their second block and they have to work 1620 hours. The industrial training, at one point, were sending them back to school for their eight-week block at the end of working 700 hours, but what they were discovering is that people were not actually getting enough hands-on experience. So they extended it that they worked their first term and their second term, and then they actually go back to school. And what the block entails is eight weeks' work of in-class where they build up on the courses they started in the first portion of their training and a lot of the hands-on that they've done to that point. After that eight weeks, they go back to the field again for another 1620 hours. Back to school again, and the cycle creates itself until they actually reach 7200 hours.

So between schooling and work, and any apprentice in any trade, except the heavy equipment operators, have to have a total of 7200 hours. At the end of that 7200 hours, once they've finished all their schooling portion, they actually write a Canada-wide exam which will entitle them to be, if they are successful, a red seal journey person. It works different for the heavy equipment operators because they are actually tested on each piece of equipment rather than the overall of their trade.

So the difficulty where it comes in for women is that - and WRDC alluded to it very clearly this morning - is that if you have four resumes on your desk and three of them are guys and one of them are women, and guys are sometimes a lot more inclined because they've probably had odd jobs throughout high school and while they were going to college and everything in that field, so they've already built up a bit of experience, as opposed to the woman who doesn't have it. So nine chances out of ten it is the guy that's getting picked for that job.

When you spread the gap a little bit further and you are looking at bigger organizations, and we all know this is a male-dominated trade, so we have, what, 440 women as young women as opposed to X number of males in the same trade, so the number of resumes that are being looked at are being outweighed by men a lot more than they are females. And then, if they're looking at the experience by the years to go with that, they are that much more disadvantaged.

**COMMISSIONER (Miller Ayre):** So just, I mean, you mentioned hours but, I mean, how many years does this take?

**KAREN WALSH:** It normally takes four hours to accumulate.

**COMMISSIONER (Miller Ayre):** Four years?

**KAREN WALSH:** Yeah, four years, sorry, to accumulate the 7200 hours.

**COMMISSIONER (Miller Ayre):** So, I mean, that process that you outline there, I mean, it's almost getting hard put to take somebody who has nothing right now and get them to a journeyman's position or journey person's position in the context of, say, Bull Arm. Right?

**KAREN WALSH:** Yes. And that's why we are asking that 10 percent of the positions be for female apprentices on that site. Because how the ratio works is that you could have two apprentices to one journey person. So the journey person is basically the supervisor over that apprentice while they're working up through their level.

**COMMISSIONER (Miller Ayre):** Well, perhaps, Geoff, you can comment on, just once again, just illustrate what agreements there are to use women in the workforce with the unions?

**GEOFF PARKER:** So there is the principles outlined in the agreement, the diversity principles but, then, to specifically facilitate some of those diversity principles, the name hire piece is there. And so, as we talked about this morning, that is one area where there could be some more influence over the employment of women.

The other piece, I think given the size of the project, there's going to be many employment opportunities. So this case of where we have, perhaps, a male apprentice who has some high school extra experience that puts him above, seems to put him above a woman apprentice who hasn't had some of that extracurricular experience, I suspect that's not going to be a big issue. If we have two qualified people, I suspect we'll be employing them both, not choosing between one or the other.

**COMMISSIONER (Miller Ayre):** So, I don't mean to sound naive, but maybe I am. Is this only union language then? They talk in terms of apprentices and journeymen, or are there people operating in nonunion shops who have to, by some other language or name, or get to the point where they write that national license you were talking about?

**KAREN WALSH:** No. Every person that goes through the trades school does have to work through their apprenticeship to get to the journey person level. No matter. They cannot accumulate the hours unless they work under a journey person who signs off their logbook verifying that they done the actual jobs. So we do have many females in private industry, very small companies. Some of them, in actual fact, that if they have a journey person onsite they can actually hire one of our apprentices and work them up through their apprenticeship level.

**COMMISSIONER (Miller Ayre):** Even though it's not a union shop, for example?

**KAREN WALSH:** Yes.

**COMMISSIONER (Miller Ayre):** Yes, okay.

**KAREN WALSH:** The trade in itself, whether union or non, that's how the apprenticeship program works. For every one who takes a trade, male or female, that's the process they have to take in order to get to journey person's status.

**COMMISSIONER (Miller Ayre):** Okay, yes. So, I mean the objective, the big battle is getting recognized and overcoming a pure seniority issue for starters?

**KAREN WALSH:** Exactly, yes.

**COMMISSIONER (Miller Ayre):** I mean, in addition to all the other work you have to do to get rid of the cultural imbalance that exists on this issue.

**KAREN WALSH:** Yes.

**COMMISSIONER (Miller Ayre):** And have you felt that you're making ground so far? I mean, this is a relatively new program you're working, I think, isn't it?

**KAREN WALSH:** It is relatively new in two and a half years. The mandate for the Office to Advance Women Apprentices in the first year was to assist 20 females get employment within their trades. In two and a half years, we have assisted well over 140 women get jobs in the trades in Newfoundland and Labrador; that's not including what women have gone to Alberta or different provinces for what.

And the trend that we are seeing is that once an organization hires a woman, that if they're looking for another apprentice, they're actually coming back and calling our office and asking for another, for us to forward resumes for another female apprentice. And it is happening a lot in some of the smaller companies. Because what they are saying is that we want to try and home grow our apprentices to journey person so that they are not actually losing them to the bigger projects or out of province.

**COMMISSIONER (Miller Ayre):** Have you looked in detail at the Benefits Plan for Hebron? I mean, in Appendix "C" it outlines all the required skill sets.

**KAREN WALSH:** Yes.

**COMMISSIONER (Miller Ayre):** Do you match against that, your four hundred and some odd?

**KAREN WALSH:** Yes, every one of them are matched against that.

**COMMISSIONER (Miller Ayre):** So you match against that. You do that. Is this kind of information available from other job sites or other organizations, or you just understand, you understand from unions and others how many there are required in various fields? Do you have a good sense of it? I mean, you can get a good sense from a project like this which breaks down the future requirements, but in an ongoing way, an ongoing sense is probably not as easy to tell, is it?

**KAREN WALSH:** In ongoing sense right now, the demand is slowly starting to increase because a lot of the workers are starting to leave and go to the bigger projects. So some of the smaller companies are. In Long Harbor I think the percentage is three percent. Three percent women for their organization, so.

**COMMISSIONER (Miller Ayre):** When we were in Marystown and Clarendville, they indicated to us there that, and this was from, I think, trades school, students getting out of the trades school found they had to go to Alberta to get ahead. Even though they might come back here afterwards, getting higher in the apprenticeship program and so on was much easier.

**KAREN WALSH:** Out of province, yes.

**COMMISSIONER (Miller Ayre):** In Alberta, for example.

**KAREN WALSH:** And in some cases they're right, and Kelly alluded to that in some of the fields. That a person who takes a trade as instrumentation technician, nine chances out of ten the only time they will ever get a job in Newfoundland, to date, is if they are at least a third-year apprentice. That's male/female right across the board because the demand for work is not here.

Six months ago if we had a woman come to our office and say I want to become a female electrician, we would have had to say, basically, in our database we have probably 27, 28 female electricians that we are struggling to get work for. In this past eight/ten weeks we've assisted seven female electricians get employment in various companies here in the province.

**COMMISSIONER (Miller Ayre):** So someone is starting out, really, to some extent, if they decide to get into a program they probably have to go and get themselves hired and make someone an arrangement with some employer that, yes, I'm here now and so on, and I'd like to be an electrician. And this person is fine. You go to trades school and when you get out I'll bring you into my program or I'll bring you to my company. Is that how?

**KAREN WALSH:** And that's not a lot of the way it happens. A lot of the way it happens is that young people coming from high school or people deciding to go back to school look and see what I would like to do as a career for my life. They go on to college and then three parts through college they go, hmm, now how do I find a job in this. That's basically the way it

happens.

In some other provinces how the apprentice trade can work is that they can actually be working in the field and then go to school and take some of the training. That's not the case here. The case here is they actually go to school, do a nine-month trade, the same as you would a nursing assistant, an office administration, or anything like that, and then you come out and you find your work.

**COMMISSIONER (Miller Ayre):** Now, the government pays a lot of the training here. Is that correct?

**KAREN WALSH:** The government does a .... If they are on EI, the government can fund them to go back to school and help cover their tuition costs and things like that; if they are EI eligible.

**COMMISSIONER (Miller Ayre):** But if a company has an apprenticeship program and so on, does it not get funding back from the government?

**KAREN WALSH:** Yes, from a wage subsidy program. And our office actually offers a wage subsidy program which has been very helpful in assisting a lot of females get work. And how that program works is that for a first-year apprentice right out of school to get their first job, our office, with the help of funding from the government, covers 90 percent of their salary. Once they move to their second year, it covers 80 percent of their salary, and their third and fourth year covers 60 percent of their salary. So by the end of the fourth year, when an apprentice is ready to become a journey person, it really hasn't cost that company a lot of money to train that person. And that's the biggest opportunity right now that's out there in helping females get work to start their apprenticeable trade.

**COMMISSIONER (Miller Ayre):** The training program, yes.

**KAREN WALSH:** Yes.

**COMMISSIONER (Miller Ayre):** Well, I mean, I can certainly see the battle is difficult. I'd like to move on for just a second and see what the situation is with the daycare centers. The lack of daycare centers, is that kind of an even, would you say that number is even in the sense of around the province or are there a lot of daycare centers in Corner Brook, Grand Falls, St. John's, for example? So it is even worse in smaller centers?

**KELLY HICKEY:** Absolutely. Well, it's kind of a double-edged sword. There is much more opportunities and way more childcare centers within the St. John's area, however, there is much more need for it as well. And the outport communities seem to be a little bit more adaptable in a lot of ways. Families, maybe, are tighter because they have to be for childcare

situations. But it is, it is a pretty dire childcare situation across the province and Labrador as well.

**COMMISSIONER (Miller Ayre):** In the stats you gave, you used up to 12 years old, right?

**KELLY HICKEY:** Yes.

**COMMISSIONER (Miller Ayre):** Is that a just cohort you could get the numbers for? I mean, are daycare centers not just generally like a little lower than that or? Is there a focus on daycare centers that only goes to eight or nine, or was 12 selected because you were driven by where you could get the statistics, or were driven by daycare center use?

**KELLY HICKEY:** The 0 to 12 is just kind of the age bracket that is used by a lot of research done in childcare because that's kind of the point where kids still have to or children still have to be looked after, after school. And then it is up until usually about grade six or so.

**COMMISSIONER (Miller Ayre):** Right. So after that, parents, generally the kids come home and carry on their own?

**KELLY HICKEY:** Right. And most of the data is 0 to 12.

**COMMISSIONER (Miller Ayre):** Yes. What would be, what is the single biggest problem for day cares in some of the areas? I mean, is it finding a building? Because we heard there was a school, a vacant school, like, in Clarendville that could be used for a daycare center and so on. Is it facilities or is just people not, this is not a job opportunity they want or is there just not .... I mean, it is like so many other things in the rural areas where there is not enough kids to put together for a three- or four-team hockey league; never mind a daycare center. Is that the main issue?

**KELLY HICKEY:** I don't know if I can prioritize every issue. One major issue is absolutely facilities are expensive and not so much plentiful.

The second issue is, I don't know if you know, but early childcare educator makes minimum wage or just over usually. So it is not necessarily even a career choice that a lot of people want to choose to make. If you want to look at what an early childcare educator makes versus a truck driver, or something like that, that makes a livable wage. A truck driver can make two and a half to three times, and this is our greatest resource is our youth. So it is not necessarily something that a lot of people go for, but, besides that, we do have people who go through the programs early childcare education - and God love them for it - but there is not a whole lot of jobs, places for them to work. There seems to be a lot of people dropped a lot of balls, perhaps. I don't know. It is a situation where there's dire need. I have no one, this is what's wrong. There is a bunch of issues surrounding it.

**COMMISSIONER (Miller Ayre):** So, and you certainly encourage daycare centers where there are large groups of employees, is that correct? Is there daycare center at the Confederation Building?

**KELLY HICKEY:** I think there might be, actually.

**COMMISSIONER (Miller Ayre):** Yes, I don't know. I'm just saying. But that would be an objective you would have, I guess, where it's clear cut that there are large groups of employees. It would make sense to have a daycare center right onsite, would it? Is that the case?

**KELLY HICKEY:** Absolutely. A place where, when we're talking high quality childcare center, as well, and something that can be affordable to working parents because what's the sense if it's not, really. There are many situations where we've had women who decide to quit jobs because they make over just, maybe, a couple of hundred bucks a month over what their childcare costs are. Right. So there are many issues to deal with that. Specifically with this situation, a large place, a large facility that had the correct ratio of childcare educators to children, it could be kind of like a hub of sorts would probably be amongst the best ideas for that.

**COMMISSIONER (Miller Ayre):** Well, I mean, it is obvious that every one, I mean there is a real sense of trying to resolve the issues that surround the labour shortage issue that might be coming up. There is the opportunity for some of the programs, such as yours, to really move ahead at this time. It is one that, obviously, you're all trying to grasp. And I certainly would hope that all of those employers who hear these comments that you are making in here can find a way to respond to it. There is no doubt about that.

I just wanted to clear up something that you hear, every time this presentation is a phrase like "name hiring". Right. Now, could you just explain "name hiring" to me so I understand that?

**KELLY HICKEY:** Well, I can speak just from my experiences for name hiring when dealing with apprentices. So, if you are in the union, if you are able to get into a union and then you are on a list, and if you're going through name hire you're on the out-of-work list. So, that means maybe you're number 17 on the out-of-work list, so that 16 people would likely have to get hired before you. However, if an employer decides they want to name hire somebody, they can look through the out-of-work list. This happens a lot when employers have had positive experiences with employers in the past, and they can say, oh, Joanne Walsh, she actually worked out really for us, so we're going to hire her. So that's where the name hire comes in.

**COMMISSIONER (Miller Ayre):** So they can name, talk about naming the person they want,

is that it?

**KELLY HICKEY:** Yes.

**COMMISSIONER (Miller Ayre):** Okay. Yes, I don't know.

**GEOFF PARKER:** So that's great. It is the employer gets to choose someone from the list rather than the union using whatever method they would have to choose from the list. The employer can choose whomever based on previous good experience or whatever other criteria they may have.

**COMMISSIONER (Miller Ayre):** So in a case where you, if you're a pro, if you happen to be, like, have diversity as an objective and so on, something like this occurs then it's an opportunity for you as an employer to select a female and so on, so.

**GEOFF PARKER:** Yes, it could be used for that.

**COMMISSIONER (Miller Ayre):** Yes. Well, I want to thank you. I know the programs that you're doing are very useful and all of us here, we're glad to have the presentation so we understand more fully. Thank you very much and good luck.

**KAREN WALSH:** Thank you.

**KELLY HICKEY:** Thank you.

**(Nutrition Break)**

**COMMISSIONER (Miller Ayre):** I will call on Mr. Clerk to introduce our presenter.

**ED FORAN:** Thank you, Mr. Commissioner. So Bob Kennedy is here - Bob - from the Eastern Suppliers Development and Alliance. And thanks, Bob, for being here today. We were to see you, I guess, last Thursday in the snowstorm, and you probably did the wise thing and stay in your house and not in your driveway sideways. So anyway, thanks and proceed.

**BOB KENNEDY:** Thank you. Good afternoon, Mr. Commissioner, ladies and gentlemen. My name is Bob Kennedy. I'm the Project Manager for the Eastern Supplier Development Alliance and I would like to take you through several slides that will outline our purpose, what we have been doing over the past year or so, and then integrate that into what we think we can do in the future, certainly working with ExxonMobil and its main contractors.

So basically, we'll cover several things. First of all, a little who are we, our mandate and role, again what we've been doing, and the relationships we've developed with the Proponent and

its Tier 1 suppliers to date and our review of that, and the three or four issues we're wanting to bring to your attention, Commissioner, going forward into the future.

Basically, the alliance was set up by several groups; the economic zones boards in three regions: the areas covering the Burin Peninsula and the Bonavista Peninsula and the Southwest Avalon. So, really, from Placentia through to Clarendville and Bonavista and all the way down through the boot of the Burin Peninsula; in addition, the Chambers of Commerce out that. And about two years ago, long before this project started, and certainly before I got involved, these groups came together and recognized that in previous projects, although there has been participation from smaller companies in those regions, it is really been quite late in the project in what I would call - to use an expression - dribs and drabs, without a real understanding on the part of the supply companies, what they could do to participate.

So, the group formed a mandate to really work together to enhance the abilities of companies in the region to competitively supply goods and services to the project.

And if I can take a second there, this is about when I got involved. One of the early points that I made was if we were going to be successful at all, we had to view ourselves as admittedly small players and not perhaps supplying directly to a KKC or WorleyParsons but to Tier 2, Tier 3 companies but on a competitive basis we're these little companies have an advantage, maybe flexibility, fast response to the project, things of that nature.

Our role we've summarized, really, for your benefit here in four subheadings. We're assisting regional companies to identify potential opportunities within the project. And that is a challenge if you're a small company in our province; even if you're a medium-sized company in our province. We look at a six-billion-dollar development, round numbers, and you're a small company doing 5, 10, 15 million dollars in sales. How can you possibly fit in?

On the other side, our role is to advocate with the major players, and I've mentioned a few moments ago, on behalf of those abilities. Again, not that the Proponent is going to necessarily hire one of the regional companies to do something, although that may happen, but to understand that there are skill sets those areas. There is expertise in those areas and there is a willingness to make the effort to comply with the requirements needed in a disciplined approach for a project like this.

The third thing that we've been doing, especially over the past six or seven months, is advising and coaching regional companies through the supplier qualification and related steps. And again, Mr. Commissioner, you can appreciate, I'm sure with your background, that small companies do a lot of relationship business. They bid to the local municipal council, the school board. A lot of times they will know some of the owners of the companies. They will know the councillors. This, of course, is an entirely different - to use an old Newfoundland expression - kettle of fish, where you don't know the players. Most of us know that the players will change in the course of the project. So what you have to be careful of is to

ensure that the small companies respect the systems that are going to be in place, recognize they will have to work their way through our systems if they want to be serious; but if they do there is real opportunity.

And then, finally, we're working on a fourth issue which is developing a regional supplier database, and the objective here again is to allow the Tier 2, Tier 3 companies to reach out, when the opportunity comes along, and find some small local companies that can address some of their needs.

These are the sorts of things we've been doing over the last 12 months and certainly moving into 2012. We started out with a number of private one-on-one meetings with companies in the region. And, I guess, in the last 12 months we've met with about 70 companies. We followed up as required. In many cases, by the way, companies have come in and said, okay, now that I understand the project, that's not for me. Or perhaps I've been able to say, or we've been able to say, there is really nothing that you need to do. But in a number of cases it's been explained to them, the systematic approach that they need to take if they want to be successful.

And, in fact, I met with a successful supplier company which was just awarded a contract earlier, about two weeks ago. He called me last night. We had a chat on the phone. And he realizes that by doing those steps, he's been successful bidding against much larger players and is now telling some of his colleagues, one of the local Chambers of Commerce, look, if you put the effort in, although there is no guarantees in life, you have an opportunity to be successful.

Again, we're advising and coaching on expressions of interests and invitations to tender as they come out. We're attempting to create - and I think we have to some extent - an awareness of regional capabilities that we've got out our way, and we've attended the regional showcases, certainly the thing that NOIA sponsors every year. It is a really big show, and some of the smaller regional ones. And we're working to upgrade our database to meet the needs of the Tier 1 suppliers.

This has been our relationship to date with the Proponent. We have enjoyed both access and responsiveness from ExxonMobil staff and from KKC and WorleyParsons' staff, especially those charged with benefits management, community outreach procurement. And I'm certainly here today to say that I believe we've displayed a mature approach, and I think that's been acknowledged on the other side. And from the point of view if you're bringing something to the table, I think we are finding that that's working very well.

We also have success in addressing individual issues, obviously most of these are confidential. But within the overall envelope of responding to EOIs, you have companies that misinterpret, can't quite understand the need for certain things. And I must say we've been able to

interface or liaise, if you will, on that regard and have had very good success with Tier 1 companies coming back and saying, look, let's try and work this, this way. And that's within the overall envelope, obviously, of doing things in a professional manner.

We've also recently had support in something that we've just started, which is a knowledge-building sessions program. We've had support from ExxonMobil, in particular, on this and its contractors. In our last, to give you some sense of this, in the last 18 months as we've talked to a number of companies we've identified sort of really soft spots that some companies have. Where they are not at zero, if you want. They're below zero, if I can put it that way. So our seminars are just designed to acquaint certain companies with what one would need to do to tackle potential.

And let me go back a second, perhaps, and address that a little bit more. Essentially what we're doing is saying, for example, from Occupational Health, diversity being one, I know that was just addressed a few moments ago, a whole series of things where individual companies have, as I say, flat spots. Don't quite grasp, for example, how to manage a contract once you get it. What are the issues that may come up? So these seminars, which will go on over the next six months in Clarendville, Marystown, and, as needed, in Placentia, we hope will allow certain companies to get a better understanding. And in some cases, of course, they will have to go off and invest with their own money to get themselves to the necessary level to be able to bid on the project.

Looking forward, post-approval, we wanted to make four individual points at the meeting this afternoon. The first one is that, as everyone knows, this is an extremely large project, and our success, as ESDA, is really linked through the Proponents and the Proponent contractors following it through as the project ramps up and gets very busy. As I say, we've enjoyed a very good relationship to date and we look forward to that to continue, but my experience on other projects, in other parts of the world and here, is that as projects get very, very busy it is very difficult to keep all the balls in the air. So we are focused on that. We will do the best on our side to make sure that that carries on. That's certainly a concern area.

We think that the regulator also may have a role here, which is to ensure that the whole benefits management procurement and outreach issue continues.

As I've said, or alluded to a few moments ago, historically, even in this province, this moves into a bit of a sort of a retrospective reporting activity where people start measuring hours spent and things that happen, and from a small supplier point of view it becomes almost historical. So if there is a problem, by the time it comes right around to the loop and it gets to the eye of senior management, the executive management, too much time has passed. And I don't know the answer, by the way, as to how to shorten that loop. I would welcome any suggestions from people. But I've seen, and I think others have seen, that sort of two- or three-month delay when you think, oh, gee, it is too late now. So that's the reference point there.

Again, I think this is something that will be done but it is very important that awards that start to flow down into the project in the Tier 2 and Tier 3 level need to carry that overall guidance that ExxonMobil, as the Proponent, is brought to the fore at this stage with respect to ensuring that provincial, and in our case regional, firms are given appropriate opportunities to qualify and bid. It's going to be important as things keep moving ahead and getting very busy, we will do our best, obviously, to keep that in focus.

And the other one that we're looking to, of course, is maintaining that management system that ensures that there is really good internal dialogue between benefits management and the procurement group, and that there is continued feedback between potential suppliers and benefits management.

And we've had really good success with that right now, and we look forward to continued success, but, that, again, is a real difficult area. Historically, once you get into the project, it is a real push on. There is only so many days. The money has got to be spent. Has been spent on a cost envelope and a time envelope, and it's difficult to keep the .... The benefits people are working very hard but it is the whole chain of benefits procurement, project engineers. And I speak as a one-time project engineer and you're trying to get it all done. So it is just drawing that to everyone's attention is in our view very important today.

And those are really the gist of the comments that we wanted to bring to your attention. Thank you.

**COMMISSIONER (Miller Ayre):** Thank you, Bob. A number of questions that came to mind. Is the confidence level growing in the peninsula in terms of the project and things they might get from it? Is this something that you, have found you're getting good take-up as you go ahead? If you push your mic, your red button will go on there.

**BOB KENNEDY:** There we go. As a matter of fact, I can really address that one. I started in June of last year and the first two meetings, we had a public meeting in Clarendville and one in Marystown. And at the time, privately, the people who attended, we had a group about this large, I guess, in Clarendville; all the small business owners. I wouldn't use the word "negative", I would use the word "skeptical" to describe them. We had several cases where small business people came up to me and said, look, in the last project - without going through it - in Bull Arm, we were involved in the last two months/three months only because a sub-subcontractor came in. Maybe it was our fault, we didn't know what to do, but because we couldn't understand how to approach the project.

That has changed quite a lot over the last 12 months, and it's been very much so, especially in the last two or three, as several firms in the region have actually gotten contracts on the Bull Arm site. And that's been a real, gee, this has never happened at this stage in the project

before. Did I answer your question then?

**COMMISSIONER (Miller Ayre):** I got to learn how to turn the mic on. Just so I can understand. I don't know if you have what you call a membership, but in looking at the list of associations, partnerships that basically created your organization, are the members of those groups automatically members of yours, or can anybody call you up, whether they're a part of the Chamber? They live in Arnold's Cove and not a member of the Chamber of Commerce. Can they still drop in? Is that the way it works?

**BOB KENNEDY:** Absolutely. And in fact I've had companies who are not Chamber members, who have called and said, look, I would like to have a chat with you. When are you down this way next? Absolutely.

**COMMISSIONER (Miller Ayre):** So it is a very open process.

**BOB KENNEDY:** The only qualification that we have is obviously we're sort of a subset of activity of the province. We're a regional group and tend to be focused at a lower level within the project. But if you're not a member of the Chamber of Commerce, I don't think, well, no one has been excluded to date, and that would not be the plan.

**COMMISSIONER (Miller Ayre):** So do you work with NOIA at all or? Because some of your members are the same or do you actually work directly with them as well?

**BOB KENNEDY:** Some of the larger companies are members of NOIA. Other than that, I keep in pretty close contact with NOIA. And as you'll appreciate, NOIA represents all of the firms in the province who want to be members. Again, we're very much of a subset of that activity. We're playing on a much smaller or painting, if you will, on a much smaller canvass than NOIA. We have very much shared interests.

**COMMISSIONER (Miller Ayre):** So, Geoff, did you people play a role in initiating this? Is this the kind of organization that you would see forming around some of the other projects where you worked, and the locals, the very local suppliers were looking for activity just like we were hearing?

**GEOFF PARKER:** Yes. I think on other projects where I've worked it hasn't quite as well organized as it is here. I think, as you could see from Bob's presentation, that ESDA is very professional and very collaborative in the way they work. And one of the advantages is it gives us a single point of contact in some way to get out to many organizations in that area. So, I think that professionalism and structure helps us in our interactions as well. I'm pleased to hear that we're already starting to see some positive results from those efforts.

**COMMISSIONER (Miller Ayre):** Yes. And so you could actually call Bob if you needed,

wanted him to provide some information or if your procurement group wanted to find out if some incidental item was available locally.

Bob, how many of the people who are using your service would do business, small business with the project, say, that might be, maybe, only 10 percent of their own business, a very small part of their business? Is that the kind of thing you're also encouraging or are these people who would like to try to do a big hunk of the business they're doing? Do you also get members who, it is just an ancillary activity to sell what is a big player in your economic area?

**BOB KENNEDY:** Well, I think both, Commissioner. I mean, obviously, someone wants to do a lot of business, you encourage. But in a lot of cases for small companies, I don't want to put number on this, but clearly if you're doing an extra 20 percent in offering some supply to the Bull Arm side of the project or, as it develops, the Marystown side, that can be a significant part of a small firm's business.

I was involved about five, six years ago in some work in what's now the Long Harbor project with Vale, and at the time we had some very small firms that. And this was really, perhaps, not as well organized as this is now, but we had some very small firms that came forward and said, look, there is only mom and pop, two employees, and we're doing five million a year. I can think of one or two of those who increased their revenue by about 10 percent, which is pretty significant in their context, for several years. And we've had some very small firms that are looking to do another 20 percent extra business for several years, hire an extra person. But in general they will also come away with a much more organized business. And one of the things that many of you will know about small business is that in many cases they lack a lot of the accounting disciplines, the very simple things. And in some cases, again, referring back to our knowledge-building seminars, some of these are really designed to say, look, these are the things you need to do to have a sensible business in 2011, anyway, quite apart from the Hebron Project, by the way.

**COMMISSIONER (Miller Ayre):** But, I mean, what's really encouraging about what you're doing is, and I've had some direct relationship with the Chamber and so on, but I see all of these organizations could have tried to develop something along these lines themselves but realized that by getting together and hiring someone like you, they could get a much more focused and much more aggressive approach to it. So, I mean, it looks like it is a very healthy concept.

And again, I mean, all of the presentations today were people were taking on some specific aspect of what's happening as the result of Hebron, and growing and working hard within their organizations to solve a particular problem or to make an opportunity grow. So, I mean, I've been very encouraged by the things we've heard today, and this is just, they are very different but they're focused and they're working hard and they're going to make something happen while the opportunity is sitting there.

So, I don't know if you have any more questions, Geoff, or comments?

**GEOFF PARKER:** Yes. Really just to reassure Bob that we will continue our consultation. I do appreciate the way you recognize that there are difficulties as the project ramps up in terms of us doing that work, and so I think the communication channels are there.

I also really appreciate the way ESDA understands the need to work with the prime contractors to provide a lot of the opportunities for their members. So, continue to do that as well, and appreciating that everybody gets busy but let's keep talking. So thanks very much.

**(COMMISSIONER (Miller Ayre):** Bob, just one other thing; two, actually, while we're thinking about it. The types of service you're providing, did you want to illustrate what they are? Do you have some examples of what you'd expect to see grow?

**BOB KENNEDY:** In terms of how so?

**(COMMISSIONER (Miller Ayre):** In terms of business with the contractors or the prime contractor, whatever the case may be.

**BOB KENNEDY:** Well, there is a number of aspects and if I could answer, perhaps, two or three examples. For example, in the whole area there is a lot of, as you might imagine, mobile equipment operators, construction equipment operators. These are people who can do support work on the Bull Arm site and ancillary operations like that. Historically, they haven't done it, again, going back to what I said earlier, because the paperwork issue. The front door is the tough one for them. They're used to rough and ready. You bid to the council. You get the answer back in three weeks. You start the work. The work is over four months, start to finish, game over. You move on. So, the issue with them has been for someone like myself to sit down and say, okay, look, here's the document from one of the Tier 1 suppliers, it runs 10, 11 pages. Let's fill it in together. The things that you might not normally think are important are important in this case. So you assist them do that. And you suddenly found that these people, certainly they are very competent to do their work, it is just that they haven't had the opportunity this early to actually get a sensible bid package put together.

In other cases - and I'm obviously trying not to identify any company. In other cases, you've got, for example, suppliers who can supply on a frequent basis to a site like Bull Arm. They have the flexibility to respond at 2 a.m. and have stuff there as is needed, 3:30 or faster. With them, it is sometimes a situation where you're saying, look, if for example, you have safety supplies, you must recognize that the standards that the Proponent and their main contractors need to meet in this, require that your line of safety supplies, although they may meet the CSE standards, doesn't meet what's needed in this particular case. So you have a

decision to make; you need to increase inventory or even start inventory in this particular area. Or quite legitimate, say I'm not going to participate in the project.

Up to now, in previous projects, these smaller companies haven't had that question asked. They haven't seen where they've been sort of missing the mark. And one example that we had of the Occupational Health meeting recently was someone came in and said you can buy safety hats at a certain big box store that shall remain nameless, okay, and I said, well, you can but you won't be using them anywhere near the Bull Arm site because they don't meet the standard that's needed for that site. That seems like a trivial thing to most of us probably in this room, most of us have got a good background of that, but the reality is for a small contractor that was like a flash of insight. Oh, didn't know that was the problem. Yes, so you got to spend that extra amount to buy these 25 coded hats that meet a slightly higher standard. And small, though it is, that's the sort of thing that will get you through the gate.

**COMMISSIONER (Miller Ayre):** Okay. Well, I think that's fine. Okay, thank you very much. We'll call this event to a close for the day. Everyone is nodding enthusiastically. All right. Thank you very much.

**-END OF DAY 6-**