

Gold miners looking for additional cost cuts

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Bloomberg

NEW YORK — Miners from global giant Barrick Gold Corp. to small-cap Golden Star Resources Ltd. are grappling with the same dilemma as the gold rout deepens: how to reign in labour costs without sacrificing too much output and revenue.

Barrick is looking at how to do “more with less” as it targets \$2 billion US in spending cuts, co-president James Gowans told analysts last week. Toronto-based Golden Star is working to reduce labour costs further, while Kinross Gold Corp., Yamana Gold Inc. and Newmont Mining Corp. are also reviewing head counts as prices hover around five-year lows.

“It’s everything, it’s holistic, it isn’t one particular area,” Golden Star chief executive



MATHEWU DUPUIS/ Osisko

According to one analyst, while there’s still room to cut corporate jobs, companies can’t go very far with reducing mine workers.

Sam Coetzer said. “That’s just the nature of the game.” The industry has already

reduced its workforce by more than a third since 2012, when gold was trading about 30 per cent above today’s levels, according to data compiled by Bloomberg. While gold is unlikely to witness the kind of mass firings seen in harder-hit industries such as coal and oil, more cuts may be coming with labour accounting for as much as half their expenses.

“They really are trying to cut to the bone,” Kenneth Hoffman, a mining analyst with Bloomberg Intelligence, said. “The next step is the mines themselves, and that will be the next big wave of cuts.”

Cutbacks so far have included corporate office staff and local contractors, Omar Jabara, a spokesman for Newmont, said.

While there’s still room to cut corporate jobs, companies can’t go “very far” with reducing mine workers, said Pawel Rajszel, an analyst at Veritas Investment Research.

“If they still want to mine at the mines, it’s hard to imagine how they are going to achieve

that,” Rajszel said.

In Ghana, Golden Star has opted to close its refractory business to focus on easier-to-process deposits, chief executive Sam Coetzer said in an interview in New York Thursday. The company plans to cut 300 jobs in the next quarter and is looking to further reduce expenses, including on exploration and suppliers, he said.

Workers are paying the price of a commodity rout as a slowdown in Chinese demand fans oversupply concerns. Prices for raw materials measure by the Bloomberg Commodity Index dropped to the lowest since 2002 this month.

Glen Mpufane, director of mining at IndustriALL Global Union, which represents about 50 million workers in the mining, energy and manufacturing sectors across the globe, said wage reductions would be a more “responsible” alternative to dismissals.

Few companies are considering that, he said by phone from Geneva.

That’s because negotiations can be a complex process that might not always save jobs, according to Hoffman.

“Sometimes the unions will say flatly ‘No’ because they know that if they take a wage cut, everyone will have to take a wage cut,” Hoffman said.

Wage talks in South Africa are perhaps the most telling example, he said. The country’s largest miners have been locked in negotiations with worker unions for more than a month, trying to avoid slashing 10,000 jobs as companies grapple with the higher costs and plunging prices for their output.

Newmont and Barrick said there are no plans for wage reductions, while Goldcorp and Kinross did not comment on the issue. Yamana reduced salaries in 2013.

Home sales activity slips in July but prices climb

THE CANADIAN PRESS

OTTAWA — The Canadian Real Estate Association says there were fewer housing resales nationally in July for the second consecutive month, but the number of transactions remained near the highest levels in several years and prices continued to climb.

Overall, CREA says most of the strength in sales in July was focused on Vancouver, Toronto and their surrounding markets.

Last month’s decline was largely because of a slight downturn in the Hamilton-Burlington and Durham region areas of southern Ontario after they hit record levels in June, the association said Friday.

Sales in Calgary were down from July 2014, but remained in line with long-term averages.

The national average price for homes of all types sold in July was \$437,699 — up 8.9 per cent from the same month last year — although CREA pointed out that the numbers were skewed by Vancouver, Toronto and surrounding areas, particularly in B.C.’s Lower Mainland.

“These remain the only places in Canada where home prices are growing strongly,” CREA economist Gregory

Klump said.

Excluding Greater Vancouver and Greater Toronto, the country’s two most expensive real estate markets, the average home price would be \$341,438 and the year-over-year gain 4.1 per cent. The association’s price index was up 5.9 per cent from July 2014, accelerating from a 5.4 per cent increase in June.

Among the markets that saw below-average gains in average prices were Greater Montreal, up 1.7 per cent from July 2014 to \$304,900 and Calgary, up 0.14 per cent to \$451,400.

Two markets showed a lower average price: Greater Moncton down 1.41 per cent to \$149,800 and Regina, down 3.29 per cent to \$281,600.

Tesla set to offer shares at \$242

Automaker’s stock rises then ebbs

THE ASSOCIATED PRESS

Tesla Motors is pricing an upcoming offering of its stock at \$242 US per share, or slightly below the most recent closing price for the electric carmaker.

Shares of the company climbed in early morning trading after it detailed in a regulatory filing an offering it expects to generate about \$642

million US in proceeds after expenses.

Tesla Motors Inc. will offer nearly 2.7 million shares or more than three million if underwriters exercise their option to buy more shares.

CEO Elon Musk plans to buy \$20 million US worth of stock.

The Palo Alto, Calif., automaker says it needs the cash in part to help with development of its Model 3, a lower-cost electric car due out in 2017.

Shares of Tesla were up \$1.99 US to \$244.50 US in premarket trading Friday, but closed down at \$243.15 US.

LAWYER Chris Kyrtsakas



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ONTARIO ENERGY BOARD NOTICE TO CUSTOMERS OF UNION GAS LIMITED

Union Gas Limited has applied for approval to change its gas commodity, storage and transportation rates effective January 1, 2016.

Learn more. Have your say.

Union Gas Limited has applied to change its rates to better reflect how it supplies natural gas to its customers. The proposed changes include the following:

- A change in the reference price used to set rates on a quarterly basis for a majority of its customers; and
- A change to how it allocates costs to the different types of customers that it serves.

An average residential customer would see the following annual bill impact, but these impacts would only start in 2018:

Residential Customer – Service Area	Approximate Bill Impact
Southern Ontario (Windsor to Hamilton)	Decrease of \$20
Northern Delivery Area (North Bay to Kapuskasing)	Increase of \$26
All Other Delivery Areas	Decrease of \$1.50 – \$51.50

Other customers in Union Gas Limited’s service area, including businesses, will also be affected.

THE ONTARIO ENERGY BOARD IS HOLDING A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider the application filed by Union Gas.

We will question Union Gas on the case. We will also hear arguments from individuals and from groups that represent the customers of Union Gas. At the end of this hearing, the OEB will decide whether to approve the changes that Union Gas has requested in this application.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding this application and to be involved in the process.

- You can review the application filed by Union Gas on the OEB’s website now.
- You can file a letter with your comments, which will be considered during the hearing.
- You can become an active participant (called an intervenor). Apply by **August 25, 2015** or the hearing will go ahead without you and you will not receive any further notice of the proceeding.
- At the end of the process, you can review the OEB’s decision and its reasons on our website.

LEARN MORE

Our file number for this case is **EB-2015-0181**. To learn more about this hearing, find instructions on how to file letters or become an intervenor, or to access any document related to this case, please select the file number **EB-2015-0181** from the list on the OEB website: www.ontarioenergyboard.ca/notice. You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

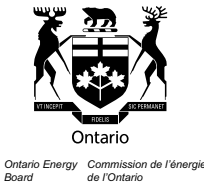
ORAL VS. WRITTEN HEARINGS

There are two types of hearings – oral and written. The OEB will determine at a later date whether to proceed by way of a written or oral hearing. If you think an oral hearing is needed, you can write to the OEB to explain why by **August 25, 2015**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and e-mail address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

This hearing will be held under section 36 of the Ontario Energy Board Act, 1998, S.O. 1998 c.15 (Schedule B).



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The **Ontario Clean Water Agency (OCWA)** is an agency of the Province of Ontario, reporting to the Ministry of the Environment and Climate Change. As the largest provider of water and wastewater services in Canada, we manage over 800 facilities from small well systems and lagoons to large water and wastewater treatment plants. Consider this opportunity if you are a motivated, team-oriented individual seeking a career in the water and wastewater industry.

INSTRUMENTATION/ELECTRICIAN AND SCADA SUPPORT/OPERATOR

In this role, you will use your skills to install, repair, calibrate, design and modify complex electric, pneumatic, chemical and mechanical instrumentation, programmable logic controls and electrical equipment and systems required in the operation of water and wastewater facilities.

Mandatory:

For this position, you must have a completion of instrumentation/electrical technology training program from a recognized institution and a Certificate of Qualifications from the Province of Ontario as an Industrial/Commercial Electrician. You have a Class 1 certification in Water Treatment, Wastewater Treatment and Class 1 Wastewater Collection. Lesser qualified candidates may be considered for candidates as underfill with a minimum Operator-in-Training (OIT), as specified in O.Reg. 128/04 of the *Safe Drinking Water Act* and O.Reg. 129/04 of the *Ontario Water Resources Act*. You have a valid Class G driver’s licence as extensive travel is a requirement for this position. You must be available to be on-call after regular working hours.

In this position, you have extensive experience in the installation, maintenance, repair, modification of electrical and electronic and instrumentation equipment. You have experience with Supervisory Control and Data Acquisition (SCADA) software with applied process control automation experience along with the ability to use and understand operating and maintenance manuals, blueprints and other technical specifications. Additionally, you have good knowledge of the *Occupational Health and Safety Act* and other relevant regulatory and legislative acts, codes, policies, guidelines and procedures related to water and wastewater operations and maintenance, health and safety procedures/WHIMIS.

Salary range: \$27.89 – \$30.32 per hour (base with pay for certification: \$27.99 – \$33.02)

Location: 1615 Union Avenue, Ruthven or 276 Rourke Line Road, Belle River, Ontario

Please visit our website to view detailed job information, including qualifications, salary and instructions on how to apply. Alternatively, you may send your resume, quoting **Job ID 81107, by August 24, 2015, to: Ontario Clean Water Agency, Dave Jubenville, 415 Front Road North, Amherstburg, ON N9V 2V5, fax: (519) 736-0333. Only those applicants selected for an interview will be contacted.**

The Ontario Public Service is an equal opportunity employer. Accommodation will be provided in accordance with the Ontario Human Rights Code.

 **Ontario Clean Water Agency**
Agence Ontarienne Des Eaux