



Labour Market Bulletin

London and surrounding area

Service Canada Centre

~ An Analysis of the London and surrounding area Labour Market ~ April to June 2006 ~

Volume 6, Issue 2 Second Quarter 2006

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AN OVERVIEW OF LONDON AND SURROUNDING AREA

As expected, the second quarter of 2006 brought a seasonal increase in both labour force and employment numbers across the area represented by the London Service Canada area. In the London-Woodstock area (Economic Region 560) over 15,000 more people were employed in June compared to March – an increase of 4.7%. Almost 95.0% of these employment gains were in full-time positions. Current employment levels of 333,400 are the highest for the month of June on record. Improved employment levels and fewer people unemployed resulted in the unemployment rate falling in the tri-county area to 5.2% in June from 7.0% in March. The Windsor-Sarnia area (Economic Region 570) recorded seasonal gains as well. Employment climbed to a record 322,200 workers in June – an increase of over 6,000 full-time positions from March. A drop in the number of unemployed people – down over 3,000 – translated into the unemployment rate in the border area falling to 7.7% from 8.6% in March. In Economic Region 560, the majority of employment gains were recorded in the youth and older worker sectors. In Economic Region 570, most of the employment increase was seen in the 25 to 44 year age bracket.

Note: Economic Region 560 consists of Middlesex, Elgin and Oxford counties. Economic Region 570 includes the Essex, Kent and Lambton tri-county area. This data is now included. Please refer to the Labour Force Trends sections for additional analysis. Information for the Goderich area is included in Economic Region 580, which covers Perth, Huron, Grey and Bruce counties. Due to a change in our service area, this information is now available in the Owen Sound Labour Market Bulletin. Please see the Notes to Readers section on page 14 for more detail.

HIGHLIGHTS

- ▶ The latest Ontario *Construction Looking Forward* report states that a number of major local industrial projects will offset a decline in new home construction.
- ▶ If approved, up to 1,100 tradespersons could be employed for 18 to 24 months installing scrubber units at the Lambton Generating Station.
- ▶ Ford Motor Co. in St. Thomas is canceling 142 buyout offers. In addition, the line speed will remain at 55 vehicles per hour.
- ▶ About 45 non-unionized workers were hired at the new Hino Motors Ltd. truck plant in Woodstock.
- ▶ Close to 200 new positions will be created when the third Angelo's location opens in the fall.
- ▶ Nearly 100 people were hired for the new Boston Pizza outlet at the Woodstock Square commercial facility. Additional hirings will take place for a new Winners and Pet Crazy store.
- ▶ With provincial funding, Fanshawe College will create 115 more spaces for students in the co-op diploma apprenticeship training program.
- ▶ In May, major wage settlements across Ontario ranged from an average 3.1% in the public sector to 2.7% in the private sector.

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The London-Middlesex HRCC Labour Market Bulletin is a quarterly report produced by the area Labour Market Information Analyst. This bulletin and other LMI products may also be found on our website. (aussi disponible en français)

For further information contact:

Anne Perkins, Labour Market Information Analyst
 Telephone: (519) 675-2832
 Email: anne.perkins@servicecanada.gc.ca
 or **Mary Anne Fox, Labour Market Information Analyst**
 Telephone: (519) 645-4089
 Email: mary.fox@servicecanada.gc.ca
 Visit our website at: <http://www.labourmarketinformation.ca>



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Highlights on industry activities that have an impact on the local labour market, this information is derived from several sources including local newspapers, newsletters and various publications. Please refer to "Notes to Readers" for additional information.

Construction

Canada Mortgage and Housing Corp. released its **spring outlook for the London Census Metropolitan Area (CMA)** housing market. Some highlights of the report are:

- Housing starts will decline slightly (-2.0%) from 2005.
- With a decline in building permits, there will be a decrease in construction jobs.
- Job growth of 1.2% is expected, down from the 1.5% averaged over the past five years.
- Sales of existing homes will continue to be strong. This is positive for new construction, but rising home prices will also increase the supply of homes on the market.
- Housing prices will rise faster than inflation and wage growth.
- Multiple housing starts have been very strong since 2003, fuelled by demand from the 55-64 year empty nester group, and will increase again in 2006.
- Empty nesters now account for 10.0% of the CMA population but will grow to almost 14.0% by 2020.

The oldest Baby Boomers are turning 60 this year. **Aging Boomers** are one of the reasons for increased activity in apartment construction. The early part of the decade saw little apartment construction. Just 70 units were erected in 2002. This year, at least 933 units are planned for the city. Officials expect boomers to move from larger homes to smaller townhouses and condominium apartments.

A new Clayton Research housing report shows that **home renovations** are a key part of the construction sector. Canadians spent \$40 billion on home renovations in 2005. This represented 48.0% of residential construction, and is expected to increase again this year and next year.

The latest Ontario *Construction Looking Forward* report for 2006 to 2014 produced by the Construction Sector Council states that an estimated 48,000 workers will be needed to replace retirees. In addition, over 22,000 new workers will be needed to meet construction demand during that time frame. In the Southwest Region – an area encompassing the Economic Regions of Windsor-Sarnia, London and Stratford-Bruce Peninsula – a number of major industrial projects will offset a decline in housing starts which should improve after 2008. Some of the major projects include the new Toyota plant in Woodstock, recent investments by General Motors in Ingersoll and Daimler-Chrysler in Windsor, the Suncor Genesis project and investments by Nova Chemicals, Imperial Oil and Air Products in Sarnia. Other findings for Southwest Ontario include:

- A decline in new home building may find workers with the required skills moving to renovation or commercial projects.

- A number of specialty skills such as welders and pipe, steam and gasfitters will continue to have recruitment problems as these trades tend to move into and then out of the region.
- At 41.2 years, the average age of workers in trade occupations is higher in the Southwest compared to other areas and Ontario as a whole (40.1 years). Across Ontario, a number of trade occupations are expected to have a retirement rate exceeding 3.0% by 2014 as their average age last year was close to 45 years. They include boilermakers, bricklayers, construction managers, contractors and supervisors, crane operators, elevator constructors and mechanics, heavy equipment operators, industrial instrument technicians and mechanics along with truck drivers.
- From 2005 to 2008, housing starts will slip and workers are expected to move into other sectors or unemployment. An increase in activity will begin at a rapid pace at a later date compared to other areas. The labour market should remain balanced during this period, but at the end, unemployment levels will dip to very low levels requiring a transfer of the province's construction workforce into the area to help balance the markets.

The report is available in Adobe Acrobat format on the [Construction Sector Council](#) Website.

Upcoming Projects:

- Auburn Developments broke ground in May for a \$35.0 million **apartment building** being put up at Ridout and Dufferin.
- Preliminary plans are underway for a \$100.0 million **twin apartment** tower in downtown London. The two towers could reach 26 storeys and contain over 400 high-end apartment units. Targeting empty nesters, the same developer is looking to build another 155-unit, 12-storey tower in north London on Richmond Street.
- The **University of Western Ontario** will spend \$230.0 million on 15 construction projects between now and 2013.
- Construction will be finalized on **several hospital projects** following an announced \$35.0 million in additional provincial funding. At least \$20.0 million will be used to complete the Children's Hospital of Western Ontario and Grace Donnelly Women's Health Pavilion. A further \$15.0 million will be used for reconstruction at St. Joseph's Health Care.

Opening:

- Stone in Style

Manufacturing

The new **Innovation Park** industrial area on Airport Road South



was unveiled. The park will add 44 hectares of serviced industrial land to London's inventory, and close to 185 extra hectares next year. CT Innovations, a high-tech automotive parts manufacturing company, will be the first tenant in the new park. Construction on their new building will start in July.

London **General Dynamics Land Systems Canada** received an order from the U.S. army for an additional 209 Stryker vehicles. This boosted the original six-year agreement to 2,340 vehicles. While no new positions will be created, the new order offers more stability for employees at the London operation. The company was also awarded a federal contract for an additional 25 mine protected vehicles. The RG-31 vehicles will be built in South Africa, but the London plant will provide engineering and support for the units.

The new five-passenger luxury D-jet built by **Diamond Aircraft** was tested for the first time in London. If assembled locally, employment at the plant could double from the current 340. Several North American cities are discussing moving the operation to their communities, but local officials are working to keep production in London.

In order to meet the demand for staff to build their new D-Jet, Diamond aircraft is working with a number of key players to develop a **training program** that will meet its needs. Workers will require training in composite materials - a skill not readily available. Training is needed in a total of 18 programs including blueprint reading and avionics.

Restructuring at **Labatt Breweries** will see 60 positions eliminated - 13 of them in the office of the London plant. The London work will be transferred to operations in Mississauga, Moncton, New Brunswick and Brazil. No local production jobs will be lost.

Canadian National Railway Co. purchased 50 locomotives for delivery late next year from **Electro-Motive Diesel Inc.** The London operation is responsible for final assembly of the locomotives. No new hiring was announced with the deal.

Trade

White Oaks Mall is expanding and adding a new area for clothing and accessory stores that cater to youth. This includes clothing retailers H&M, Urban Behaviour, several Jacob outlets, Roots, and Aldo shoes, and accessories retailers Aldo Accessories, Icing by Claire's and Watch-It. Construction should finish in July and stores will open by early fall.

Construction is underway at the third **Angelo's** location on Wonderland Road S. The new outlet is scheduled to open in November with nearly 200 employees. Angelo's will then have 550 employees in London.

The **Real Canadian Superstore** location in Strathroy advertised for part-time positions in a variety of departments ranging from grocery to health foods.

Openings:

- Frescos and Co.
- Party Paul's Entertainment
- Sanskriti
- Allmaple Apparel (2nd location)
- Fung Shway Way

Transportation and Warehousing

London is home to the largest maintenance facility in Canada for the **Air Canada Jazz** planes. Operating seven-days a week on a 12-hour shift, the company employs 130 Aircraft Maintenance Engineers (AMEs) and plans to hire almost 20 more. The company regularly employs co-op students as well.

Sunwing Airlines, a new coast-to coast airline, was launched at the London International Airport, offering direct flights from London to Vancouver and Halifax.

O.R.E. Development of Toronto is investing in a 32-acre site on the south side of Highway 401. This development is close to another industrial park and several new businesses. It will be the **largest warehouse/distribution centre** between Detroit and Kitchener.

Opening:

- Deliverence, a personal, commercial and industrial courier business

Information and Cultural Industries

Opening:

- Printmakers, artists' studio, gallery, workshop and training centre.

Finance, Insurance, Real Estate and Leasing

Real estate sales in London are expected to remain strong, fuelled by a robust local economy, particularly in the manufacturing and automotive sector. In the first five months of the year, detached home sales were up 4.8% and condominium sales were up 0.6%.

Opening:

- Taron Warranty Corp., administrators of the provincial new home warranty program

Professional, Scientific and Technical Services

Local health researchers will receive \$12.7 million from the federal government's **Canadian Institutes of Health Research**. A total of 34 projects will be funded covering a range of health-related issues.

Viron Therapeutics Inc. raised a record \$22.0 million from a number of private national and global investors. The new funding, along with a \$4.9 million federal grant received last year, will finance the company's operations until the end of 2008. Viron will complete second-phase testing of its lead anti-



inflammatory heart medication along with additional progress on six other drugs being developed. Viron is located in the Stiller Centre for Biotechnology, and employs approximately 20 people.

EK3's new Innovation Lab officially opened. The local high-tech company, originally started in the University of Western Ontario's research park, will provide annual funding for the lab which will be used by 15 graduate and undergraduate engineering students every year. A number of students working in the lab have been hired by EK3.

According to the Software Human Resource Council (SHRC) the recent layoffs announced by several prominent **information technology** (IT) companies is not an indication of a downturn in the sector, but rather a "mismatch of skills". In the sectors tracked by the council, the unemployment rate is just 1.8%. But opportunities are few for workers with low-level programming skills. Companies are seeking candidates whose IT skills are complemented by business process knowledge. Workers must constantly upgrade their skills to remain employable. In the Ottawa area alone, close to 80.0% of companies intend to hire within the next year. The Canadian Advanced Technology Alliance (CATAlliance) identifies some specific areas where demand for skilled workers is growing: advanced security technologies, including perimeter control and biometrics; the wireless sector and the content businesses surrounding it; and the healthcare sector.

Business Building and Other Support Services

After successfully landing a new contract for a U.S.-based financial services company, **Sykes Canada Corp.** is hiring up to 350 new workers to handle credit card enquiries. The company has a total workforce of about 1,000 people responding to road assistance calls, along with Telehealth and legal questions. Sykes held a job fair in April to recruit for the new positions which require good communication skills. On-the-job training is provided.

Alliance iCommunications was also looking to hire another 50 workers. The company had already hired close to 125 new employees in the last six months.

Educational Services

A new **video-game design program**, one of the only programs of its kind in Canada, will be offered at the University of Western Ontario in September. Students majoring in computer science will be able to minor in video-game design. The gaming industry is estimated to be worth about \$46.0 million and design companies are anxious to hire qualified workers.

Faced with insufficient funding, the Thames Valley District school board intends to eliminate several Grade 12 university courses from a number of **rural schools**. Students looking for some specific subjects will have to decide whether to return for a fifth year of school or take courses through the virtual academy.

Health Care and Social Assistance

The provincial government announced \$117.8 million for improvements to home care and community support services. This includes \$30.0 million for Community Care Access Centres. The minimum wage for **personal support workers** will rise from \$9.65 an hour to \$12.50.

London will be home to one of **50 more family health teams** announced by the province. Ontario will now have a total of 150 teams, consisting of doctors, nurses, nurse practitioners, social workers, physiotherapists, mental health workers and dietitians.

The **Southwest Middlesex Health Centre** is expanding, and construction is to start in August. When completed early next year, the larger centre will house 12 doctors from four different teams along with eight residents.

Six health-care occupations are being recommended for regulation in Ontario. They include pharmacy technician, homeopath, naturopath, kinesiologist, psychotherapist, hearing instrument practitioner and personal support worker. The regulations will establish educational standards among workers and provide quality assurance.

Accommodation and Food Services

A new report from the Canadian Tourism Research Institute states that the **tourism industry in London**, with more than 6,500 direct workers, is growing. A record 1.45 million visitors came to the city in 2005 and pumped \$478.1 million directly into the city. All sectors experienced an increase last year. Hotel revenue rose 8.7% to \$73.4 million, while spending in restaurants climbed 6.0% to \$74.1 million. Spending by visitors in retail stores increased 8.0% to \$98.8 million. The Memorial Cup and World Transplant games helped to boost tourism in 2005.

An **Applebee's Neighborhood Grill and Bar** will open with the completion of the White Oaks Mall expansion.

Openings:

- Nosh on Richmond
- Synergy Dessert and Coffee Bar
- Pita Pazzazz
- Marble Slab Creamery

Other Services

Openings:

- Fresh Bed
- Fine Details
- FitWell Clothing Ltd.

Public Administration

London will be the location of one of 12 **new youth centres** expected to open this year. The centres will offer young people supervised programs on anger management, education, employment skills and other issues.



Construction

Woodstock-based Hermina Developments Inc. is investigating the possibility of building a **26,000 square meter shopping centre** in Woodstock on vacant land south of the Home Depot. If amendments and zoning changes are granted, construction could start in the spring of 2007. Over 200 people would be employed at the centre. Recent studies show that with the opening of the new Toyota plant in 2008, the area will be able to support additional retail operations.

More than \$6.0 million has been budgeted for **infrastructure projects in Tillsonburg**. Most of the funding is targeted for three new water treatment facilities and upgrades to existing wells.

Over \$3.0 million in capital funding has been approved for **expansions** at both St. Michael's and St. Patrick's Catholic schools in Woodstock.

Oxford County approved the construction of a **proposed biosolid storage facility** that could cost \$2.0 million to build.

St. Thomas and Elgin will share over \$21.0 million in federal and provincial funding for **infrastructure projects**. The money will be used for several ventures including road and bridge construction and water main extensions.

The St. Thomas-Elgin Home Builders Association confirms that increased building activity has created a **shortage of construction workers in the area**. In response to anticipated high retirement rates, the association works with a number of local high schools in providing tours of new house construction. Students have access to the wide range of construction skilled trades as well as offsite construction suppliers and cabinetry shops.

The Integrated Grain Processors Cooperative (IGCP) may begin construction of a **\$90.0 million ethanol plant in Aylmer** as early as the fall. Original plans to build the plant in Brantford fell through in March. The organization received \$14.0 million from the province's Ontario Ethanol Growth Fund. The plant is expected to create 35-40 jobs and produce 150 million litres of ethanol annually, using 15 million bushels of corn, which will benefit local farmers. Up to 150 construction workers will be needed for the 14 month project.

The provincial government announced funding for a **new \$7.7 million Catholic school in St. Thomas**. Construction is expected to begin in early 2007 and could be completed by the start of the 2008 school year.

Manufacturing

John Deere began issuing layoff notices to salaried

employees at the Woodstock plant. So far, four employees have been laid off and another 30 will go by the end of July. The plant has 325 employees, and is scheduled to close the end of September. Hourly workers are still employed in production and have not received layoff notices yet.

Production started in May at the new **Hino Motors Ltd.** truck plant in Woodstock. About 45 non-unionized workers at the plant will assemble 1,600 trucks annually. They earn an hourly wage of about \$16.00. Hino is working with the Woodstock campus of Fanshawe College and the Oxford Technical Training Centre. Students are learning repair and maintenance skills on a truck donated by the company. Several Ontario parts manufacturers supply components to the plant including Accuride, Dana, Delphi and Hendrickson.

Officials from Woodstock participated in the Southwestern Ontario Marketing Alliance's **trade mission to Japan in May**. The delegation visited several cities and many different manufacturing operations in Japan. They attended a trade show sponsored by the Japanese Society of Automotive Engineers, and some of the parts suppliers at the show were interested in expanding into Canada. The upshot of the trip is that within the near future, an unnamed Japanese firm is expected to announce plans for a development in Woodstock. The plan was finalized during the visit.

Further **restructuring at Ford Motor Co.** will result in the elimination of 280 jobs at the St. Thomas plant. In addition, the workweek will be pared down to four days and the number of cars assembled will slip to 45 from 55 per hour. No layoffs are expected as the job cuts will be achieved through buyouts or early retirement packages. The plant is already bracing for the elimination of one shift next year, which will mean up to 900 workers will lose their jobs. With Ford investing \$200-million to redesign the Crown Victoria and Mercury Grand Marquis vehicles, there is some optimism that the facility will survive additional plant closures planned by Ford for 2008 and 2012.

- **Update July 9 2006.** Ford is cancelling 142 buyout offers to workers at the St. Thomas assembly plant (115 production workers and 27 skilled trades). The line speed will not be reduced from 55 vehicles. The four-day week will be implemented in April.

Following a break-pad shortage at one of its parts suppliers, the **Sterling Trucks** plant in St. Thomas issued layoff notices to about 1,300 workers in mid-June. The length of the layoff was unknown. Operating under the just-in-time parts delivery system, the plant usually produces close to 40 trucks daily.



Trade

In addition to the almost 100 people who work at the new Boston Pizza outlet at the **Woodstock Square** commercial facility, a number of new stores are planned. Winners is expected to host a job fair during the summer and a Pet Crazy store is scheduled to open. The shopping centre will also house a Hairmasters salon, a Quizno's Subs restaurant and a dentist office.

Downtown Woodstock is also seeing a number of new enterprises, including: Downtown Yoga, a yoga studio at 377 Dundas Street; Spellbinder, a hobby, games and art store at 405 Dundas Street; and Sportlab, a sports nutrition supplements store at 371 Dundas Street. A new cafe is expected to open in the near future in the former IODE Admiral Vansittart thrift shop.

Openings:

- Candy Bouquest, Tillsonburg

Closings:

- Heath's, closing stores in Woodstock and Tillsonburg, with 14 jobs lost.
- Bennett Basics, Tillsonburg

Health Care and Social Assistance

Woodstock will be getting a **new \$90.0 million hospital**. Construction should start in April 2007 and take up to 40 months to complete. The new facility will house 154 beds, a 22-bed rehabilitation unit, 10 more complex continuing care beds and two additional beds for mental-health care.

Bayham Township has been unable to attract a **nurse practitioner** since being approved for this position three years ago. The township will apply for help from a new Ministry of Health and Long Term Care program called Grow Your Own Nurse Practitioner. The program pays the tuition, wages and related costs of a local nurse, who will take the program and then work in the community for two years.

Arts, Entertainment and Recreation

Openings:

- Next Level Training Corp., St. Thomas

Closings:

- Truestar for Women, Woodstock

Accommodation and Food Services

Openings:

- M.E. and Suzie's, Port Stanley

Other Services

Openings:

- Globally Inclined, Tillsonburg
- Harnessgrinder Custom Rides, Ingersoll
- BodyTech Personal Training Studio Ltd., Tillsonburg

LABOUR MARKET NEWS FOR LAMBTON

Utilities

The provincial government will not close the **Lambton Generating Station** in 2007 after all. The 400 employees will keep their jobs until at least 2009. The plant will remain open, along with a second coal-fired plant in Nanticoke, until replacement power sources are operational. Revised estimates show that Ontario requires up to 3,000 more megawatts this year and next.

Construction

A second **downtown waterfront condominium project** is underway. The \$10.0 million renovation will transform most of the commercial offices at the First Sarnia Place tower into 44 luxury condominium suites.

Plans are in place for an \$18.0 million, 120-unit **retirement residence** near Lambton Mall. The higher-end units are designed for active seniors. Construction could begin in

September with additional housing on the site to follow.

The Sarnia Construction Association is urging the provincial government to invest in two additional scrubbers for the Lambton Generating Station, since the station will not be closing in 2007. The scrubber units remove sulphur dioxide and reduce acid gas emissions. In addition to making the coal-burning plant as clean burning as possible, installation of the scrubbers would create jobs - **as many as 1,100 tradespersons could be employed for 18 to 24 months.**

Manufacturing

Nova Chemicals announced the company-wide elimination of 375 positions. With four plants in the Sarnia area employing nearly 1,100 people, some of the layoffs are expected locally. Most of the layoffs will come in corporate support groups and in styrene business units. However, the company did forecast four strong years ahead for the petrochemicals industry because of solid economic growth in Canada and Asia and improving



expansion in Europe and Japan. Furthermore, consumption is greater than production and inventories are low.

Planet Stitch, a custom embroidery business opened in Sarnia. The company sews logos and designs on sportswear, uniforms, corporate wear and personal clothing.

Extensive fire damage to the **Abbott Boats Inc.** facility in Sarnia resulted in the closing of the family business. The company employed an average of 12 workers building boats for the global market.

Trade

Wal-Mart is planning to open a new supercentre in Sarnia next year. Construction of the 215,000 square foot outlet will begin in the summer. Employment levels at the expanded store could increase to 300 from the current 200.

Leon's Furniture in Sarnia could need more staff when it reopens. Staffing could increase from 22 workers to 30 or 35 workers.

The Ojibwe Legends Trading Company opened in the Ontario Travel Information Centre. Up to 10 people will work during the busy summer season selling a variety of authentic aboriginal artwork and crafts.

Openings:

- The Town Scrapper, Petrolia
- Shell gas bar and Mac's convenience store, Brock and Confederation Streets in Sarnia
- Sunoco gas bar, adjacent to the Chris Hadfield Airport, with 6 employees.
- Forever Memories Photography and Gift Store, Sarnia
- Heat for Less, Sarnia

Professional, Scientific and Technical Services

Opening:

- Hi-Tech Solutions, Sarnia

Business Building and Other Support Services

The **Sarnia-Lambton Call Centre Association** has been created to deal with issues affecting the industry. Some of these issues are a declining labour force, the image of the industry, and the availability of daycare and transportation. There are five call centres in Sarnia at this time, employing 3,000 people and paying out more than \$100 million a year in wages.

Educational Services

With \$870,000 in provincial funding, **Lambton College has been awarded an apprenticeship designation** to train 60 industrial mechanic millwrights. Students, often finding work in the Chemical Valley, will earn a diploma and apprenticeship hours at the same time.

The **Fifth Wheel Training Institute** opened a new London-Sarnia campus in Warwick. The training centre will offer programs for equipment operators and truck drivers including heavy equipment operator and PTDI certified class AZ truck driver.

Health Care and Social Assistance

The Ontario government has offered almost \$2.8 million in combined funding for Sarnia-Lambton's Community Care Access Centre and Bluewater Health. Nearly \$93,000 was also announced for other services such as assisted living. In addition, the minimum wage for **personal support workers** will increase to \$12.50 per hour from \$9.65. About 200 personal support workers are employed in a number of agencies serving Sarnia and Lambton.

Arts, Entertainment and Recreation

Fundraising is underway for construction of a new \$6.6 million **multi-purpose recreational facility in Forest.**

Accommodation and Food Services

The **Holiday Inn in Point Edward** recently expanded. Due to increased business at the refurbished hotel, staff levels rose from 100 employees to 120.

Other Services

Openings:

- Sarnia Wedding Creations
- Speedy Glass, Sarnia
- The Workout Room, Corunna



LABOUR FORCE TRENDS

London Census Metropolitan Area

Produced by Ray Gormley, Southern Ontario Area Economist

- **Employment hits a historical high with a surge in full-time workers this quarter**
- **London's unemployment rate drops to a two-year low**
- **Employment rises above its previous year level for the first time in almost a year**

A surge in full-time workers pushed employment in London to a new high in the second quarter. A much larger than normal increase in workers raised the employment level in the London metropolitan area to a historical high of almost 250,000, up 5.2% or 12,000 workers compared with the first quarter. The

average second quarter increase over the previous five year period was 5,000 workers. All of the growth came within the full-time workforce, with gains across all major age groups. A similarly sized increase in the size of the labour force meant that there was little change in the number of people unemployed in the area. The unemployment rate dropped by half a percentage point to 5.7%, from 6.2% last quarter. The rate has been trending downwards since this time last year.

London's second quarter expansion was large enough to pull employment above its previous year level for the first time in almost a year. It rose by 1.5% (or about 4,000 workers), slightly below the provincial average of 1.8%. The area had been showing year-to-year job losses since the middle of 2005. The increase was enough to lower the unemployment rate by a full percentage point, because there was little change in the size of the labour force compared with a year ago. The area also saw significant improvement in both its employment rate, which was up slightly compared with a year ago, and its participation rate. In the first quarter, both indicators were down year to year by about two percentage points.

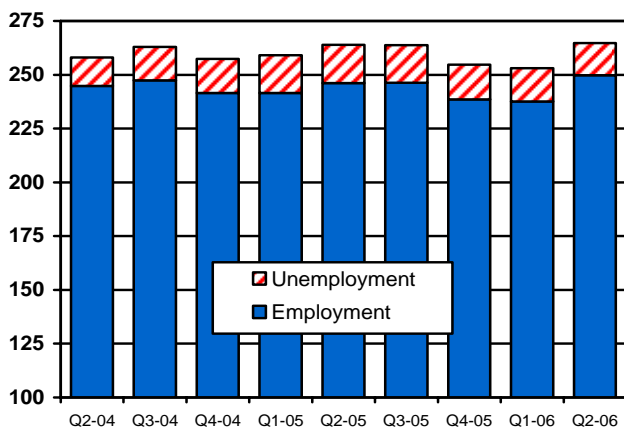
London Census Metropolitan Area Labour Force Trends

	Second Quarter 2006	First Quarter 2006	Second Quarter 2005	Quarter/Quarter Change		Year/Year Change	
				Absolute	%	Absolute	%
Population 15 +	377,600	376,500	373,200	1,100	0.3	4,400	1.2
Labour Force	264,800	253,100	263,900	11,700	4.6	900	0.3
Employed	249,800	237,500	246,100	12,300	5.2	3,700	1.5
Full-time	202,400	189,100	202,600	13,300	7.0	-200	-0.1
Part-time	47,500	48,400	43,500	-900	-1.9	4,000	9.2
Unemployed	15,000	15,600	17,800	-600	-3.8	-2,800	-15.7
Not in Labour Force	112,800	123,500	109,300	-10,700	-8.7	3,500	3.2
Participation Rate (%)	70.1%	67.2%	70.7%	2.9		-0.6	
Unemployment Rate (%)	5.7%	6.2%	6.7%	-0.5		-1.0	
Employment Rate (%)	66.2%	63.1%	65.9%	3.1		0.3	

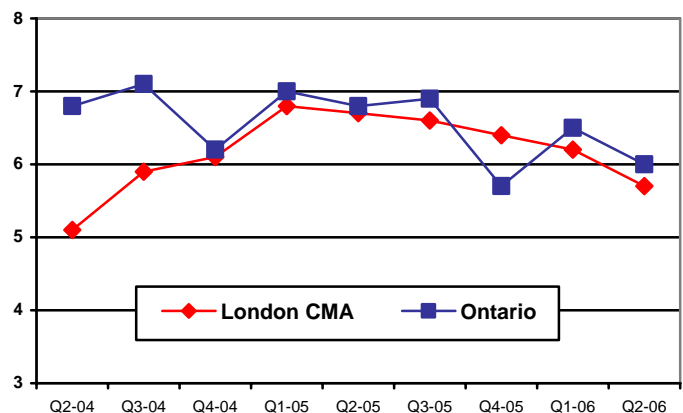
Note: Totals may not add due to rounding.

Source: Statistics Canada, Labour Force Survey

Larger than normal increase in workers pushes London's employment level to a new high (000s)



London's unemployment rate drops for a fifth quarter and remains below Ontario's (%)



Labour Force Trends

London-Woodstock – Economic Region 560

Produced by Ray Gormley, Southern Ontario Area Economist

- **London-Woodstock’s labour market sees a sharp turn around in the second quarter**
- **Unemployment rate drops to a two-year low**
- **Employment is up year over year for the first time in four quarters**

London-Woodstock’s labour market (ER 560) experienced a sharp turn around in the second quarter of 2006. Employment rose by 4.7% or 15,000 workers, its largest second quarter increase since 2002. Nearly all of that increase came from full-time job gains. Contractions since the third quarter of last year meant that both employment and the employment rate had dropped to a three year low by the first quarter. The new jobs absorbed an influx of new and returning job seekers that

pushed the labour force up by almost 10,000 people. They also lowered unemployment in the area, causing a sharp drop in the unemployment rate to 5.2%. It was at a three year high of 7.0% in the first quarter.

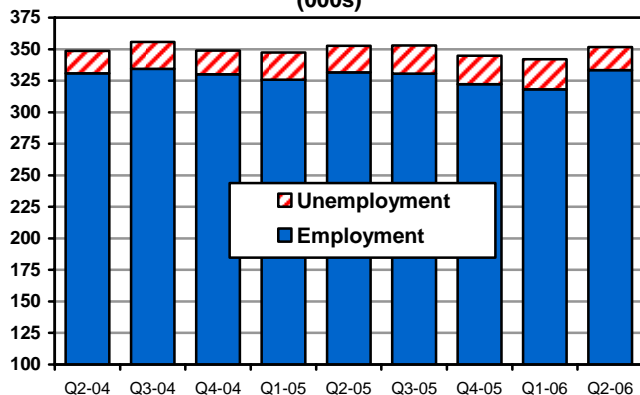
London’s second quarter expansion was large enough to pull employment above its previous year level for the first time in a year. This followed a relatively weak job market over the past four quarter. Employment was up by half a percentage point (or 1,700 workers) compared with the second quarter of 2005. While this was well below the provincial average of 1.8%, the area had shown an average decline of 1.4% over the past four quarters. However, the number of people in the labour force was still down compared with a year ago, although only slightly. This lowered the unemployment rate from 6.2% a year ago. Despite the improvements this quarter, both the participation rate and employment rate remained lower than they were a year ago, indicating that the growth in the labour market did not keep pace with the increase in the working age population.

London-Woodstock (Economic Region 560) Labour Force Trends

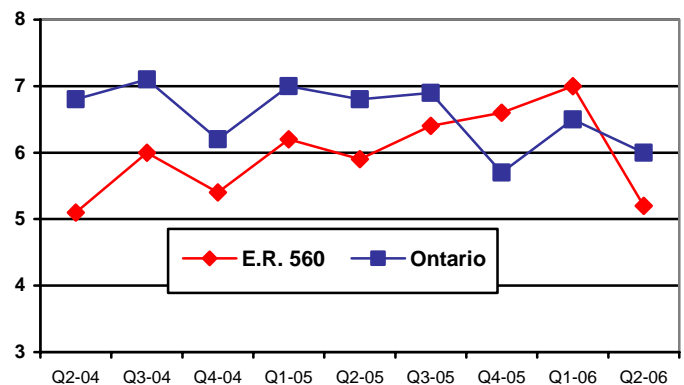
	Second Quarter 2006	First Quarter 2006	Second Quarter 2005	Quarter/Quarter Change		Year/Year Change	
				Absolute	%	Absolute	%
Population 15 +	505,400	504,000	499,600	1,400	0.3	5,800	1.2
Labour Force	351,600	342,000	352,600	9,600	2.8	-1,000	-0.3
Employed	333,400	318,300	331,700	15,100	4.7	1,700	0.5
Full-time	269,100	254,800	270,800	14,300	5.6	-1,700	-0.6
Part-time	64,200	63,500	60,900	700	1.1	3,300	5.4
Unemployed	18,200	23,800	20,900	-5,600	-23.5	-2,700	-12.9
Not in Labour Force	153,800	162,000	147,000	-8,200	-5.1	6,800	4.6
Participation Rate (%)	69.6%	67.9%	70.6%	1.7		-1.0	
Unemployment Rate (%)	5.2%	7.0%	5.9%	-1.8		-0.7	
Employment Rate (%)	66.0%	63.2%	66.4%	2.8		-0.4	

Note: Totals may not add due to rounding.
Source: Statistics Canada, Labour Force Survey

Seasonal gains reverse decline as employment hits a two-year high in London-Woodstock (000s)



Unemployment rate falls to a two-year low, reversing the upward trend since last summer (%)



Labour Force Trends

Windsor-Sarnia – Economic Region 570

Produced by Ray Gormley, Southern Ontario Area Economist

- **Seasonal job growth raises employment to a new high**
- **Unemployment rate drops from the first quarter, but remains well above Ontario's**
- **Year-to-year growth continues, but pace slows compared with last quarter**

The Windsor-Sarnia labour market (ER 570) experienced a seasonal expansion in the second quarter. While smaller than normal, the expansion still added 6,000 additional workers, bringing employment to a new high of 322,200. All of the increase came within the full-time workforce, due in part to

the movement of youth from part-time to full-time work for the summer. The number of people in the labour force increased by about half as much as employment, causing the unemployment rate to drop to 7.7% from 8.6% in the first quarter. The rate had risen sharply in the first quarter due to an unusually large labour force for that time of year.

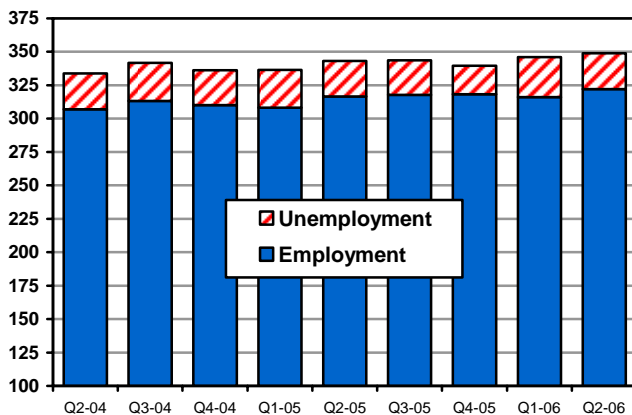
The area labour market expanded on a year-over-year basis as well, although the pace slowed from the first quarter. Employment was up by 1.7%, or about 5,500 workers, just below the provincial average of 1.8%. Year-to-year employment growth had exceeded the Ontario average for most of the past year. The size of the labour force increased by as much as employment, leaving the unemployment rate unchanged compared with the second quarter of 2005. However, the expansion meant that both the participation rate and employment rate were higher this quarter than they were a year ago. The increase in employment was concentrated within the part-time workforce.

Windsor-Sarnia (Economic Region 570) Labour Force Trends

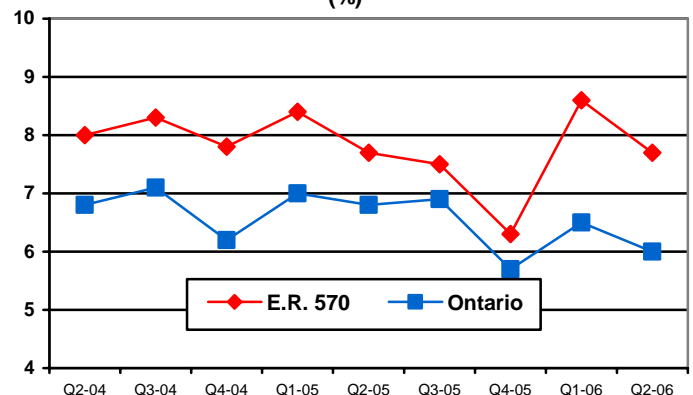
	Second Quarter 2006	First Quarter 2006	Second Quarter 2005	Quarter/Quarter Change		Year/Year Change	
				Absolute	%	Absolute	%
Population 15 +	522,400	521,700	518,200	700	0.1	4,200	0.8
Labour Force	349,000	346,000	343,100	3,000	0.9	5,900	1.7
Employed	322,200	316,100	316,700	6,100	1.9	5,500	1.7
Full-time	251,500	243,600	254,200	7,900	3.2	-2,700	-1.1
Part-time	70,700	72,500	62,400	-1,800	-2.5	8,300	13.3
Unemployed	26,800	29,900	26,400	-3,100	-10.4	400	1.5
Not in Labour Force	173,400	175,700	175,100	-2,300	-1.3	-1,700	-1.0
Participation Rate (%)	66.8%	66.3%	66.2%	0.5		0.6	
Unemployment Rate (%)	7.7%	8.6%	7.7%	-0.9		0.0	
Employment Rate (%)	61.7%	60.6%	61.1%	1.1		0.6	

*Note: Totals may not add due to rounding.
Source: Statistics Canada, Labour Force Survey*

Seasonal job gains push employment in Windsor-Sarnia to a new high in the second quarter (000s)



Seasonal job growth lowers the unemployment rate, but it remains well above the Ontario average (%)



LABOUR SUPPLY AND DEMAND – EMPLOYMENT

INSURANCE CLAIMLOAD

Second quarter employment insurance claims show annual seasonal decline

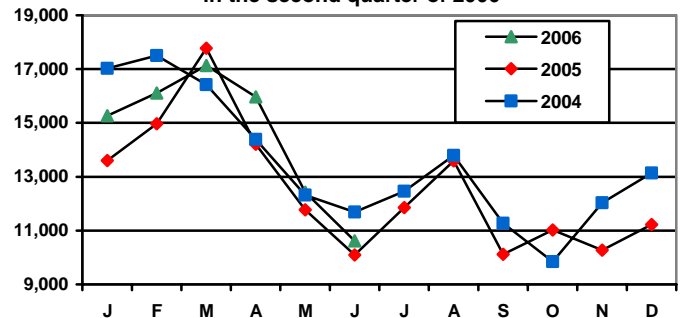
The second quarter of 2006 saw the average number of regular active Employment Insurance (EI) claims in the London and surrounding area fall by almost 20.0%. The average number of claims declined by 3,168 during the second quarter to 13,004. The number of men receiving regular EI benefits fell by over 21.0% between March and June to 8,650. The claim load levels for women slipped 15.7% to 4,353.

Compared to last year, average claim load levels increased 13.4% (1,540 claims) in the second quarter. The number of women receiving benefits increased 3.6%, while the claim load level for men rose over 19.0%.

Note: At this time, claim load data is only available for the broad geographic area served by the London Service Canada Centre. This area includes the Counties of Huron, Lambton, Middlesex, Elgin and Oxford.

Employment Insurance claim load: The number of individuals with an active claim for regular Employment Insurance benefits. Data on Employment Insurance claimants is not an accurate measure of the absolute level of unemployment. The data does not include unemployed individuals who: (1) - have not met the program's eligibility requirements or (2) - have exhausted their benefit entitlement.

Claim load levels experienced a seasonal decline in the second quarter of 2006



Regular employment insurance claims - Quarterly Averages – London and area

Area	April to June 2006			January to March 2006			April to June 2005		
	Total	Female	Male	Total	Female	Male	Total	Female	Male
Total London and Area	13,004	4,353	8,650	16,172	5,164	11,008	11,464	4,201	7,263

Source: HRSDC administrative data C356

IMBALANCES

In the Spotlight - Nursing

Issues...

- Current health budget restraints create situations where nurses must work several different jobs to accumulate full-time wages.
- The average age of nurses in Ontario is 50 years and some estimates show that 30,000 will be eligible to retire by 2008.

Some answers...

- The University of Western Ontario introduced a compressed nursing program for people who have a university degree. The 19-month program focuses solely on nursing. In 2005, 32 registered for the program and 56 have signed up for September.
- The Ontario Nurses Association is launching a campaign focusing on the shortage of nurses.

- Ontario's chief nursing officer states that retention is the main issue behind the shortage. New lifting equipment, and allowing nurses over the age of 55 years to spend a portion of their time in less demanding roles, are two measures in place to keep nurses on the job.
- The provincial government will guarantee a full-time job to every nursing graduate in Ontario, beginning next year. There will be approximately 4,000 graduates in 2007. The initiative is intended to keep nurses in Ontario.
- The government also promises that other programs will be developed to help current nurses in part-time or contract jobs find full-time positions.



Government of Canada

Gouvernement du Canada



TERMS AND CONDITIONS OF EMPLOYMENT

Provincial Wage Settlements

Average Wage Settlement Increases drawn from Collective Agreements (Ontario Collective Bargaining Highlights) across Ontario – Bargaining units 200+				
	May 2006	2006 YTD	2005	2004
Public Sector	3.1% (32 contracts covering 13,088 workers)	3.0%	2.7%	3.1%
Private Sector	2.7% (16 contracts covering 8,547 workers)	2.2%	2.4%	2.6%
Consumer Price Index	(2.8% Provincial May 06)	2.5%	2.2%	1.9%

Source: Ontario Collective Bargaining Highlights May 2006, Ontario Ministry of Labour

Wage Settlements:

Workers at St. Joseph’s Health Care London, represented by the Canadian Auto Workers, ratified a three-year agreement. The agreement covers 1,100 workers at the hospital including **registered practical nurses, health-care aides, dietary and housekeeping staff and maintenance and trades workers**, who will earn 7.5% more over the life of the contract.

Firefighters are awaiting an arbitrator’s ruling on whether they will earn the same as **police officers**. They want a 6.1% raise over two years. A first-class firefighter currently earns a base salary of \$64,175. A first-class police constable in London will earn \$71,438 this year, and \$73,511 by July 2007.

A tentative agreement with the city’s **525 outside workers** provides for wage increases of 3.0% in each of the four years of the contract, along with improved paramedical services, life insurance coverage, accidental death coverage, and drug benefits.

Most of the 1,100 **educational assistants and instructional assistants** with the Thames Valley District school board ratified a three-year agreement which will extend their six-hour workday by 15 minutes in September and a further 15 minutes in January of 2007. They will receive a 2.0% increase each year of the contract.

Ontario’s 9,000 **college teachers, librarians and counsellors** have a four-year arbitrated contract which provides for a 15.3% salary hike over the life of the agreement. By 2009, the maximum pay for faculty members will reach \$96,529.

The 250 employees at **Autrans Corp.** in Ingersoll have a two-year contract that provides wage increases of \$1 an hour each year. Wages will rise from the current \$14-\$15 an hour to \$16 an hour, effective April 1 2006, and then to \$17 an hour April 1 2007. As well, the agreement provides a pension plan.

Sarnia’s 115 **firefighters** are looking for wage parity with local police officers. Under a new agreement signed last year, a first class police officer in Sarnia earns approximately

\$68,000. Under a contract that expired in December of 2004, a first class firefighter earns about \$64,300.

A three-year agreement was ratified by employees of **Waste Management**. Workers at the Petrolia and Warwick landfills will receive a 10.0% raise over the life of the agreement.

INTERVENTIONS

Business, academic and political leaders from numerous communities attended the **Southwest Economic Assembly** in Stratford on May 24. The message was that communities need to co-operate and unite in order to combat global competition, attract new business and industry, and obtain federal research money. Participants at the event discussed problems and solutions in four targeted sectors: agriculture; tourism and culture; trade and manufacturing; and the knowledge economy (with a focus on keeping skilled young workers in the area).

Mediacorp Canada Inc. launched a new search engine, <http://www.Eluta.ca> that compiles job postings from employers’ web sites. The searchable database allows job seekers to look for advertised jobs by keyword and location.

Fanshawe College will receive \$1.3 million from the province to fund 115 more students in the **co-op diploma apprenticeship training program**. Students can take pre-apprenticeship training in four areas: automotive service technician; cook; industrial mechanic millwright; and truck and coach technician. Graduates can go on to further training or move into a skilled trade.

The **Oxford Technical Training Centre** is expanding because of an 85.0% increase in registrations in technical training. The centre will open a computerized numerical control lab at Fanshawe College.

A new DVD has been developed to **teach young people about the workplace**. The St. Thomas and District Chamber of Commerce will distribute the video of area businesses and job hunting tips to a variety of locations including schools and libraries.

In an effort to **attract new immigrants and fill skill shortages**, the Sarnia-Lambton Economic Partnership is traveling to Mexico to introduce high school graduates and new university students to the possibility of taking courses at Lambton College. Visits are also underway to Arizona to educate retirees on the benefits of traveling to a more comfortable summer climate for seasonal work. The partnership is targeting a number of immigrant groups including students, employees, entrepreneurs and retirees.

At the end of June, eight employers in the London and surrounding area had active contracts under the **Work Sharing** program offered by the Government of Canada. These contracts covered 134 workers and averted 55 layoffs.



FROM THE AUTHOR'S DESK

The Summer 2006 Metropolitan Outlook from the Conference Board of Canada shows the London CMA ranking third out of seven other CMAs in real Gross Domestic Product growth at 2.1% - lower than the 2005 rate of 2.4%. Between 2007 and 2010, the rate is expected to climb to 2.7%, still a third place ranking. The report cites a number of reasons for the changes including:

- Despite a loss of employment in the manufacturing sector due to the high Canadian dollar, output grew by an average of 3.5% annually over the last two years. Productivity improved as companies produced more goods with fewer workers, a trend that should continue in both 2006 and 2007. Layoffs at the Ford assembly plant in St. Thomas will play a significant role in estimated manufacturing employment falling a further 4.2% over the next two years. Even with fewer workers, manufacturing output is predicted to rise 2.1% in 2006 and 2.8% in 2007. Increased activity at the CAMI Automotive plant in Ingersoll and the new Woodstock Toyota assembly plant scheduled to open in 2008 will attract even more parts suppliers. Overall manufacturing output is predicted to grow to an average 3.6% annually from 2008 to 2010.
- The construction sector saw annual growth fall from an average 4.7% between 1996 and 2003 to 2.2% in 2004 and 1.8% last year. Strong housing starts were not enough to offset the drop in the non-residential sector. While housing starts are predicted to soften in the next few years, the non-residential sector is expected to rebound, helped in part to a \$200 million upgrade at the Ford plant. The construction sector is expected to post output growth of 2.2% both this year and next.
- Fuelled by a 3.8% increase in wholesale and retail trade and a 4.3% gain in finance, insurance and real estate, output in the services sector rose by 2.9% in 2005. A decline in domestic demand due to rising interest rates and a weak labour market will drop the projected output growth in the trade sector to 2.7%, and 2.2% in the finance, insurance and real estate sector in 2006. Output in the overall service sector is predicted to slip to 2.2% this year before increasing to 2.6% in 2007.

Revisions to the LFS

Labour Force Survey (LFS) estimates for the January 1987 to December 2005 period have undergone revisions. There are three reasons for the revision. First, the revision enables the use of improved population benchmarks in the LFS estimation process. These improved benchmarks provide better information on the number of non-permanent residents. There are also changes to the data for the public and private sectors from 1987 to 1999. In the past, the data on the public and private sectors for this period were based on an old definition of the public sector. The revised data better reflects the current public sector definition, and therefore result in a longer time series for analysis. Finally, the geographic coding of several small Census Agglomerations (CA) has been updated historically from 1996 urban centre boundaries to 2001 CA boundaries. This affects data from January 1987 to December 2004.

It is important to note that the changes to almost all estimates are very minor, with the exception of the public sector series and some associated industries from 1987 to 1999. Rates of unemployment, employment and participation are essentially unchanged, as are all key labour market trends. Users are cautioned that any comparisons of historical data should be done using these revised estimates.

The article "Improvements in 2006 to the LFS" ([71F0031XIE](#), free) provides further explanation for the revisions and an overview of the effect of these changes on the estimates.

*Source: Statistics Canada, **The Daily**, February 10, 2006*

Employment by Industry Analysis

Readers of this quarterly labour market review may note that we have discontinued the tables and commentary on employment by industry sector as of the First Quarter, 2006. We have discontinued this content element because recent analysis indicates that the sampling error is too large to provide meaningful observation of changes in sector employment at the sub-provincial level over the short term.



Notes to Readers:

1. For the purpose of this publication, the **London and surrounding area** includes the Cities of London, St. Thomas, Woodstock, Tillsonburg and Sarnia and all communities within the Counties of Middlesex, Elgin, Oxford and Lambton. Service Canada's delivery areas have recently changed, and are reflected in this report. Huron County is now covered by the Owen Sound office, as part of the Kitchener Mid-Ontario Service Canada area. Beginning with this report, information about the Labour Force Survey results for Economic Region 580, which includes Huron County, will be provided in the Owen Sound Labour Market Bulletin. Please contact the Owen Sound office at (519) 378-2415 for more information.
2. The information contained in the Labour Market News section is gathered using a variety of internal and external sources. The primary sources of information include *Service Canada reports, Statistics Canada, The Conference Board of Canada, The London Free Press, businessLondon, The St. Thomas Times Journal, The National Post, The Financial Post, The Globe & Mail, The Toronto Star, Technology in Government, The Sentinel-Review, The Age Dispatch, The Tillsonburg News, The Tillsonburg Independent News, the Sarnia Observer and the Housing Market Outlook.*
3. **Definitions – Labour Force Survey data**
Population 15+ (the working age population) consists of all persons 15 years of age and over residing in Canada with the exception of residents of the Territories, persons living on Indian Reserves, inmates of institutions and full-time members of the Canadian Armed forces. The **Labour Force** consists of people employed or unemployed and searching for work. Those who are neither employed nor unemployed and are not willing or able to supply labour services are considered **Not in the Labour Force**. The **Participation Rate** is the percentage of the working age population (15+) who are seeking work or are employed. The **Unemployment Rate** is the number of people who are unemployed and looking for work as a percentage of the number of people in the Labour Force. The **Employment Rate** is the number of people employed as a percentage of the working age population.
4. **Definitions – Service Canada Centre Corporate Data**
Employment Insurance claim load: The number of individuals with an active claim for regular Employment Insurance benefits. Data on Employment Insurance claimants is not an accurate measure of the absolute level of unemployment. The data does not include unemployed individuals who: 1/ have not met the program's eligibility requirements or 2/ have exhausted their benefit entitlement.
Employment Opportunities: Advertised employment opportunities are comprised of vacancies notified to the SCC offices in our area and newspaper want ads. This data is not a count of all labour market activity; in practical terms, such a count is not feasible. This data is useful to track short and long-term changes in the demand for individual occupations. The total number of opportunities is equal to full-time plus part-time and casual.
5. This review uses data from **Statistics Canada's Labour Force Survey (LFS)**. In any survey there is a chance of variation due to sampling size. **Three-month moving averages** are used for selected labour force characteristics in an attempt to improve the reliability of this data. For further information on the Labour Force Survey, visit Statistics Canada's website at: <http://www.statcan.ca/english/sdds/3701.htm>
6. For more information on Industrial and Occupational categories used in this review, visit **Statistics Canada's website** at: <http://www.statcan.ca/english/concepts/index.htm>
7. **Note:** In preparing this bulletin, Service Canada has taken care to provide clients with labour market information from reliable sources that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since the bulletin was published. Readers are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this bulletin does not necessarily reflect official policies of Service Canada.

