

DÉVELOPPER LE FUTUR

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Société du développement
économique de Greenstone

Greenstone Economic
Development Corporation

DEVELOPING THE FUTURE

Greenstone Labour Market Study

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Prepared by:



SHS CONSULTING
POLICY • RESEARCH • COMMUNITY DEVELOPMENT

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1.0 Introduction

1.1 Purpose

This study has been conducted for the Greenstone Economic Development Corporation to assist in understanding any potential gaps that may exist between the future demand and current supply of labour within the region that could hinder potential investments from taking place within Greenstone.

The information provided in this report will assist in preparing the Greenstone Economic Development Corporation to respond to identified gaps in the market through strategies such as education and skills training, as well as worker attraction and retention. It will also act to further assist the Senior Business Consultants within the Ministry of Economic Development and Trade to better understand the underlying opportunities within the Greenstone region and present them to their potential client base.

1.2 Objectives

This study seeks to achieve the following objectives:

- To better understand the changing work and skills sets required by local industries
- To create a detailed community profile of supply and demand
- To prepare a current demand forecast
- To conduct a demographic and supply analysis
- To provide a knowledge of what barriers exist

1.3 Scope

This study covers the area serviced by the Greenstone Economic Development Corporation.

Figure 1: Map of Greenstone



Source: Municipality of Greenstone, 2009

The Municipality of Greenstone was created in 2001 from the amalgamation of the former communities of:

- Beardmore
- Caramat (physically separated)
- Geraldton
- Jellicoe
- Longlac
- Macdiarmid
- Nakina
- Orient Bay

The Greenstone region also encompasses a number of First Nations communities, including:

- Aroland First Nation
- Ginoogaming First Nation
- Lake Nipigon Ojibway First Nation
- Long Lake #58 First Nation
- Rocky Bay First Nation

The Municipality of Greenstone is part of the District of Thunder Bay, which is located in Northwestern Ontario.

Further, this study focuses on three key industrial sectors within the Municipality:

- Forestry
- Mining
- Construction

1.4 Methodology

The Greenstone Region Labour Market Study was conducted primarily through secondary research, using the eight recent economic and labour market studies and reports that were provided by the Greenstone Economic Development Corporation. Additional relevant studies, such as industry reports, were identified and reviewed to add to this understanding. Furthermore, follow up research by means of 11 telephone interviews with key contacts identified in these studies were also carried out to provide further insights for each sector.

The information gathered through these interviews was augmented through published sources of secondary data and qualitative research to create a full picture of labour market trends in Greenstone. Secondary sources of data include: Statistics Canada Community Profiles; industry association reports, local economic development reports, as well as relevant provincial and federal department materials.

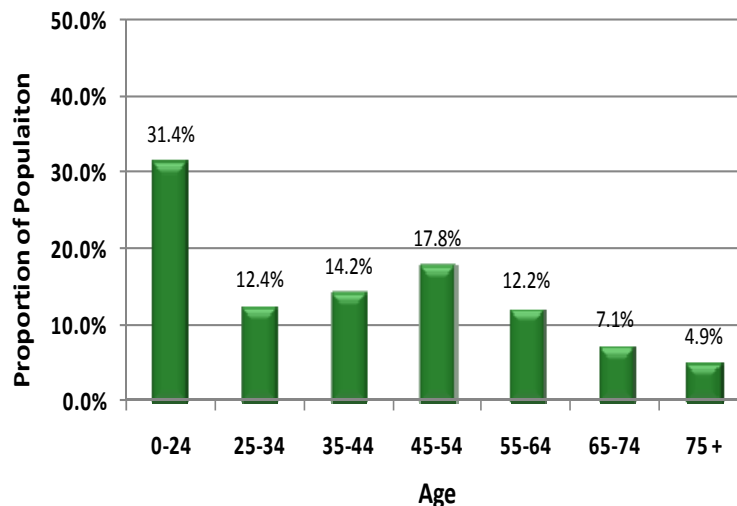
2.0 Community Profile

2.1 Demographic Profile

In 2006, the population of the Municipality of Greenstone was 4,906¹. Greenstone has seen a large population decrease (24.9%) since 1996. Slightly over half of the decrease (13.4%) took place between 2001 and 2006, suggesting a steady decline over the ten year period. By comparison, the District of Thunder Bay saw a decrease in population of 5.4% between 1996 and 2006. While there is a lack of population growth in Greenstone, the Aboriginal population has been growing quickly.

Over 75% of the population of Greenstone is under the age of 55. The age profile is almost identical to that of Ontario and relatively close to the Thunder Bay District, with the exception of Thunder Bay having a higher amount of seniors. While it does appear that there is a large population of those within working age, the labour force is actually shrinking due to large levels of out-migration of youth².

Figure 2: Population by Age: Greenstone, 2006



Source: Statistics Canada Community Profiles, 2006

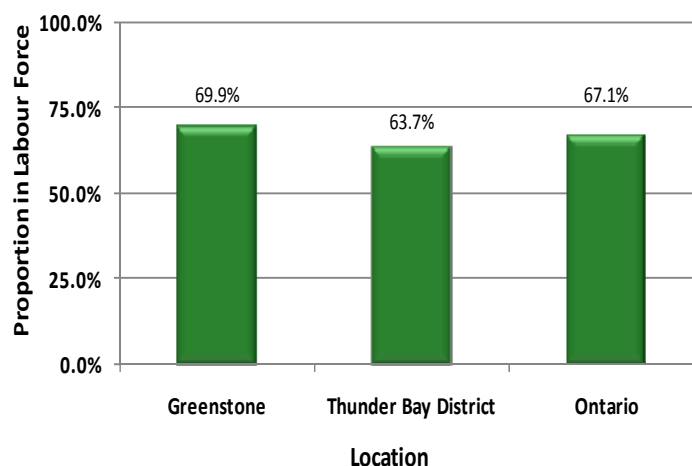
¹ Statistics Canada. (2009). *Socio-Economic Profile for the Geographic Area Serviced by the Greenstone Economic Development Corporation*.

² Ibid.

2.2 Labour Force Characteristics

The total amount of the population participating in the labour force is higher than both the provincial average (by 2.8%) and the district average (by 6.2%). This likely reflects the lower amount of seniors, and relatively high make up of the working age population.

Figure 3: Labour Force by Participation: Greenstone, Thunder Bay District and Ontario, 2006



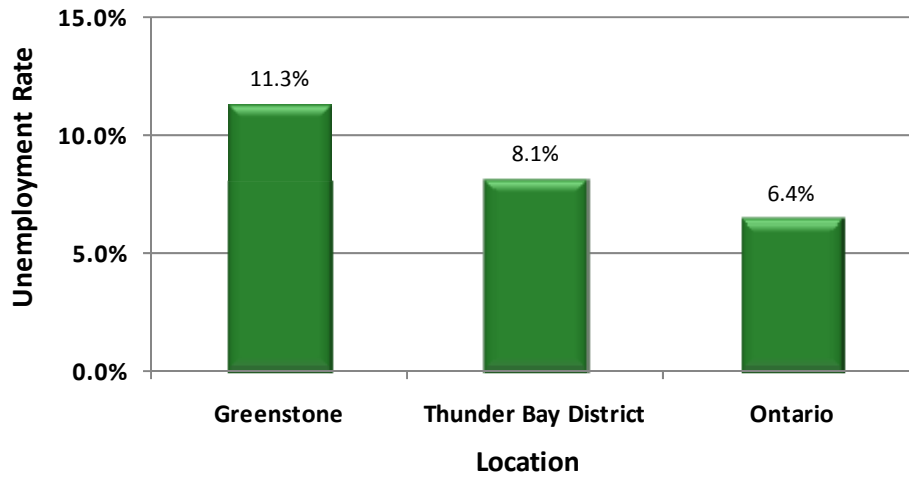
Source: Statistics Canada Community Profiles, 2006

Historically, the proportion of unemployed persons in Greenstone has been almost double that of Ontario, as the 2006 Census reported that 11.3% of the Greenstone population was unemployed at that time compared to the provincial average of 6.4%. Due to layoffs in the forestry industry, the unemployment rate in Greenstone is expected to be much higher today³. In fact, the forestry industry was responsible for 738 lay-offs over the past three years, which accounted for slightly over 27% of the Greenstone labour force. While the Thunder Bay District also had a higher amount of unemployment than the provincial average in 2006, this rate has actually declined. As of September 2010, the District of Thunder Bay's unemployment rate was 7.7%, which was lower than the provincial average⁴.

³ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Gap Analysis and Market Study Report: Northern Communities Investment Readiness Project, January, 2010.*

⁴ Service Canada. (2010). *Ontario Labour Market Bulletin - March 2010.* Retrieved from <http://www.servicecanada.gc.ca/eng/on/offices/2010/olmb.shtml>

Figure 4: Unemployment Rates: Greenstone, Thunder Bay District and Ontario, 2006



Source: Statistics Canada Community Profiles 2006

According to Statistics Canada (2006), 7.6% of the Greenstone population reported having post secondary education, compared to 24.6% in Ontario. Among 25-64 year olds with post secondary education, the two most frequent areas of study for men were architecture, engineering and related technologies; and personal, protective and transportation services. For females, it was business, management and public administration; and health, parks, recreation and fitness⁵.

⁵ Statistics Canada. (2009). *Socio-Economic Profile for the Geographic Area Served by the Greenstone Economic Development Corporation*

2.3 Economic Overview

2.3.1 Major Industries

The major industries in Greenstone include: trades, transport & equipment operators & related operations; occupations unique to primary industries; occupations unique to processing, manufacturing and utilities; and agriculture and resource-based industries and manufacturing⁶. Administration and health care positions have also seen an increased demand in the area. Additionally, social service occupations have increased due to the amount of laid off workers in the local economy.

According to the Thunder Bay District Labour Market Inventory prepared by SHS Consulting in 2009, Greenstone is home to eight former gold mines and continues to be explored for potential development. The municipality is generally comprised of diminished pulp and paper operations, and support of other northern communities through provision of food, fuel, and transportation services⁷.

Mineral Exploration and Mining

Currently, there are no mines in production in the Greenstone region; however, there is a lot of exploration. There is a significant opportunity for development in gold mining within the region, including the Geraldton-Beardmore Gold Camp which is currently being explored. Premier Gold Mine's Hardrock project, which currently overlies over 3.0 million ounces of gold, is currently not in production, but signifies potential in the near future. In addition, the area known as the Ring of Fire has vast deposits of metals, including platinum, palladium and most significantly, chromite. The Ring of Fire has been one of the most important developments in Canadian mining due to the huge deposits of precious metal in the area. This area is located in the James Bay lowlands, 300_{km} north of Greenstone⁸.

The mining industry will likely produce a large number of jobs for both initial construction and ongoing mining positions. Employment incomes in the industry

⁶ Statistics Canada. (2009). *Socio-Economic Profile for the Geographic Area Served by the Greenstone Economic Development Corporation*

⁷ North Superior Workforce Planning Board. (2009). *District of Thunder Bay Labour Market Inventory*

⁸ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Gap Analysis and Market Study Report: Northern Communities Investment Readiness Project, January, 2010.*

are very high, with the average Canadian mine employee earning \$85,000, with \$60,000 in pensions and benefits⁹.

Currently, there is a lot of exploration underway for mining in the area. There are approximately 20 openings for diamond drillers in the area with approximately 10 exploration companies. Even more are expected as exploration in the north grows, which has been echoed by local employer interviews. Further, it is expected that there is enough chromite in the Ring of Fire region to keep mines operating there for a hundred and fifty years¹⁰.

Forestry

While the Ontario mining industry is facing a future of high demand, the forestry industry has been on the decline. All four mills in Greenstone have been shut down, beginning in 2007 in Longlac. This has resulted in job losses for over 700 citizens who were previously employed by the forestry industry¹¹.

The forestry industry, worried about attention shifting primarily to mining, has been urging the government to continue to invest in forestry as opposed to simply adjusting to a new sector¹². Kenogami Industries is currently in the process of resuming production of the former Longlac Wood Industries Inc. in an effort to jump-start the forestry industry. To achieve this, they are currently seeking investors to help re-start the industry¹³. In addition, a new government initiative relating to the use of Crown wood supply may have an impact on the forestry industry in the area¹⁴, which is discussed in greater detail in section 3.

Construction

Construction is currently a large industry in Greenstone. Along with basic infrastructure construction, workers have also been needed to assist with providing services for exploration companies. Recently, more construction work

⁹ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Mining Strategy: Northern Communities Investment Readiness Project*, March 2010.

¹⁰ Lavoie, Edgar J. (January 2010). *Canada Chrome Railway Project*. Times Star. Retrieved from http://www.kwgresources.com/_resources/media/2010-Jan-Canada-Chrome-Railway.pdf

¹¹ Greenstone Labour Adjustment Committee. (2009). *Labour Market Information Report*, August 2009

¹² Precision Labour Focus (2008). *Transitioning Forestry Workers into Mining: A Look at Northern Ontario*.

¹³ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Gap Analysis and Market Study Report: Northern Communities Investment Readiness Project*, January, 2010.

¹⁴ Ibid.

has been added to the economy, as a section of Highway 11, east of Longlac, has been undergoing resurfacing by Pioneer Construction Inc. This has resulted in 40 new positions being created¹⁵.

The exploration of minerals has resulted, and will continue to result, in a need for construction workers. Once mining operations begin and expand, there will be an increasingly high need for labour within the construction industry. During the construction phase, approximately 80% of the costs would go directly into new construction activities that are primarily focused on the mine site¹⁶. Many companies will employ a large number of construction workers during the first phase, and will keep many of them on for continued work throughout the operation.

Before the mining operations begin, construction of a transportation corridor will be needed to provide the basic infrastructure for any future mining operations. The initial steps in the construction of a 350_{km} railway, which will link the Ring of Fire region to an existing CN Rail line near Nakina, have already taken place. The future construction of this railway would result in a high demand for construction workers. The northern aboriginal communities would need to first agree to this, and would likely enter into agreements requiring that many of their citizens be employed. However, those communities alone would likely not be able to fill all the labour that we be needed to construct the rail line.

Once the mining industry is in full operation, it is anticipated that there will be construction opportunities for new infrastructure required in the community to service new industries, businesses, services and residents. This will result in an anticipated overall higher demand for labour from local construction companies in the near future.

2.3.2 Economic Forecast

Due to the new mine operations anticipated in the Greenstone Region, it is estimated that the area may gain approximately \$21.5 million in purchased goods and services from the mining operations¹⁷. Further, it is anticipated that about half (\$50 million) of the operating budget of a mine would be spent locally on direct employment. If the Hardrock mine goes ahead as planned, there would be \$27 million put into the local economy. In addition, there are

¹⁵ Service Canada. (2010). *Ontario Labour Market Bulletin - March 2010*. Retrieved from <http://www.servicecanada.gc.ca/eng/on/offices/2010/olmb.shtml>

¹⁶ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Mining Strategy: Northern Communities Investment Readiness Project, March 2010*.

¹⁷ Ibid.

many other gold mines currently in exploration phases that also expect to hire in the future, although they are currently unsure of when and how many workers will be needed.

Economic opportunities during the exploration phase are limited, as much of the work that is done during this phase is carried out by specialists (such as geologists). As the projects become more advanced, there will be opportunities generated by resource exploration for a number of businesses¹⁸.

The majority of jobs created for the local community would begin during the construction phase. During the Ring of Fire construction, it is estimated that 2,200 jobs would be created, which includes the building of a railroad from the Greenstone area to the Ring of Fire site. About 820 of these jobs would continue as ongoing jobs for mine operations. The majority of the jobs (approximately 65%) would be close to the mine site. In addition to this, it is estimated that there would be 2,460 indirect jobs created by the economic activity¹⁹. If the Hardrock mine goes forward as planned, there could be as many as 534 jobs created locally²⁰.

It can be anticipated that there would also be indirect and induced jobs created as a result of the goods and services purchased by the mine operations and the household expenditures of mining employees²¹. The expenditures from both the mine companies and mine employees would benefit all business within the region.

Supply and Demand Forecast

The current supply of labour within Greenstone is much greater than the demand. With the recent forestry layoffs, and the mines not yet in operating stages, there are limited opportunities for employment in the area. This leaves a large available supply of labour, with many of that supply consisting of laid-off forestry workers, who may already have skills that are transferable to many other positions. However, the supply of those meeting entry level requirements for many positions is a concern with those interviewed, resulting in a lower supply of qualified labour at the current time. There are many exploration companies in the area; however, many require specialized workers, such as geologists, but this will not apply to the majority of the labour force within Greenstone.

¹⁸ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Mining Strategy: Northern Communities Investment Readiness Project, March 2010.*

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

The vast exploration of the gold mines within Greenstone, and the Ring of Fire to the north, shows great potential for future economic opportunities. Since this is currently only in the exploration phase, realistic employment projects are difficult to formulate, and therefore, an accurate amount of demand for the mining industry cannot be created at this time. However, interviews conducted with several local companies have echoed that the mining operations are expected to begin within the next 3-5 years, with many interviewees suggesting that the demand for employment should well exceed the current supply within Greenstone. In fact, one article projected that the entire Ring of Fire project would create 4,500 direct jobs, as well as result in a great amount of spinoff employment²². Interviews with local industries have also confirmed the future employment opportunities relating to the mining industry. A few local junior exploration companies are suggesting initial employment projections of 125-200 positions, which do not include service and administrative staff.

²² Ross, Ian. (December 23, 2009). *Ring of Fire Mine, Railway, Will Change Lives*. Northern Ontario Business. Retrieved from <http://www.northernontariobusiness.com/Industry-News/mining/Ring-of-Fire-mine,-railway--will-change-lives-320.aspx>.

3.0 Opportunities and Barriers

3.1 Forestry

Forestry has played a crucial role in Greenstone's economy for a number of years; however, all the lumber mills within Greenstone have been closed, leaving workers with an indefinite lay-off status which is a major barrier to the sustainability of the local economy. This has resulted in many skilled forestry workers leaving the region as a result of the forestry industry shutdown²³, as well as left many unemployed within the region. Generally, the workers staying within the region are applying for a variety of positions within the area and are willing to transition to other employment.

As a resource-based industry, forestry can add to vulnerability in the community if demand is low, and workers become unemployed. Like much of Northern Ontario, depending on natural resources makes Greenstone highly at risk to resource depletion, world-commodity prices as well as corporate and government policy changes. These resource industries are also often characterized by boom and bust cycles, offering further instability to the community, as seen in the recent lay-offs. This barrier should also be considered when creating economic development strategies for the future with regards to mining operations.

There may be some opportunities to re-start and grow the forestry industry in the future. The Ontario Ministry of Northern Development, Mines and Forests recently announced proposed changes to the way in which wood resources will be administered in Ontario, through *Ontario's Forest Tenure and Pricing System*. This competitive process, open to anyone, including new and existing forest companies, allows companies to submit a proposal to be evaluated on a number of criteria. This opens up new opportunities for the use of large amounts of wood that is currently controlled by businesses no longer in production.

This new system is part of the government's five year plan to create jobs and economic opportunities in Northern Ontario²⁴. It is expected to be more responsive to market prices by generating competition in pricing and allocation of crown timber, improving access to crown lumber, and establishing an

²³ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Gap Analysis and Market Study Report: Northern Communities Investment Readiness Project, January, 2010.*

²⁴ Ministry of Northern Development, Mines and Forestry. (2010). *Ontario's Forests, Ontario's Future: A Proposed Framework to Modernize Ontario's Forest Tenure and Pricing System.*

improved revenue model that ensures sustainable forest management and encourages investments in future forests and accommodates economic cycles²⁵. It should be encouraged to use this opportunity for continued investment within the forestry industry, as it can help to protect the future viability of the community, rather than just relying on one resource.

3.2 Mining

As noted earlier, the mining industry offers many potential economic opportunities for Greenstone. This includes providing many local direct and indirect jobs, as well as investments, and new business to the area. The gold mining industry and the Ring of Fire together represent the largest opportunity for development in Greenstone. Overall, this development can aid in providing employment for many residents of Greenstone, attract new development and services, develop new economic development strategies, and promote growth and tourism.

The opportunity for employment is the greatest asset of the industry, as newly created jobs can help counter rising unemployment created by other declining industries. This has resulted in a large supply of labour to meet the demands of the mining companies, as well as their contractors, who are considering new projects in the area²⁶. Many of the unemployed workers in the area are already familiar with the type of work and hours that would be offered at the mine (i.e. shift work) and would likely be willing to move into the mining industry. Developing and offering training programs for those with some experience in another sector, could help to attract and prepare the workers that are already in the area seeking employment²⁷. Employers in construction and mining agree that forestry workers would be a natural fit for many positions.

Presently, the opportunities in this field are centered on exploration. While much of this is done by highly specialized workers, there are many long-term jobs available for people willing to complete some training, such as Diamond Driller Helpers. Education is available for this position through an 8 week course that can be taken through Confederation College's satellite campus in Geraldton. These positions are seen as long term opportunities (minimum of 10 years to maximum of over 30 years), employing 20-50 people, although the scale of the opportunity could exceed that.

²⁵ Ministry of Northern Development, Mines and Forestry. (2010). *Ontario's Forests, Ontario's Future: A Proposed Framework to Modernize Ontario's Forest Tenure and Pricing System*.

²⁶ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Gap Analysis and Market Study Report: Northern Communities Investment Readiness Project, January, 2010*.

²⁷ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Mining Strategy: Northern Communities Investment Readiness Project, March 2010*.

While the mining industry presents numerous economic opportunities for Greenstone, there are several barriers as well.

One barrier is the misconception around mining among many young people. They often tend to think of the mining industry as offering positions that involve a high degree of labour and are dirty and difficult. They also may have a limited awareness as to the advances in modern mining and the occupational opportunities available in the mining industry²⁸. Additionally, the number of people enrolling in mining-related post-secondary education is far below the industrial demand. Further, the mining industry is unable to use Statistics Canada's Expanded Student Information System to obtain enrolment and graduation data specific to labour supply positions, such as technologists, that are needed in the industry²⁹.

There is also an issue when it comes to finding educated and trained people for the mining industry. As with ongoing mining operation positions, the exploration boom is suffering from a lack of trained experts in the industry, from geologists, to diamond drillers and geophysicists³⁰. This issue is further discussed in the following section.

Another barrier to the mining industry is that Greenstone does not have any direct control over any key decisions that are made within the mining industry. However, the mining companies are required to hold consultations in the local and aboriginal communities which will give the communities some input into the industry operations. A key concern for the local communities would likely be obtaining a commitment from the companies for employment for the residents. As there would already be many residents there with similar skills, this is not anticipated to be a problem. There are currently existing employers in Greenstone that have built this into their contracts as well.

Another concern, which has been confirmed through multiple interviews, is that there is no guarantee that gold prices will remain high, and if they fall, it would likely impact the future development of the industry³¹. Since gold is a commodity, the price will fluctuate; however, in the long run the prices are likely to remain high. However, if the price of gold does drop below \$950 per ounce, many projects will be unable to continue their operations until the commodity price rises up and stabilizes.

²⁸ Mining Industry Human Resources Council. (2007). *Mining Labour Market Transition Project Final Report*.

²⁹ Ibid.

³⁰ Precision Labour Focus (2008). *Transitioning Forestry Workers into Mining: A Look at Northern Ontario*.

³¹ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Mining Strategy: Northern Communities Investment Readiness Project, March 2010*.

3.3 Education and Training

Due to rising unemployment rates in Greenstone, it has been identified through literature and interviews that workers may often need assistance to re-enter the workforce and explore further education and training opportunities³². Education and training will be needed to provide unemployed workers with the skills they may currently not have to transition to other industries. The skills that are taught should also focus on known gaps within the community. For example, the Labour Market Survey, conducted by the Greenstone Labour Market Adjustment Committee in 2009, identified that the following skills were missing from the current workforce: problem solving skills, inability to follow instructions, showing initiative, and adaptability/flexibility. Also, many workers who have worked in labour based occupations require training in basic computer skills to aid them in their job search and in acquiring new training that requires computer literacy³³. These known gaps should be a priority to fill.

For the mining industry in particular, there are many barriers that exist within the available workforce in Greenstone. Generally, mining companies prefer or expect a high school diploma, yet many older workers only have up to their grade 10 level of education³⁴. Interviews done with local employers and organizations have expressed concern over the high number of residents that do not have a high school diploma, and additionally, have mentioned concern over low literacy rates among many citizens. Additionally, many mining industry employers want trained and experienced miners, especially for underground mines. According to several interviews with local organizations, many employees in the forestry industry were not encouraged to obtain their general education diploma or official licenses despite years of experience. This has caused a problem for many workers, as many employers will not hire skilled trade workers without these designations³⁵. A few of the interviews conducted with local employers and service agencies have mentioned the need for training within the community that is specific to the mining industry, although it is recommended that doesn't begin until confirmation from the mining companies that their operations will begin.

While there are many barriers relating to education and training in Greenstone, future opportunities are also available for many of the unemployed residents in

³² Greenstone Labour Adjustment Committee. (2009). *Improving Access to our Public Services and Programs Workshops, Report from Workshops held on November 24th and 25th, 2009*

³³ Precision Labour Focus (2008). *Transitioning Forestry Workers into Mining: A Look at Northern Ontario*

³⁴ Ibid.

³⁵ Ibid.

Greenstone to receive training and educational opportunities in a new sector. An example of this is the one-time funding that was provided through the Ministry of Training Colleges & Universities (MTCU). The funding resulted in 11 training opportunities provided for affected workers seeking up-grading/training. The courses included: diamond driller helper, general education diploma, basic computer courses, and a forest firefighter course. Additionally, in March of 2008, Confederation College, based in Thunder Bay, held a surface diamond-driller program for 47 students, at a cost of \$10,000 per student, funded through the Adjustment Advisory Program under the MTCU³⁶.

Confederation College also offers an Academic Career Entrance Program for those who do not have a high school diploma to be able to obtain more studies or gain full-time employment. This academic upgrading is offered year-round and is free of cost. It can be accessed online as well, so Greenstone citizens do not need to go to Thunder Bay to receive upgrading³⁷. Confederation College also has many satellite campuses through the Thunder Bay District, including one in Geraldton. There are many programs available to people at the Geraldton campus, including business diplomas and certificates, developmental services worker diploma, pre-health sciences certificate, native and family services diploma, as well as an 8 week surface diamond driller helper program and a 12 week welding program.

Interviews with local service organizations have indicated that many citizens, especially the unemployed and youth, have been interested in upgrading their education. Many unemployed workers have been seeking opportunities to train for a new field or update their skills to be competitive in a job search.

While there are many educational and training opportunities that can be accessed within the Thunder Bay District for Greenstone residents, there are also a few barriers. Many of the programs, unless funded through another program, would come at a cost to people, who may not be able to afford the extra expense, especially if they have recently been laid off. Also, there may be large transportation and accommodation costs if they need to go out of town to receive this training. While distance education may be available for some programs, not all residents have access to a personal computer or the computer knowledge needed to receive education in an online format.

³⁶ Precision Labour Focus (2008). *Transitioning Forestry Workers into Mining: A Look at Northern Ontario*

³⁷ Greenstone Labour Adjustment Committee. (2009). *Improving Access to our Public Services and Programs Workshops, Report from Workshops held on November 24th and 25th, 2009*

3.4 Employment

The addition of several mines to the area would provide many additional direct, indirect and induced jobs to Greenstone that could be filled by the citizens currently residing there and in need of work. There has also been an indication that many staff will be retiring in the next 5 years, including those in trades, office administration, social workers, nurses, geologists, heavy equipment operators, and truck operators³⁸. Replacements for retired staff will be required, along with staff to fill the new industry-created positions.

The declining industries in Greenstone may be able to provide the mining industry with new recruits. In the forestry industry, the basic skills are similar to mining, and easily transferable to new positions³⁹. As forestry workers tend to transition easily into above-ground mines, less training would likely be required for them⁴⁰. Forestry workers often have good mechanical aptitudes, good work ethics, many years of work experience, and similar sets of skills that would make their willingness to work in a mine environment even greater. Further, because many of the forestry workers already live in the area, they would not need to relocate, which is often a challenge for many workers in small one-industry towns, as they cannot sell their homes and find relocating difficult. Interviews conducted with local employers confirmed that forestry workers would likely be a good fit for many construction and mining positions. However, according to interviews with local employers and organizations, many of the forestry workers would more often be suited for construction employment than more specific mining occupations. This indicates that additional training would be needed to obtain a more industry specific job, such a Diamond Driller Helper.

Another avenue for future employment could stem from the findings of the recently launched 3D modelling project, *Stake a Claim Where the Past Meets the Future*, by the Greenstone Economic Development Corporation. The project involves compiling all of the mining sites across an area to be digitized to many usable formats including 3D models, which will ultimately help to encourage new exploration in existing and new sites. This project could result in new areas of employment for many laid-off forestry workers with similar skills to learn new employment skills in data mapping. In addition, it is also

³⁸ Greenstone Labour Adjustment Committee. (2009). *Labour Market Information Report, August 2009*

³⁹ Mining Industry Human Resources Council. (2007). *Mining Labour Market Transition Project Final Report*.

⁴⁰ Precision Labour Focus (2008). *Transitioning Forestry Workers into Mining: A Look at Northern Ontario*.

anticipated that this project could drive further mining exploration into the area⁴¹.

A strong employment agency within Greenstone, MTW Employment Services, has taken a lead in offering resume collection and job matching to major companies. With four offices, one in Geraldton and one in Longlac, and a satellite office in each of Beardmore and Nakina, they serve much of the population. The Thunderbird Friendship Centre offers services that are similar to MTW Employment Services, but with a focus on the aboriginal population. The organization plays a large role in connecting aboriginal people with employment and training opportunities within the community and beyond. The organization has been very successful in encouraging youth to obtain post-secondary education, as well as assisting citizens in obtaining their GED. These types of agencies act as a major resource within the communities, as it serves existing residents, while also providing services to new industries.

While an employment service exists in the area, many local businesses have indicated that they do not require the use of the service to advertise for available positions, as they receive applications for positions on a constant basis to their office, and are often able to fill vacant positions from that without any advertising.

While there are many potential employment opportunities for Greenstone, barriers still exist. Many of the older laid-off forestry workers are not interested in underground mining, as they are focused on soon retiring, and therefore, do not want to start a new career in a different industry. Also, for many transitioning workers, the new employment would likely mean an income decrease as the years spent in skill development may not transfer well to another industry⁴². In addition, interviews with local employers and service agencies expressed concern over youth outmigration. The majority of youth seeking post-secondary education need to leave the Greenstone area to receive it, and often does not return as opportunities often become available for them in their new location.

Another major barrier to the potential employment opportunities is the uncertainty surrounding them. Since most of the mining industry is still early in the exploration phase, realistic projections cannot determine how much employment will be available in the future. For the time being, employment in Greenstone will continue to face many challenges.

⁴¹ North Superior Workforce Planning Board. (2009). *Building a Superior Workforce: 2009-2012 Labour Market Action Plan*.

⁴² Precision Labour Focus (2008). *Transitioning Forestry Workers into Mining: A Look at Northern Ontario*

3.5 Infrastructure and Services

Greenstone is accessible by air and road transportation which can be attractive to businesses, which can be an advantage over many neighbouring communities. There are two airports in Greenstone: the Greenstone Regional Airport, in Geraldton and the R. Elmer Ruddick airport, in Nakina. The Geraldton airport has day to day air traffic, including medical flights, MNR fire detecting and fire control flights, as well as private operator flights. There is a plan to expand the Commercial Airside Development next to the Greenstone Airport⁴³. The Nakina airport provides for recreational and commercial flights including air service to the remote northern regions. The Nakina Airport has been experiencing new business which is expected to intensify as requirements for workers and materials increase⁴⁴. The nearest International Airport is the Thunder Bay International Airport.

Steps need to be taken to address the Nakina Airport runway length and add to the fuel storage capacity on site. Failure to invest in the Nakina Airport will impede growth in air services, forcing the use of alternate airports outside the region⁴⁵. Having a reliable and adequate airport in Greenstone is necessary to compete with Thunder Bay, in terms of business and labour force workers. Because the future employment in the Ring of Fire would likely operate as a fly-in operation, workers could be transported from the Thunder Bay airport as well. To encourage business and the workforce to be located in Greenstone, having a reliable airport is necessary.

The service industry faces a few barriers as well. The hotel accommodations in both Geraldton and Longlac are aging, with the exception of the Four Winds Motel in Longlac which undertook significant expansions (13 and 20 additional rooms respectively) in 1997 and 2006. This can cause several issues for those needing only temporary accommodation in Greenstone. It also does not present a strong economic community to those visiting for future investment opportunities. In addition, present and future employers note the need for more supply services in the area. Currently, many supplies for mining operations are brought in from Thunder Bay. Through the interviews conducted with local employers, it was confirmed that having more suppliers related to mining and construction operations, especially geological supplies, in Greenstone would be beneficial.

⁴³ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Mining Strategy: Northern Communities Investment Readiness Project*, March 2010.

⁴⁴ *Ibid.*

⁴⁵ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Gap Analysis and Market Study Report: Northern Communities Investment Readiness Project*, January, 2010.

Infrastructure plays an essential role in community economic development strategies, especially relating to resource development. It is important that everything is well maintained, as infrastructure is a key factor in attracting new investment. This ensures that workers can move to and from an area, and that the transportation of construction materials can be moved in, and primary products can be moved out.

New development will likely create an increased demand on the sewage system. In fact, Geraldton and Longlac are already experiencing maximum flows in the sewage treatment plants. Until this has been resolved, there is a possibility that there could be a halt to all new development until the area can be properly serviced.

A potential opportunity is that the Trans Canada Pipeline (which provides natural gas) runs along the Hwy 11 right of way and passes through the entire community. The property taxes by this pipeline account for 52% of the revenues of the Municipality of Greenstone. This also means that natural gas is available as a fuel source in the community, which gives it a competitive advantage over many regions of Northern Ontario⁴⁶.

3.6 New Business Opportunities

Currently, businesses and services in the area do not generate new economic activity; they merely serve the demand that already exists. The hunting and fishing market is slow due to economic conditions, the exchange rate and the increasing difficulties Americans have travelling outside their own country. However, as access to the north is improved as a result of the development of the Ring of Fire, additional business may develop to serve the area. The return of the gold mines and the new opportunities developed by the Ring of Fire will stimulate economic activity in Greenstone. This will help to stimulate growth in a wide range of personal and business services, in addition to businesses serving the primary industries.

There will be increased demand for the service sector, including accommodations and food and beverage services in the region with the increased activity in the mining sector. Additionally, new opportunities would be created for businesses specializing in finance, business services, legal and accounting services, and technical services in the region⁴⁷. New activity will

⁴⁶ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Gap Analysis and Market Study Report: Northern Communities Investment Readiness Project*, January, 2010.

⁴⁷ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Mining Strategy: Northern Communities Investment Readiness Project*, March 2010.

create demand for new updated accommodations. Employment lands are available, as well as an available workforce to sustain these positions.

In addition, and perhaps of notable interest, is that there is an opportunity to try and negotiate a refinery in Greenstone for processing chromite ores, which would help to create additional jobs. The Ontario Mining Act states that the processing of minerals mined in Ontario must take place in Canada. The province should be demanding that the refining be done in Ontario, which is something that Greenstone can help to lobby for. The challenge is that energy is a huge cost for refineries, which is something that Ontario does not provide as inexpensively as other provinces. Since mining chromite in the Ring of Fire has yet to commence, the decision on where to put the refinery is months or even years away, so there is time to put a plan into action. Greenstone could consider making its own power, using suitable hydro on its land or natural gas, to help with more affordable energy.

3.7 Attraction and Retention

Residents

The Municipality of Greenstone has a large supply of affordable housing available⁴⁸, which may be helpful in attracting new workers to the area. The affordable prices also have resulted in a very high level of home ownership in the area. In addition to the large supply of affordable housing, there are also many building lots available as well, especially in Geraldton⁴⁹.

While the housing stock provides a good opportunity to attract residents, it can also serve as a barrier to existing residents. It can often be difficult to sell houses in the area, which makes it difficult for workers to relocate, as they would have to walk away from their investments⁵⁰. In addition, many of the houses in the area are aging, with more than 97% of houses built more than 20 years ago. With the recent forestry layoffs, there are many vacant homes and stores, which have resulted in property values being extremely depressed.

There are many inadequacies in transportation services for the Greenstone citizens who need to travel across the area for various services, and do not have access to, or are unable to drive, a personal vehicle. There are a few medical vans available to assist people to medical appointments but little

⁴⁸ Matthew Fisher & Associates, Inc. (2010). *Greenstone Region Gap Analysis and Market Study Report: Northern Communities Investment Readiness Project, January, 2010.*

⁴⁹ Ibid.

⁵⁰ Precision Labour Focus (2008). *Transitioning Forestry Workers into Mining: A Look at Northern Ontario.*

beyond that. There is also a limited passenger rail service available. This is provided by Via Rail, which has pick-up and drop-off locations in Longlac and Nakina.

Greenstone does have many services that can act to attract people to the community. The Geraldton District Hospital provides medical services to the community, as well as providing links to other health and social agencies within Greenstone. There are 4 medical clinics, 2 dental offices, and a public health unit in the municipality. In addition, there is also emergency service, mental illness support groups, an addiction treatment centre, and a community care access centre.

Greenstone has 3 high schools and 14 elementary schools which are a mix of public, catholic and French. There are also 4 libraries, located in Geraldton, Longlac, Beadmore and Nakina. Residents within the urban areas have access to fibre/broadband, although it is not available in all of the rural areas to date.

Due to its location, residents of Greenstone have access to a variety of outdoor activities. Residents enjoy hunting, fishing, water activities and snowmobiling.

Business

The cost of transportation is a major barrier to attracting business in Greenstone. Its location is a significant distance from an International airport or major population centre⁵¹. This may potentially be a disincentive for businesses, as they will not have a large population to serve, and will also likely have more difficulty getting access to supplies that they will need to run their business.

Business competition will continue to exist with surrounding Northwestern Ontario communities, specifically Thunder Bay. Thunder Bay acts as a service centre, having good communication and transportation links with other major centres. To be competitive, Greenstone will need to make sure the airports are equipped to handle increased air traffic so that it does not all go to Thunder Bay. Careful attention must be paid to ensure offering residents and businesses alike a competitive advantage of living and/or doing business in Greenstone over other Northwestern Ontario communities.

⁵¹ Precision Labour Focus (2008). *Transitioning Forestry Workers into Mining: A Look at Northern Ontario*.

4.0 Recommended Actions

The following presents a list of recommended actions that should be considered by the Greenstone Economic Development Corporation when creating future economic development strategies, and to assist in preparing the community for any future opportunities relating to new industry growth that will affect Greenstone.

Objective 1: Target Opportunities in High Growth Sectors		
Actions	Potential Partners	Potential Funding Source(s) (if applicable)
1. Initiate discussions with growing industries to determine what the employment and infrastructure needs are within the community.	Greenstone Economic Development Corporation (GEDC); Municipality of Greenstone; Local industry leaders; Local business organizations; Local Employment Agencies.	Employment Ontario offers Ontario Labour Market Partnerships funding to partnerships created amongst employers, employment associations and community organizations that address labour market issues, including emerging industries.

<p>2. Develop a long term strategy that focuses on businesses that complement the potential industry's strengths. Emphasis should be placed on the development of an investment attraction campaign aimed to small scale niche businesses that can fill existing gaps.</p>	<p>GEDC; Municipality of Greenstone; Local businesses</p>	
<p>Objective 2: Ensure a Supportive and Holistic Business Environment</p>		
<p>Actions</p>	<p>Potential Partners</p>	<p>Potential Funding Source(s) (if applicable)</p>
<p>1. Support the development of an industry advisory committee or council to provide information to GEDC about sector wide and individual business needs, including local skills gaps and research, as well as infrastructure needs</p>	<p>GEDC; Local and regional business networks; Local labour boards</p>	
<p>2. Partner with local business support organizations to promote available services, programs and access to funding for small businesses and entrepreneurs who will service the high growth sectors and subsequent labour force</p>	<p>GEDC; Local labour or business organizations</p>	<p>NOHFC provides funding to residents of Northern Ontario wishing to start their own business, of up to \$125,000, as long as the business results in job creation for the community</p>

Objective 3: Develop a Marketing and Branding Strategy to Attract Business, Investment, Jobs, Residents and Tourists

Actions	Potential Partners	Potential Funding Source(s) (if applicable)
<p>1. Ensure that marketing and branding of the municipality is used in future economic development materials with a strong emphasis on the City's attractive local assets, quality of place, and the strengths of doing business in the community.</p>	<p>GEDC; Municipal departments; Chamber of Commerce</p>	
<p>2. Develop a marketing strategy to recruit businesses that may be needed to service the area in the event of a growing population.</p>	<p>Multi-national companies with a significant local presence; GEDC; Municipality of Greenstone</p>	

Objective 4: Promote Opportunities for Education and Training to Support Economic Impact		
Actions	Potential Partners	Potential Funding Source(s) (if applicable)
<p>1. Support access to funding initiatives for education and training to support the economic impact within the community</p>	<p>Local Training Boards; Local School Boards; Regional Post-Secondary Educational Institutions; GEDC; Local employment and training organizations</p>	<p>The Ministry of Training, Colleges and Universities offers various funding opportunities, including "Second Career".</p> <p>The Adjustment Advisory Program offers advisory and financial assistance to help: employees deal with being laid-off; communities anticipate and manage labour market changes; organizations facing changes; industrial sectors stay competitive.</p>

<p>2. Encourage local student employment by promoting opportunities for co-op and internship positions with local businesses</p>	<p>Local Training Boards; Local School Boards; Local businesses</p>	<p>Funding may be available through NOHFC for co-op students (up to \$6/hour) and internships (up to \$27,500 yearly)</p>
<p>3. Work with local education boards to address gaps in emerging disciplines that support the growing industries. Also, work to ensure that older workers are assisted in getting their high school diploma so that will not be a barrier to future employment.</p>	<p>Local School Boards; Ontario Ministry of Education; Regional Post-Secondary Education Facilities; Ontario Ministry of Training, Colleges and Universities</p>	<p>Employment Ontario offers the Sector Initiatives Fund to help industries and organizations develop training programs for their workforce.</p>

Objective 5: Ensure that Communication Strategies are in place for Employment Assistance and Opportunities		
Actions	Potential Partners	Potential Funding Source(s) (if applicable)
1. Ensure that all resources pertaining to labour statistics, available employment, employment assistance and other supports, are consolidated and made available to those in need of the information	Local businesses; GEDC; Local employment agencies; Municipality of Greenstone	
2. Prepare a communication strategy for youth and laid-off workers both in Greenstone and surrounding areas on the careers that will become available with the mining industry.	Local employment service agencies, GEDC, Municipality of Greenstone	Employment Ontario offers Ontario Labour Market Partnerships funding to partnerships created amongst employers, employment associations and community organizations that address a labour market issues, including emerging industries

Objective 6: Make Necessary Investments to Improve Infrastructure		
Actions	Potential Partners	Potential Funding Source(s)(if applicable)
<p>1. Invest in necessary infrastructure improvements to allow development to take place easily; provide reliable infrastructure to attract investors and build a thriving community</p>	<p>Municipality of Greenstone; Local businesses; Federal government and other related government agencies</p>	<p>The Northern Ontario Heritage Funds Infrastructure and Community Development Program (NOHFC) can provide funding for eligible projects that are essential and necessary for job creation in the north.</p> <p>The Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF) can assist with infrastructure investments in small urban centres and rural areas.</p>

5.0 Conclusions

The economy within Greenstone will likely not see many significant changes for a few years yet, so it will likely continue to remain depressed, as there are limited opportunities for new employment in the area. However, the discovery of the Ring of Fire north of Greenstone, and the continued exploration for gold within the Geraldton-Beardmore Camp, provide a strong suggestion that a prosperous future is soon within reach. Due to this, communities need to begin planning today to strategize to provide the services and supports that will be required by the mining operations. The Greenstone Economic Development Corporation should take a lead in bringing together the municipality, community organizations, businesses and services to begin to prepare for the future of Greenstone Region.

The mining industry holds an optimistic future, and while operations have yet to begin, high rates of future employment is expected. Interviews with local employers have allowed for some initial estimates in future employment opportunities. One interview stated that at 5,000 tonnes per day of operation, there would be employment for 125 people in direct jobs while another interview stated that a 2,500 tonnes per day operation in the gold sector would create employment for 200 people directly. There would also be additional indirect jobs related to services and administration that would be created from this activity. Additionally, numerous articles written on the Ring of Fire have suggested that there may be up to 4,500 direct positions created for the entire industry. The exploration has already provided employment for many people in the area, and according to interviews with employers and service agencies; employees tend to be doing well and are content with these positions. Since the operations are likely to be at least 5 years away, there is much difficulty in forecasting exact numbers, and with new areas constantly being explored, there can be optimism that the economic gains will increase even further.

Before the planning begins, consideration needs to be made of the fact that a lot of work needs to be done before the mines are ready. Feasibility studies will still need to be carried out by the major companies, as there will be huge costs involved in operating in the Ring of Fire area. Greenstone should wait to be certain of developments within the industry before taking extensive measures to prepare for them.

This report has described the labour market characteristics, trends and conditions in the Municipality of Greenstone. This information will assist employers, the labour force, planning agencies, economic development organizations, government bodies and other stakeholders in forecasting the future occupational and training needs and making informed

decisions regarding program development and planning. The information will also enable the Greenstone Economic Development agency to better understand and explore the employment options to help ensure that the Greenstone labour force will be ready to effectively participate in the future economy.

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7.0 List of Interviewees

Name	Organization
Cheryl Lesperance	Goldstone Resources
Gordon Milliard	Millwright Regional Council of Ontario
James Kennedy	Errington Timbr-Mart
Jim Mungall	Noront Resources Ltd
Johanna Liscomb	Cloutier Contracting
Marla Michel	Thunderbird Friendship Centre
M.J. (Moe) Lavigne	KWG - Canada Chrome Corporation
Pamela Currie	MTW Employment Services
Suzanne Lafrance	Ontario Ministry of Training, Colleges and Universities
Terry Anderson	Contact North
Tim Twomey	Premier Gold Mines