

Labour Market Bulletin

North Bay Region Service Canada Centre

~ An Analysis of the North Bay Area Labour Market ~ January to March 2006 ~

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HIGHLIGHTS	<i>1</i>
LABOUR MARKET NEWS	2
Forestry, fishing, mining, oil and gas	2
Construction	2
Manufacturing	3
Trade	3
Professional, scientific and technical services Business, building and other support services	
Educational services	4
Health care and social assistance	5
Accommodation and food services	5
Public administration	5
LABOUR FORCE TRENDS	6
LABOUR SUPPLY AND DEMAND	7
Employment Insurance Claimload	7
Employment Opportunities	8

The North Bay SCC 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)

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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.

The Labour Market Bulletin is an overview of the labour market in the region serviced by the North Bay Service Canada Centre (SCC): the North Bay, Tri-Town and West Nipissing SCC areas.

OVERVIEW

Labour market conditions in the North Bay region were sending mixed signals in the first quarter of 2006. While there was recruitment activity in the mining sector, lay-offs and scale backs are continuing in wood products manufacturing. Education services fared quite well in the Northeast this quarter, with announcements of new partnerships as well as several funding initiatives. The opening of a new medical clinic and of a therapy centre bodes well for Health services in the area. Construction continues to be very prominent with the award of a major contract.

Advertised job opportunities declined slightly and the Employment Insurance (EI) claimload increased quite significantly from the previous quarter. Positions in sales and service dominated the job opportunities.

The labour market of Northeastern Ontario continued its decline in the first quarter of 2006. Both employment and the labour force decreased.

HIGHLIGHTS

- Labour Market News
 - ▶ City of North Bay awards \$38 million contract for construction of water treatment plant
 - Continuing investments in diamond exploration by Texmex and Tres-Or Ltd.
 - Columbia Forest Products cuts back a shift at its Rutherglen hardwood veneer plant
 - ▶ Education services still benefit from funding initiatives
- Northeast continues to weaken
- Fewer job opportunities
- Increase in EI claims





LABOUR MARKET NEWS

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.

Forestry, fishing, mining, oil and gas

Recruitment in the mining industry

The Mining Industry Training and Adjustment Council Canada (MITAC) projected in a recent report that 81,000 new workers will be needed in the next decade to meet the strong world demand for minerals and metals. The report further states that in addition to the tremendous growth, 40 per cent of the mining sector's work force is expected to retire in the next decade. According to the Globe and Mail, virtually every mining company in the country currently has career opportunities posted on its website. Among those advertising heavily for help is Cementation Canada Inc., a North Bay mine contracting and engineering company. President Roy Slack states that there is a need for drillers, project managers, safety specialists and a range of other skilled people to support its expansion in Canada, the United States and Mexico. Cementation Canada recently set up its own mining school in Sudbury, training people interested in making the transition from other technical field into mining.

More diamonds near New Liskeard

Tres-Or Resources Ltd. and Arctic Start Diamond Corp's Lapointe kimberlite is proving up more diamonds. Located 60 kilometers northwest of New Liskeard, the kimberlite is a multiphase intrusion, with each phase capable of carrying a different concentration of diamond. Last fall, a 0.0665-carat clear diamond was recovered from the central diatreme phase. The January results results showed the fifth delineation drill hole on the west side of the 23-hectare kimberlite to be "diamond-rich".

New exploration program near Temagami

Temex Resources has commenced a \$750,000 exploration program on its Wilson Lake and Latchford Diamond projects near Temagami. The exploration program includes a 6,000 line-kilometer airborne

magnetic survey, diamond drilling of some priority targets, till sample processing and ground prospecting.

Methane collection facility at landfill

In the first phase of a multi-phased project, the city of North Bay has awarded a \$1-million contract for the construction of a methane collection and flaring system at the Merrick Township landfill. This phase of the project is expected to be completed by July. This system will help determine how the gas can be best utilized by the city. In the second phase of the project, it is hoped that the methane can be used to generate energy and about \$700,000 in annual revenue for the city with the construction of a generation system to convert methane into electricity. The cost to complete the entire project is estimated at more than \$3 million. Negotiations are now underway between the city and North Bay Hydro to sell the electricity. The first phase of the project will also help to reduce emissions of greenhouse gases at the landfill by burning off methane. As part of a program aimed at meeting Canada's commitments under the Kyoto protocol, the federal government has promised to pay the city \$6.49 for every tonne of carbon dioxide equivalents flared at the landfill in 2006 and 2007 to a maximum of \$541,000.

Construction

Company opens new offices

Airkem Emergency Response & Restoration Specialists has opened new offices in Kirkland Lake and New Liskeard. The company restores property damage due to water, wind, fire and mould. Other services include soda blasting, dry fogging, cleaning and odor removal as well as neutralization and disinfecting odors caused by smoke, skunk, sewer, oil spills and water damage. The Timmins-based also has a branch in North Bay. Eight new employees were welcomed to the Airkem team.

City of North Bay awards \$38 million contract

North Bay's water treatment plant project was given the go-ahead and the \$38-million contract was awarded for its construction. The contract includes the construction of the new facility beside the existing one on Lakeshore at Trout Lake and the demolition of the old plant, along

with rehabilitation of the site. The provincial and federal governments have each pledged almost \$15 million from the Canada Ontario Municipal Rural Infrastructure Fund (COMRIF) to the plant, in addition to \$4 million previously announced by the province through its Northern Ontario Heritage Fund.

Manufacturing

Columbia scaling back

Effective April 17, 2006, Columbia Forest Products' Rutherglen hardwood veneer conversion facility will scale back to one shift. Company officials cited the value of the Canadian dollar, global competition and energy costs as reasons for the cutback. The permanent lay-off will affect approximately 100 employees. Founded in 1957, Columbia Forest Products is North America's largest manufacturer of hardwood plywood and hardwood veneer and has operated the Rutherglen plant since 1989. Columbia also announced the pending closure of its Hearst particleboard plant, which will affect 76 workers.

Trade

Local clothing shop expanding

Mainly Clothes, a North Bay consignment shop in business for 14 years, is expanding to almost twice its current size. The shop sells inventory brought in by the public, who in turn receive 40 per cent of the sale. Since taking over the business in May 2004, the owner has expanded her account base from 3,500 to more than 4,200. Inventory is turned over daily, with 80 to 100 new items. Clients include people from as far as Timmins.

Online shopping at Quilts & Other Comforts

In an expansion that includes the addition of online shopping, Quilts & Other Comforts has purchased its own building in North Bay's downtown core. Owners of the family retail establishment, which had been leasing the space for 25 years, are planning to restore the building to its original state.

Record sales for Fur Harvesters

In February, the Fur Harvesters Auction Inc. posted its best sales in 15 years. High demand for fur in the Asian and European markets is doubling prices of animal pelts like fisher, marten, mink and muskrat. The Seattle, Washington sale netted \$7.1 million for the local auction house, compared to \$4.4 million the same time last year.

Professional, scientific and technical services

Doing business at Norad?

In February, the Minister of Northern Development and Mines, announced funding of \$35,200 to the city of North Bay to study the viability of the underground Norad complex as a potential business site. The funds will be used for an engineering review to determine the facility's environmental compliance and state of operation, laying the groundwork for the city to find potential businesses interested in the facility.

Wind power in Mattawa

AIM Power Gen Corporation and wind consultants Northern Windpower are eyeing the Mattawa-Bonfield area for a potential wind farm. A 50-metre meteorological wind tower will be erected to conduct a year-long wind study in the Township of Mattawan, just north of the town of Mattawa. The Ministry of Natural Resources has granted the companies permission to use crown land in a remote area between Highways 17 and 533. According to officials from the Mattawa-Bonfield economic development office, the project could evolve into a \$20-million development, if the winds in the Mattawa River Valley are sufficient. AIM is a Toronto-based company that builds and operates large-scale wind power generating facilities.

Business, building and other support services

Call centre still recruiting in West Nipissing

Training for new employees at the Contract Xchange call centre is underway. With an additional 100 jobs possible, the company is hosting job fairs to recruit more applicants from the West Nipissing area.

Help for first-time entrepreneurs

The Stepping Stones-La Passerelle Business
Development Centre, the area's first small business
incubator, opened its doors at the Northgate Shopping
Centre. The centre's goal is to improve the success rate
of first-time businesses in the Blue Sky Region by
offering furnished and equipped office space, business
seminars and mentoring for a full year, rent-free. The
initiative is a community partnership between local
businesses, educational institutions and government.

Shelters receiving funding

As part of a \$2-million package announced by Ontario's Minister responsible for women's issues, \$95,000 has been pledged for facility improvements at Northeastern



Government of Canada

Gouvernement du Canada



Ontario's shelters for women and children fleeing domestic violence. The funding has been earmarked for shelters in Cochrane, Muskoka, Nipissing, Parry Sound, Timiskaming and the eastern part of the Kenora district. The Pavilion Family Resource Centre, a shelter and counseling centre in Haileybury, recently received funding that was used to hire a part-time worker.

Resource centre reopening

After closing its doors in 2004, the Elk Lake Eco Resource Centre has reopened for business. The conference and reception centre includes technologically equipped meeting facilities and six chalets with a total of 35 bedrooms. In addition to conferences and training sessions, the centre is also available for school outings and social gatherings. FedNor granted the centre \$77,250 through the South Temiskaming Community Futures Development Corporation to assist with start-up costs. The centre also receives \$241,800 from the Northern Ontario Heritage Fund to help with its restructuring. The Eco Resource Centre now operates with a new board.

Land study at North Bay airport

The Minister of Northern Development and Mines announced \$20,000 in funding to identify future uses and opportunities for land at North Bay's Jack Garland Airport. Two large tracts of land, with some fully serviced lots, have been designated for further commercial and industrial development. The airport will conduct a land development analysis that will guide the short and long-term development and use of city-owned airport lands. In addition to its passenger and cargo facilities, the airport site offers hangar space, flight training, avionics repair and aircraft maintenance, and houses Canadore College's School of Aviation.

Educational services

Educational partnership

The Federated School of Mines, an educational partnership between Cambrian College in Sudbury and Northern College's Haileybury School of Mines, expanded this quarter. The six northern colleges that signed a memorandum of understanding to work together on the initiative included Canadore College in North Bay, Confederation College in Thunder Bay and Collège Boréal and Laurentian University in Sudbury. College officials believe that the Federated School of Mines will make education and training in mining and

associated fields will be available in additional locations to a larger number of industry employees and students.

Funding for French language school boards

In February, the Education Minister announced an allocation of \$6.5 million to help French-language boards provide secondary schools with more staff, enabling them to offer a broader range of courses to help francophone students make the transition from French-language elementary to French-language secondary schools. This investment means an additional teacher's salary for each of the province's Frenchlanguage secondary schools plus an additional base amount of \$84,804 for each French-language school board...

First-ever fellowship at Nipissing University

Nipissing University has received its first industrial research fellowship. Dr. Jeffery Dech is the recipient of a \$133,000 Industrial Research and Development Fellowship - \$60,000 from the Natural Sciences and Engineering Research Council of Canada and \$73,000 from Tembec. The fellowship will support Dech's research on regeneration strategies for red oak forests in Ontario. Dr. Dech's team of scientists will be working on his field research in Redbridge, together with Tembec, the Ministry of Natural Resources, the Canadian Forestry Service and the Canadian Ecology Centre.

Funding for local schools

As part of the province's Quality Improvement Fund, Canadore College and Nipissing University will receive \$3.2 million to hire more instructors, decrease class sizes and expand programs. According to the President of Nipissing, \$1.7 million will be used to help address a funding shortfall, hire new full-time and limited-term faculty, reduce class size and upgrade labs and classrooms. Canadore plans to continue expanding its programs with the more than \$1.5 million it will receive. Plans also include improving overall trades enrolment, hiring faculty and support staff and improving services for Aboriginal students and students with disabilities.

In yet another provincial funding initiative to increase the number of apprentices, Canadore College will receive \$210,200 to purchase new tools and equipment to improve skills trade instruction. A computer numeric control lathe, milling machines, shop tools and other equipment will be added to the classrooms. This new equipment will benefit students enrolled in the general





machinist, heavy duty equipment technician, marine engine technician, small engine technician and automotive service technician courses.

Health care and social assistance

Medical clinic opens in Callander

In March, four doctors arrived in Callander to practice out of the renovated Lakeside Medical Clinic. The clinic has been renovated to accommodate a group practice. The group hired one full-time office worker and expects to hire additional staff as the workload increases. The newly renovated office includes six examination rooms, a laboratory, office space, kitchenette, reception area and waiting room.

On-campus therapy

Rebound Sports Medicine & Therapy Centre opened its doors at the R.J. Surtees Athletic Centre. The Nipissing University/Canadore College enterprise provides physiotherapy, massage therapy, acupuncture,

chiropractic and orthotic services. A full-time physician is also available in the new campus health centre.

Accommodation and food services

Hotel opens in Sturgeon Falls

In February, a 60-room Comfort Inn hotel opened on Front Street in Sturgeon Falls. In addition to standard rooms and executive suites, the hotel can accommodate meetings and gatherings of up to 80 people.

Public administration

Infrastructure financing

Burk's Falls, Powassan, and Temiskaming Shores are among 20 northern municipalities that have been approved for Ontario strategic infrastructure financing. The municipalities are taking advantage of low-cost, longer-term fixed rate loans for community and public infrastructure projects made available by the Ministry of Public Infrastructure Renewal.

Note to readers:

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, 2005

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.





LABOUR FORCE TRENDS

Conditions continue to weaken in Northeast

Employment falls more than one percent

Northeast also weaker year over year

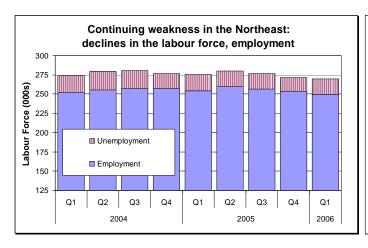
Unemployment rate lower due to labour force contraction

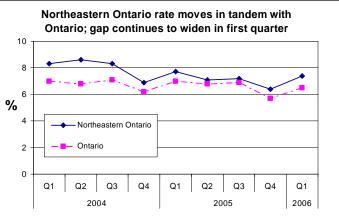
Labour market conditions in Northeastern Ontario were slightly weaker in the first quarter of 2006. A very small labour force contraction caused the participation rate to dip from 59.5% in the fourth quarter of 2005 to a four-year low of 59.6%. Employment declined at a faster pace, falling more than one percent (-4,000). The job loss was almost evenly split between full- and part-time employment. And, because the number of jobs lost was greater than the number of individuals who withdrew from the labour force, unemployment increased. As a result, Northeastern Ontario's unemployment rate rose from 6.4% in the fourth quarter of 2005 to 7.4%. Among Ontario's 11 Economic Regions, only Windsor-Sarnia (8.6%) and Northwestern Ontario (8.4%) posted higher unemployment rates for the quarter.

Northeastern Ontario Labour Force Trends

	First	Fourth	First	Change				
	Quarter	Quarter	Quarter	Quarter/Quarter Year/Y		Year/Ye	ar	
	2006	2005	2005	Absolute	%	Absolute	%	
Population 15 +	453,000	453,000	451,900	0	0.0	1,100	0.2	
Labour force	269,800	271,200	275,300	-1,400	-0.5	-5,500	-2.0	
Employed	249,800	253,800	254,200	-4,000	-1.6	-4,400	-1.7	
Full-time	198,100	200,000	197,900	-1,900	-1.0	200	0.1	
Part-time	51,700	53,900	56,300	-2,200	-4.1	-4,600	-8.2	
Unemployed	20,000	17,400	21,100	2,600	14.9	-1,100	-5.2	
Not in labour force	183,200	181,800	176,600	1,400	0.8	6,600	3.7	
Participation rate	59.6%	59.9%	60.9%	-0.3		-1.3		
Unemployment rate	7.4%	6.4%	7.7%	1.0		-0.3		
Employment rate	55.1%	56.0%	56.3%	-0.9		-1.2		

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





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



Northeast also weaker year over year

These conditions are also slightly weaker than those recorded in the Northeast in the first quarter of 2005. Employment fell almost two percent (-4,400) year over year. All of the job loss was in part-time work. However, because the labour force contracted by a slightly larger amount (-5,500), there was a decrease in the number of people seeking work. Therefore, Northeastern Ontario's unemployment rate edged down from 7.7% in the first quarter of 2005 to 7.4%.

Definitions:

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 is that portion of the working age population who, during the Labour Force Survey reference week, were either employed or unemployed. The portion of the working age population that is neither employed nor unemployed is not in the labour force. The participation rate is the percentage of the working age population that is in the labour force. The unemployment rate is the percentage of the labour force that is unemployed. The employment rate is the percentage of the working age population that is employed.

Statistics Canada's Labour Force Survey (LFS) is the major source of data for this Review. As relatively small sample sizes are utilized in compiling sub-provincial estimates for the survey, there is a chance of variation due to sampling error. Therefore, the reader is cautioned that small changes in some time series could be wholly or partially due to these statistical sampling errors, and may not necessarily reflect actual events in the labour force. Data are three-month moving averages.

LABOUR SUPPLY AND DEMAND

Employment Insurance Claim Load

Significant increase in EI claimload for the North Bay SCC Region.

The regular Employment Insurance (EI) claimload in the North Bay Region increased to 3,451 in the first quarter of 2006, up 1,065 claims (30.9%) over the previous quarter. Year-over-year, the claimload was essentially unchanged, increasing by 42 claims (1.2%).

The first-quarter saw increases from both male and female claimants. Females represented 30.3% of the first quarter claimload, while males represented 69.6%.

Regular Employment Insurance Claimants - North Bay Area

	January to March 2006 Average			October to December 2005 Average			January to March 2006 Average			
	Total	Female	Male	_	Total	Female	Male	Total	Female	Male
North Bay SCC Region	3,451	1,047	2,403		2,386	896	1,490	3,409	1,092	2,317





Source: SCC administrative data C-356

Employment Opportunities

Demand slightly lower in the region

Advertised job opportunities in the North Bay region were slightly lower than those reported in the previous quarter, mirroring the labour market trends seen in the Northeast in recent months. Employment opportunities in sales and service occupations dominated the first quarter listings, comprising 32.1% of the job vacancies advertised in local newspapers and in the Job Bank. Even so, the total is significantly lower than the number of sales and service vacancies advertised in the first quarter of 2005. The trades and transport grouping posted 336 openings, an increase of 44 jobs from the previous quarter but a decrease of 197 jobs year-over-year. Opportunities in business and administration bounced back, increasing by 34 over the previous quarter.

Employment Opportunities - North Bay Region

Occupations (NOC)	January to March 2006	October to December 2005	January to March 2005
Total Vacancies	1,566	1,434	2,366
Management	81	59	126
Business/administration	325	291	360
Natural & applied sciences	76	70	87
Health	97	97	104
Social science & education	77	92	114
Culture & recreation	23	21	35
Sales & service	503	455	922
Trades & transport	336	292	533
Primary industry	8	14	39
Manufacturing & utilities	40	43	46
Source: Local newspaper ads and Job Bank			



FROM THE AUTHOR'S DESK

Notes to Readers:

- 1. The Northeastern Ontario (Economic Region 590) is comprised of eight Census Divisions: the Districts of Nipissing, Parry Sound, Manitoulin, Sudbury, Timiskaming, Cochrane and Algoma.
- For the purpose of this publication, the **North Bay Region** includes the three areas serviced by SCC North Bay; the North Bay SCC area (Mattawa to South River to Temagami), the Tri-Town SCC area (New Liskeard and Haileybury, north to Armstrong Township and South to Cobalt and Latchford), and the West Nipissing SCC area (includes Dokis)...
- 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 Job Bank, the North Bay Nugget, the Mattawa Recorder, the Temiskaming Speaker, La Tribune of/de Sturgeon Falls, the North Bay Nugget's Business Outlook, the Resources North, and the Northern Ontario Business.
- **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 fulltime 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.
- **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.
- 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
- 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
- For more information about Service Canada or to find the Service Canada Centre nearest you, visit us at: www.servicecanada.gc.ca or call 1-800-0-Canada.



