



# Oil Sands

A strategic resource for Canada, North America and the global market

## Aboriginal People

### Aboriginal people

Over the next 10 years, hundreds of major projects representing over \$675 billion in potential new investment are planned or currently underway in Canada. Many of these are located in the vicinity of Aboriginal communities. Natural resource projects have the potential to create significant opportunities for Aboriginal people.

Most oil sands development activity occurs in a 142,200-square kilometre (km<sup>2</sup>) (54,900-square mile [sq. mi.]) area in northeast Alberta. After more than 40 years of development, oil sands mining has impacted 895 km<sup>2</sup> (346 sq. mi.) of land. Approximately 23,000 Aboriginal people live in the oil sands areas, with 18 First Nations and six Métis settlements located in the region. Thousands more live off of reserve land and outside of settlement areas.

The Government of Canada is supportive of resource projects that will create jobs and economic growth as long as they are done in a manner that is environmentally responsible and in respect of Aboriginal and treaty rights. First Nations must have training for jobs and business opportunities, in addition to their role in assessing and managing the environmental safety of projects. Canada is working in partnership with First Nations, industrial developers, and provincial and municipal governments to help communities secure ongoing social and economic benefits from oil sands development.

### Economic benefits for Aboriginal people

The oil sands industry works closely with Aboriginal people in support of economic security and well-being in their communities

and provides significant opportunities for Aboriginal-owned businesses to supply goods and services to oil sands companies. For example:

- Suncor has spent nearly \$2.5 billion on contracts with Aboriginal companies since 1999;<sup>1</sup>
- Between 1992 and 2013, Syncrude spent more than \$2 billion procuring contracts with Aboriginal-owned businesses;<sup>2</sup>
- Shell Canada, operator of the Athabasca Oil Sands Project, has spent over \$1.5 billion in business with approximately 70 Aboriginal-owned businesses and contractors since 2005;<sup>3</sup> and
- In 2013, Cenovus spent nearly C\$400 million on contracts with Aboriginal companies, bringing the total to more than \$1 billion since Cenovus' inception in 1999.<sup>4</sup>

The Fort McKay Group of Companies which is 100 percent owned and operated by the Fort McKay First Nation provides a variety of services to oil sands companies, generating more than C\$150 million in revenue annually.<sup>5</sup>

Many companies in the oil sands industry have employment recruitment programs aimed at hiring local Aboriginal workers. For

<sup>1</sup> Suncor website: [sustainability.suncor.com/2014/en/social/partnering-with-aboriginal-businesses.aspx](http://sustainability.suncor.com/2014/en/social/partnering-with-aboriginal-businesses.aspx)

<sup>2</sup> Syncrude website: [syncrudesustainability.com/2013/social/aboriginal-relations/](http://syncrudesustainability.com/2013/social/aboriginal-relations/)

<sup>3</sup> Shell Canada website: [shell.ca/en/aboutshell/our-business-tpkg/upstream/oil-sands/performance-report.html](http://shell.ca/en/aboutshell/our-business-tpkg/upstream/oil-sands/performance-report.html)

<sup>4</sup> Cenovus Energy website: [cenovus.com/news/news-releases/2014/20140702-cr-report-released.html](http://cenovus.com/news/news-releases/2014/20140702-cr-report-released.html)

<sup>5</sup> Canadian Association of Petroleum Producers website: [oilsandstoday.ca/topics/Aboriginal/Pages/default.aspx](http://oilsandstoday.ca/topics/Aboriginal/Pages/default.aspx)

example, Syncrude is one of Canada's largest industrial employers of Aboriginal people and had almost 470 Aboriginal employees at the end of 2013. This represents 9 percent of its total workforce.<sup>6</sup> Aboriginal people account for approximately 10 percent of the entire oil sands workforce.<sup>7</sup>

## Aboriginal consultation and accommodation

Canada's constitution recognizes and affirms the existence of Aboriginal and treaty rights. In fact, Canada has a legal duty to consult and, where appropriate, accommodate Aboriginal people if it has been determined that treaty and Aboriginal rights could be adversely impacted. With respect to oil sands development, Canada will meet its duty to consult on federal decisions that may have an adverse impact on the potential or established rights of Aboriginal people in the region.

As court decisions clarify and refine the duty to consult, Canada must adapt its processes and approaches to continue to uphold the legal principles underlying the duty to consult.

Government of Canada Guidelines for Federal Officials to Fulfill the Duty to Consult help ensure any adverse impacts on Aboriginal people are taken into consideration when decisions are made on projects – oil sands or others. These guidelines are available on the website of Aboriginal Affairs and Northern Development Canada at [www.aandc.gc.ca](http://www.aandc.gc.ca).<sup>8</sup>

Through its plan for Responsible Resource Development, the Government of Canada is dedicated to enhancing Aboriginal engagement and consultation as part of its commitment to respecting Aboriginal people's rights as it moves forward with the development of its natural resources. The Government is ensuring the federal Crown fulfils its duty to consult Aboriginal people, while at the same time leveraging the ability of the resource sector to support important economic development opportunities for Aboriginal people.

Since the release of the final report in December 2013 from Douglas Eyford, Special Federal Representative on West Coast

Energy Infrastructure, the Government of Canada has continued to take significant steps to implement its recommendations.

In May 2014, the Government announced the creation of the Major Projects Management Office – West to strengthen engagement with Aboriginal communities in British Columbia (B.C.) on issues related to proposed energy infrastructure. The office, located in Vancouver, is co-ordinating the involvement of multiple federal departments while working with industry and the provincial government. It is also supporting the progress on a tripartite forum with the Government of B.C. and B.C. First Nations leadership to better understand the concerns of Aboriginal communities and identify concrete action to support their involvement in west coast energy development.

## Oil sands impact on Aboriginal communities

Some Aboriginal people in the oil sands regions have expressed concern over the cumulative effects of oil sands development. The Government of Canada is working directly with Aboriginal communities in and around the oil sands region to address and manage impacts of development.

Understanding and minimizing cumulative effects are essential parts of the overall environmental management and stewardship of Canada's lands and resources. By working together, federal, provincial and municipal governments, Aboriginal people, scientists, and industry are co-operating to monitor the cumulative effects of oil sands development on the environment. Initiatives such as the Joint Canada-Alberta Implementation Plan for Oil Sands Monitoring are implementing scientifically rigorous, comprehensive, integrated, and transparent environmental monitoring programs for the region.<sup>9</sup> As well, the Government of Canada continues to work in concert with Aboriginal people in both the development and ongoing implementation of strategies to ensure informed decisions are made that will meet the needs of today and those of future generations.

<sup>6</sup> Syncrude website: [syncrudesustainability.com/2013/](http://syncrudesustainability.com/2013/)

<sup>7</sup> Government of Alberta website: [oilsands.alberta.ca/aboriginalpeople.html](http://oilsands.alberta.ca/aboriginalpeople.html)

<sup>8</sup> Consultations and accommodation guidelines are available at [aadnc-aandc.gc.ca/eng/1100100014664/1100100014675](http://aadnc-aandc.gc.ca/eng/1100100014664/1100100014675).

<sup>9</sup> [jointoilsandsmonitoring.ca/default.asp?n=5F73C7C9-1&lang=en](http://jointoilsandsmonitoring.ca/default.asp?n=5F73C7C9-1&lang=en)