



Labour Market Bulletin

Kenora

Service Canada Centre

~ An Analysis of the Kenora/Dryden/Fort Frances Area Labour Market ~ April To June 2007 ~

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An overview of the Kenora, Dryden, Fort Frances and surrounding areas.

Labour market conditions in the Kenora/Dryden/Fort Frances area were mixed during the second quarter of 2007. The area continued to cope with lay offs and downsizing in wood manufacturing. These are impacts of current forestry sector issues.

Plans to construct a new value-added mill in the Northwest were unveiled. The construction sector also received a boost with over \$80 million in funding announced for road and infrastructure projects throughout the area. Mining sector activity continued to grow with many junior companies advancing to the exploration stage. The utilities sector received news of the closure of one power plant and the possible construction of another.

Though the Employment Insurance claimload decreased and the number of job vacancies increased in the Kenora/Dryden/Fort Frances area, the Northwest still reported the second-highest unemployment rate among Ontario's 11 economic regions during this quarter.

HIGHLIGHTS

- ▶ Horizon Hydro to pursue a hydroelectric generating station at Ear Falls.
- ▶ Atikokan Power Generation plant to close by 2014.
- ▶ Domtar to sell its forest products business to Conifex. Ear Falls sawmill affected.
- ▶ Month long shutdown at Kenora Forest Products.
- ▶ New value-added lumber mill proposed for Atikokan.
- ▶ Atikokan Forest Products cuts one shift – lays off 80 workers.
- ▶ New youth justice centre to be built in Fort Frances.
- ▶ Federal government announced over \$50 million in funding for First Nation infrastructure projects.
- ▶ Northwest records second highest unemployment rate in Ontario.

The Kenora 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.

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.

Mining

Geological surveys will be conducted in the **North Spirit Lake** area as part of the provincial government's Far North Geological Mapping Initiative. The three-year initiative was announced in 2005 in an effort to increase the economic viability of First Nations communities located north of the fifty-first latitude. Mapping of the area surrounding North Spirit Lake First Nation will provide a detailed account of the community's mineralization potential. A similar survey was done at Pikangikum First Nation last year.

Houston Lake Mining announced plans to purchase additional property located next to its West Cedartree Project near Sioux Narrows. The property known as the Dubenski property consists of 22 leased claims. Work on the West Cedartree property has yielded promising assay results.

Canadian Arrow Mines has completed Phase I of an exploration program on its Kenbridge Nickel/Copper Project located southeast of Kenora. Assay data from this phase will be used in the design of a possible open pit mine on site.

Western Warrior Resources discovered large areas of gold mineralization at its Pipestone Project, 25 kilometres west of Nestor Falls. The company holds over 100,000 hectares of land in the Kenora/Rainy River area and recently hired two new geologists for its Kenora-based operation.

Rainy River Resources reported the widest and strongest gold intersections to date at its Rainy River Project in Richardson Township, 80 kilometres southeast of Kenora. Since the resumption of drilling in January 2007 the company has drilled a total of 28 holes. Further results are pending.

MetalCORP continued exploration on its high grade platinum find, 25 kilometres east of Fort Frances. The property has historically been known for its copper-nickel deposits. Platinum group metals are rare, with most of the world's supply coming from Russia and South Africa. The demand for this precious metal is increasing due to its use in industrial and environmental applications. The company is attempting to find platinum in Northwestern Ontario to meet demands from around the world.

Q-Gold Resources Limited is conducting the most comprehensive exploration program of gold properties ever conducted in the Mine Centre area. The company recently acquired five historic gold mines and has added a second gold

property in Morley Township. The company also announced plans for a \$1.5 million exploration project near Marathon, where copper, zinc, silver and gold deposits were identified.

Rubicon Minerals Corporation has identified four new gold bearing targets at its various properties in the Red Lake area. As well, the company and partner Golden Tag Resources have begun a \$41.5 million exploration program on its McCuaig (Red Lake) gold property.

A formal agreement was finalized between **Premier Gold Mines** and the **Red Lake Gold Mines** covering the Rahill-Bonanza gold project in the Red Lake District. The partnership consolidates a large parcel of land between Goldcorp's Red Lake Gold Mines and the Cochenour Mine to the west. The properties are currently under exploration.

Redstar Gold Corporation will spend \$1 million on exploration at its Newman Todd Project, 25 kilometres west of Red Lake.

Gold Eagle Mines Limited plans to expand exploration efforts at its Bruce Channel property in Red Lake.

Claude Resources will begin drilling on its Madsen gold property in Red Lake.

Planet Exploration Incorporated and joint venture partner Goldcorp Incorporated continue exploration on its Sidace Lake property located 25 kilometres northeast of Balmertown.

Gold Canyon Resources Incorporated has acquired the Horseshoe Island Gold property in Red Lake that was previously owned by the Vital Resource Corporation.

Utilities

Work on the **Ear Falls hydroelectric plant** resumed after a month-long shutdown in May 2007. The shutdown resulted from a dispute between subcontractor Alarie and Sons and lead contractor SNC Lavalin of Montreal. Neither party has commented on the nature of the dispute. A new subcontractor was hired (Louisburg) to complete the water intake portion of the project. The project is expected to cost \$40 million and will add over 12 megawatts of renewable energy supply to Northern Ontario.

The Ministry of Natural Resources has given **Horizon Hydro** of southern Ontario approval to pursue a hydroelectric generating station on the Trout River near Ear Falls. The proposed plant could generate 3.2 megawatts of power and supply up to 2,900 homes with electricity. The project is subject to environmental assessments, First Nations consultation and public review before construction can begin. This process is expected to take more than a year to complete.

The Ontario government announced its decision to close all of the province's coal-fired generating plants by 2014. The closures will be put into a regulation before the next election. This means that any subsequent government must change the law if it wants to keep the plants open. In 2005, the provincial government announced it would close all coal-powered generating plants in favour of creating cleaner sources of energy. It reversed that decision in 2006 based on a report from the Independent Electricity System Operator (IESO). There are two coal-fired plants in Northwestern Ontario scheduled for closure in Thunder Bay and Atikokan. It is estimated that the closure of the **Atikokan Generating Station** will result in the loss of 90 jobs, \$7 million in wages and more than \$3 million in tax revenue.

The Ministry of the Environment has rejected a proposal by **Peat Resources Limited** for an environmental assessment of peat resources in the Atikokan-Upsala area. Peat is a highly organic material that can be used as a biofuel and has been identified as a potential fuel replacement for the coal-fired Atikokan Generating Station. In 2006, the provincial government announced \$4-million in funding to establish a bio-energy research centre in Atikokan, linked to the Atikokan Generating Station. Peat Resources had planned to work with the proposed biofuel testing facility to develop the product.

Ochiichagwebabigoining First Nation (Dalles) officially opened its new water treatment plant in May 2007. The Dalles was one of 21 First Nation communities identified with high-risk water systems in March 2006. At that time, Indian and Northern Affairs Canada implemented the *Protocol for Safe Drinking Water for First Nations Communities*. The protocol contained standards for design, construction, operation, maintenance, and monitoring of drinking water systems in First Nation communities.

Construction

Major **highway construction** projects underway in Northwestern Ontario during the second quarter of 2007 include:

- An \$11 million upgrade to the Kenora by-pass by PHA Engineering Limited of Thunder Bay;
- A \$9.3 million contract awarded to Miller Northwest of Dryden to resurface and reconstruct a 16 kilometre stretch of highway east of Ignace; and
- A \$10 million contract to Pioneer Construction of Sudbury to

reconstruct the 29-kilometre stretch of highway between Ear Falls and Red Lake.

New projects:

- Construction of Pine Ridge Terrace in Dryden is expected to begin in early 2008. The proposed four-storey senior's complex models the newly constructed Grandview Villa in Kenora. Both complexes are non-profit life lease projects for adult living.
- Construction of a new residential development in Red Lake is underway. "Gold Rush Estates" is located in Balmertown and will consist of one four-plex and one six-plex unit. A fall completion date is expected.
- A \$457,000 contract to construct a new parking lot to service four Catholic schools in the vicinity of the new Pope John Paul II Catholic School in Kenora was awarded to Jarnel Contracting of Kenora.
- The City of Dryden awarded a contract to J.M.L. Engineering Limited of Thunder Bay to redesign the Dryden Memorial Arena. The redesign will address the increased usage of the facility and its ability to accommodate major events.

Completed projects:

- Repairs to the Keewatin bridge in Kenora by Pioneer Construction.
- A \$900,000 renovation project at the Fort Frances Museum funded by local businesses, federal and provincial grants and the Town of Fort Frances.

Manufacturing

Bowater Incorporated announced that it does not have plans to dismantle its Ignace saw mill. The mill was closed indefinitely in December 2006 due to reduced quotas for exports to the United States. Reopening of the mill depends on market conditions. The state of the art mill was rebuilt five years ago and employed 50 people.

Domtar Corporation in Dryden announced plans to adjust its converting operations. All four of the machines the mill uses to cut paper will be synchronized to operate on a five day schedule instead of a seven day schedule. Up to 17 workers could be affected. It is not known when the changes will be made.

Domtar Corporation announced that it has entered into an agreement for the sale of its forest products business to Conifex Incorporated. The transaction is comprised of four sawmills in Ontario and six in Quebec. The Ear Falls sawmill in Northwestern Ontario is included in the deal. Earlier this year Domtar merged with Weyerhaeuser in a \$3.3 billion deal that included the Ear Falls sawmill and the Dryden paper mill. Domtar is the largest integrated producer of uncoated freesheet paper and one of the largest manufacturers of papergrade market pulp in North America. Conifex is a newly

formed forestry and sawmilling company. Its head office is located in Montreal.

Kenora Forest Products announced a one month shutdown for the period of June 28 to July 30, 2007. A shortage of wood, a rising Canadian dollar and low commodity prices have been cited as reasons for the shutdown. The company has been waiting for a decision from the Ministry of Natural Resources regarding the acquisition of timber rights currently held by Abitibi Consolidated in Kenora. If successful, the company plans to proceed with a \$30 million expansion, which would create up to 60 new jobs at the mill.

The provincial government announced a conditional wood supply for a new \$70 million plywood mill in Atikokan. **Superior Laminated Lumber** plans to construct a new value-added mill utilizing white birch. The mill will produce long-beam plywood for the housing industry, specializing in the manufacture of modular homes. The company also plans to construct a bio-mass boiler on site. The Canadian owned plant will be driven largely by United States investors and will be built next to Atikokan's Fibratech particle board mill. Left over wood will be supplied to Fibratech. It is forecasted that the company's input costs will be cut by \$5 million. The plant is expected to create 180 jobs, as well as another 200 during the construction phase.

All but 80 employees returned to work after a scheduled shutdown at **Atikokan Forest Products**. The mill laid off 180 employees for two weeks in June 2007 to allow the company to replenish its wood supply. Inventories are traditionally low at that time of year due to road conditions and half load restrictions placed on logging operators. All three shifts at the planer mill and only two shifts at the saw mill were recalled. The price of lumber, market conditions and the high Canadian dollar were cited as contributing factors to the extended layoffs. It is not know when workers will be recalled.

Transportation and Warehousing

Discovery Air Incorporated announced that it has purchased the wheel division of Walsten Air Service in Kenora. The purchase includes a fleet of Beech King Air aircraft, hangar facilities and intangibles related to the business. Discovery Air owns Hicks and Lawrence in Dryden, as well as Great Slave Helicopters and Tindi Air in Yellowknife. The company provides aviation services to clients in selected northern markets.

A week long labour dispute between **Greyhound Canada** and over 1,200 members of the Amalgamated Transit Union in Western Canada ended on May 18, 2007. The dispute involved rates of pay, contracting out and working conditions. Passenger and parcel delivery services between Winnipeg and Toronto, as well as Winnipeg and Ottawa were affected.

Members of the Amalgamated Transit Union include drivers, mechanics, ticket handlers, bus loaders, terminal maintenance and courier parcel staff.

Approximately 3,200 **Canadian Pacific Railway** employees across Canada returned to work June 11, 2007 after three weeks of strike action. The maintenance employees are members of the Teamsters Canada Rail Conference, which repairs trains, tracks and other railway infrastructure. Members have been without a contract since December 2006. Workers throughout the Northwest region were affected by the labour dispute.

Marcri Logging in Ignace plans to move its log haul operations to Thunder Bay by the end of the summer. The company employs over 60 workers in the Ignace area.

Information and Cultural Services

Fawcett Broadcasting Limited has sold its Kenora, Dryden and Fort Frances radio stations to Acadia Broadcasting Limited. Acadia also owns and operates three radio stations in the Maritimes, two in New Brunswick and one in Nova Scotia. The purchase of the Fawcett Broadcasting stations includes repeater stations in Atikokan, Ear Falls, Hudson, Ignace, Red Lake and Sioux Lookout.

Vianet Internet Services will soon provide Red Lake with DSL (Digital Subscriber Line) Internet service. The service will be operational once the necessary telephone equipment upgrades are completed by Bell Canada.

Real Estate

Nootkamegwanning First Nation (Whitefish Bay) voted in favour of a proposal to develop leased cottage lots on Yellowgirl Bay 32B in Sioux Narrows. The lease revenues would be used to support housing and infrastructure projects in the community. Another vote on land designation will be held in December 2007. If designated, work could begin in the spring of 2008.

The Ministry of Natural Resources announced plans to develop cottage lots on Crown land in the Atikokan area. A contract was awarded to **Techno Logic Timber** of Thunder Bay to develop a plan for future subdivisions on three lakes: Jackfish, Plateau, and Lerome. Future development would support tourism and recreational growth and bring economic benefits to the area. The plan is subject to an environmental assessment.

Educational Services

The **French Immersion Language Program** in Kenora celebrated its twentieth anniversary. The program, run by the

Kenora Catholic District School Board began in 1986. It progressed from a portable classroom setting to the designation of a French immersion school. Today the French immersion program extends from kindergarten to high school.

After 14 years of operation, the **Northern Eagle High School** in Ear Falls closed. The school required major upgrades and was deemed beyond repair. The facility served as a transitional school for Grade 9 and 10 students arriving from remote northern reserves. The students, aged 14 to 18, lived at student residences during the school year. The school was operated by the Keewatin-Patricia District School Board through a funding partnership with Northern Nishnawbe Education Council. Students will now attend the Red Lake District High School.

A new Aboriginal apprenticeship initiative was announced for 30 First Nation communities in Northwestern Ontario. The **Sioux Lookout Regional Centre for Aboriginal Apprenticeship Research** (CAAR) initiative will assist First Nations people to pursue occupations in skilled trades and will focus on training and job opportunities around the construction of the new Meno-Ya-Win Health Centre in Sioux Lookout. The initiative is a joint venture between the Sioux Lookout Area Aboriginal Management Board (SLAAMB), Human Resources and Social Development Canada and the Ministry of Training, Colleges and Universities.

The **Keewatin-Patricia District School Board** approved capital projects for three area high schools: Dryden High School, Beaver Brae High School in Kenora and Queen Elizabeth High School in Sioux Lookout. The projects are part of the board's plan to update and modernize schools.

The newly constructed **Pope John Paul II Catholic School** in Kenora will open in the fall of 2007. The school replaces Mount Carmel and Our Lady of the Valley elementary schools. These schools closed at the end of June 2007.

Health Care and Social Assistance

The **Ministry of Health and Long Term Care** announced funding for 1,200 new full-time Registered Practical Nursing (RPN) positions in long-term care homes across Ontario. Under the initiative, every long-term care home in the province will receive funding to create at least one new RPN position. There are seven long-term care facilities in the Kenora and Rainy River Districts. This announcement builds on the Nursing Graduate Guarantee initiative announced earlier this year which provides every 2007 Ontario nursing graduate with an opportunity for full-time employment.

In September 2007, third-year medical students attending the **Northern Ontario School of Medicine** (NOSM) will begin Comprehensive Community Clerkships in 10 communities throughout Northern Ontario. All 56 students of the School's Charter Class will participate. Clerkships will be offered in

Kenora, Sioux Lookout, Sault Ste. Marie, North Bay, Timmins and Temiskaming Shores. The Northern Ontario School of Medicine is a joint initiative of Laurentian University in Sudbury and Lakehead University in Thunder Bay. With main campuses in Thunder Bay and Sudbury, the school has multiple teaching and research sites distributed across Northern Ontario.

The **Atikokan General Hospital** has applied to the Northwest Local Health Integration Network and the Township of Atikokan to acquire 12 to 15 long-term care beds. The initiative would allow seniors to receive care in their home communities instead of traveling to Fort Frances. Historically, funds for long-term care beds were included in the Rainycrest Homes for the Aged (Fort Frances) budget. Pending final approval from the Ministry of Health, funds will be redirected to the Atikokan hospital.

The **Dryden Regional Health Centre** released details of its three-year strategic plan. The plan includes modernization, addressing service gaps and adapting health care to meet the needs of the Dryden area. Major initiatives include the establishment of a Local Health Integration Network, more electronic health records and a Computed Tomography (CT) scanner.

The **Rainy River District Victim Services Program** is now operational in Fort Frances. The program offers immediate practical and emotional support to individuals in crisis. The service is funded through the Ministry of the Attorney General. There are more than 40 victim services programs in Ontario, including four others in Northern Ontario, in Geraldton, Sioux Lookout, Marathon and Wawa.

The **Ministry of Health and Long-Term Care** will invest an additional \$495 million in Ontario's hospitals this fiscal year for a total of \$14.1 billion in operating funding. The funding is directed at providing shorter wait times, increased access to doctors and nurses and the provision of more critical health services. Included in the funding increases for hospitals in the area:

- Atikokan General Hospital - \$172,800
- Dryden Regional Health Centre - \$3,150,800
- Riverside Health Care Facilities, Fort Frances - \$592,110
- Lake of the Woods District Hospital, Kenora - \$1,094,123
- Red Lake Margaret Cochenour Memorial Hospital - \$149,700
- Meno-Ya-Win Health Centre, Sioux Lookout - \$3,174,088.

The "**Making Kenora Home**" initiative released details of its community plan for affordable housing. The recommendations include year-round funding for the Kenora Fellowship Centre emergency shelter, and the creation of eight transitional beds for those moving towards independence, as well as 20 beds geared to income units for families at risk. The plan also recommended 10 units for victims of violence, 10 for seniors in need of health supports, 15 for single-parent families and 10 units for individuals with mental health issues.

Arts, Entertainment and Recreation

Ontario First Nations chiefs rejected a deal with provincial lotteries and casinos that would have given 133 Aboriginal communities a portion of the provinces gaming revenue. First Nation communities would have received \$112 million immediately upon signing for a total \$2.5 billion in funding over 20 years. The proposed agreement would have settled a series of lawsuits against the Ontario government that stem from the funding generated by Casino Rama in Orillia.

Accommodation and Food Service

New Business:

- Renovations are complete at the Canada Safeway store in Kenora. Included in the \$4 million upgrade are a Starbucks coffee shop and a new pharmacy. The renovation is expected to create about 60 new jobs.
- A new food service was opened in Fort Frances. Tess's Kitchen employs 13 people and specializes in catering and take-out.

Closures:

- The Sioux Hotel in Sioux Lookout closed in April 2007. Unpaid hydro and tax bills were cited as reasons for the closure.

Public Administration

The Ontario government announced new **youth justice facilities** for Thunder Bay and Fort Frances. In Thunder Bay, youth will move from the Thunder Bay Correctional Centre to a 16-bed facility dedicated to youth and operated by the Ministry of Children and Youth Services. In the Kenora/Rainy River District, youth will be transferred to a 12-bed facility dedicated to Aboriginal youth and operated by an Aboriginal organization. The initiative will create construction jobs, as well as up to 30 positions in the Thunder Bay centre. It is not known how many jobs will be created in Fort Frances. The new facilities are expected to be operational by April 2009.

In June 2007, the Ontario government announced the creation of a stand-alone **Ministry of Aboriginal Affairs**. Minister Ramsay will become Minister of Aboriginal Affairs, as well as maintain his duties as Natural Resources Minister. The ministry will also have its own Deputy Minister and dedicated resources. The department will focus on resolving outstanding issues and building a stronger relationship with Aboriginal people.

The 33rd **All Ontario Chiefs Conference** was held at Lac Seul First Nation in June 2007. The agenda topics included finances, education, environment, justice, social services and

health. The Chiefs of Ontario is a coordinating body for 134 First Nation communities located within the boundaries of the Province of Ontario.

The **Ontario Provincial Police** (OPP) transferred the responsibility of policing on the Pikangikum Lake First Nation from Sioux Lookout to Red Lake. To accommodate the transfer, three additional police officers have been added to the Red Lake force. The Sioux Lookout OPP will continue to provide police services to Weagamow and Big Trout Lake First Nations.

The **Northwestern Ontario Municipal Association** (NOMA) has approved in principle the creation of a new agency responsible for speaking with one voice for business and municipalities in the region. The "Common Voice" regional development agency would be responsible for advancing the economy of the area and bringing concerns to both levels of government. The City of Kenora has opted out of the initiative and passed a resolution not to pay the membership levy until a full partnership is offered and secured with area First Nations. NOMA's membership extends from the City of Kenora on the west to the Township of White River on the east.

The **Town of Red Lake** has hired Meridian Planning Consultants to complete a Growth Management Plan for the area. The town is reacting to a projected increase in economic activity with the proposed construction of a laminated post and beam manufacturing plant in Red Lake. The mill is expected to create up to 300 jobs. Meridian will prepare population and housing projections to determine if the area is equipped to deal with future growth.

The City of Dryden voted in favour of creating a new economic development agency. The **Dryden Development Corporation** is expected to be operational by January 2008.

FedNor announced funding in support of youth, small business and e-health initiatives in the Northwest region. More than \$314,000 will be shared by the following organizations:

- Atikokan Economic Development Corporation
- Rainy River District Soil and Crop Improvement Association
- Thunder Bay Chamber of Commerce
- Le Club Canadien Français de Thunder Bay CFF Incorporée
- Thunder Bay Community Economic Development Commission and
- Med-Nexus Incorporated of Thunder Bay.

The federal government announced over \$50 million in funding for **First Nations** infrastructure projects. Pikangikum First Nation will receive \$41 million over the next five years to build a new school, upgrade its diesel generating system, expand and improve water and waste systems and address environmental issues in the community. Kee-way-win First Nation will receive \$8.9 million for a new water

treatment plant and Attawapiskat First Nation will receive \$1.1 million for repairs to its existing water treatment plant.

Tourism

The **Sunset Country Travel Association** reported a 15% decrease in enquiries to the Kenora office for the period April 2006 to March 2007, compared to the previous 12 months. The most significant drop was among United States residents. The Canadian Border Services Agency in Fort Frances confirmed the number of border crossings into Canada decreased by 18.9% in April 2007 and by 8.0% in May 2007. Other statistics showed a considerable increase in the number of Canadians returning across the border to Canada. Sunset Country Travel attributes the decrease to lower exchange rates, higher gas prices and increased security at border crossings. Tourism and marketing representatives from across the region have joined forces to develop a five-year tourism marketing strategy to encourage tourism in Northern Ontario.

Abitibi-Consolidated Incorporated completed the transfer of its Tunnel Island property to the City of Kenora. The property will be held by the City on behalf of **the Common Ground Working Group**, a partnership between Grand Council Treaty #3 and the City of Kenora, until a final entity is legally established to acquire the land. The Common Ground Working Group is comprised of representatives from the City of Kenora, Grand Council Treaty #3 and three First Nations (Wauzhushk Onigum, Ochiichagwe' Babigo'ining and Obashkaadagaang Bay). The property is a heritage area representing approximately 300 acres of undeveloped land on Lake of the Woods in Kenora. The group will seek historic site status and involve elders and respective communities in developing a shared land use plan. Though there are no definite plans for the property, a cultural/heritage and interpretive centre concept has been proposed.



LABOUR FORCE TRENDS

Northwest grows weaker

The labour market of Northwestern Ontario grew slightly weaker in the second quarter of 2007. On the heels of a modest first-quarter expansion, the labour force fell back to late 2006 levels, with a decrease of almost two percent (-1,900). The region also experienced a small employment loss. However, since the labour force contraction was larger than the job loss during the quarter, unemployment actually declined. Consequently, Northwestern Ontario's unemployment rate fell from 7.9% in the first quarter to 7.1%. With this rate, the Northwest held on to its spot as the second-highest unemployment rate recorded among Ontario's 11 economic regions in the second quarter. Once again, only Windsor-Sarnia (9.2%) had a higher rate in the second quarter.

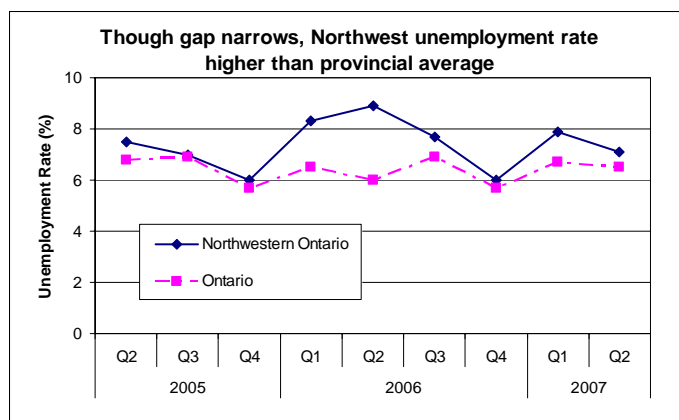
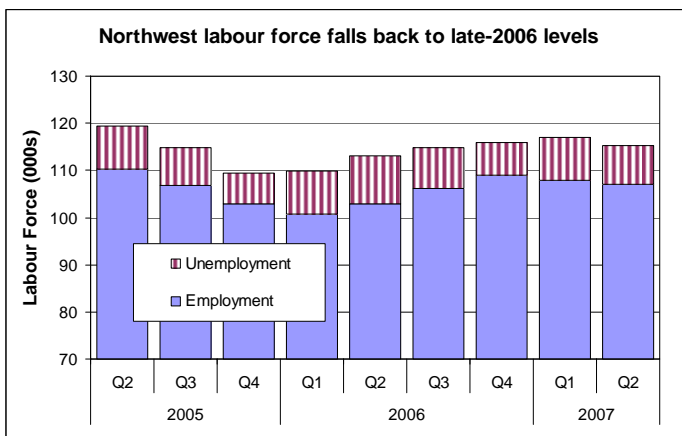
Northwest stronger year-over-year

Even with the second-quarter declines, however, Northwestern Ontario is stronger on a year-over-year basis. Though the working age population decreased (-1,100), the labour force expanded (+2,200). Employment growth was higher (+4,200), with job creation activity centered in the services-producing sector. Since there were roughly two new jobs for every new or returning job seeker, unemployment decreased. As a result, Northwestern Ontario's unemployment rate dropped from 8.9% in the second quarter of 2006 to the current 7.1%.

Northwestern Ontario labour force trends

	Second Quarter 2007	First Quarter 2007	Second Quarter 2006	Change		Year/Year Absolute	Year/Year %
				Quarter/Quarter Absolute	Quarter/Quarter %		
Population 15 +	176,200	176,500	177,300	-300	-0.2	-1,100	-0.6
Labour force	115,300	117,200	113,100	-1,900	-1.6	2,200	1.9
Employed	107,100	107,800	102,900	-700	-0.6	4,200	4.1
Full-time	82,100	82,600	80,900	-500	-0.6	1,200	1.5
Part-time	25,000	25,300	22,000	-300	-1.2	3,000	13.6
Unemployed	8,200	9,300	10,100	-1,100	-11.8	-1,900	-18.8
Not in labour force	60,900	59,300	64,200	1,600	2.7	-3,300	-5.1
Participation rate	65.4%	66.4%	63.8%	-1.0		1.6	
Unemployment rate	7.1%	7.9%	8.9%	-0.8		-1.8	
Employment rate	60.8%	61.1%	58.0%	-0.3		2.8	

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



LABOUR SUPPLY AND DEMAND

Employment Insurance Claimload

While the second quarter of 2007 saw the number of regular Employment Insurance claims in the Kenora/Dryden/Fort Frances area decrease by 23% over the first quarter, year-over-year totals experienced a slight increase. The number of male claimants was more than double the number of female claimants in this quarter, which is in line with the same time period in previous years. A lower claim load during April, May and June is not unusual and is reflective of the seasonal nature of employment throughout the area, especially in tourism and construction.

Regular Employment Insurance Claimants – Kenora, Dryden, Fort Frances and Surrounding Area

	April to June 2007	January to March 2007	April to June 2006
Male	1,772	2,211	1,655
Female	834	1,173	860
Total	2,606	3,399	2,515

Source: Service Canada administrative data (Average of month-end totals for the quarter)

Employment Opportunities

Historical trends continued during the second quarter of this year, with employment opportunities increasing significantly over the first quarter. The increase in vacancies reflects the demand for seasonal workers in the tourism and construction industries. As in past years, sales and service occupations represented the highest number of vacancies, followed by trades and transport and social science and education. There was little change in vacancy totals year-over-year

Employment Opportunities – Kenora, Dryden, Fort Frances and Surrounding Area

	April to June 2007	January to March 2007	April to June 2006
Occupations			
Total Vacancies	724	549	713
Management	53	55	52
Business/Administration	81	72	102
Natural & Applied Science	23	17	19
Health	57	49	49
Social Science and Education	104	95	102
Culture and Recreation	9	5	3
Sales and Service	272	189	265
Trades and Transport	107	58	110
Primary Industry	9	5	7
Manufacturing and Utilities	9	4	4

Source: National Job Bank and Newspaper Advertisements

Students to receive a 28% increase in wages

The Ontario government will raise the minimum wage for students by 28% over three years, starting March 31, 2008. The new minimum wage will apply to students under 18 years of age who work during school holidays or work no more than 28 hours per week during the school year. The current minimum wage for students is \$7.50 per hour. By the end of the three-year period, students will earn \$9.60 per hour. The current general minimum wage will also increase from the current rate of \$8.00 per hour to \$10.25 per hour over the three-year period.

Notes to Readers:

1. The **Kenora/Dryden/Fort Frances area labour market** is comprised of communities west and north of Thunder Bay extending to the Manitoba border and north of the Canada-United States border to Hudson's Bay.
2. For the purpose of this publication, the **Kenora/Dryden/Fort Frances area** includes all of the above communities, as well as, Minaki, Sioux Narrows, Ignace, Pickle Lake, Atikokan, Vermilion Bay, Ear Falls, Hudson, Nestor Falls, Emo, Devlin and numerous remote northern communities within the boundaries described above..
3. 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 **The Dryden Observer, Fort Frances Times and Rainy Lake Herald, Daily Miner and News, The Sioux Lookout Bulletin, Northern Ontario Business, Statistics Canada and Service Canada administrative data.**
4. **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.
5. **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.
6. 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>
7. 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>